

Lord Of The Files

By Alun Morris. Originally published on The Motley Fool UK October 2007

"I can think of nothing more vital for growth...[than a] journal in which to record discoveries, painful lessons and targets of new opportunity. Much of what you discover will not be new, for others have walked the path before you. But the discoveries you make and record, even if not new, are the ones that carry the force of revelation, and the lessons you learn for yourself are the ones that stick with you most.." John Vorhaus

John Vorhaus? Not an investment giant that you've heard of, I'm sure. That's because he's talking about *poker*. What applies to hearts and spades is doubly true for shares and trades.

Keeping a daily record of my share research and trading came naturally to me. As an engineer I kept a daybook for every project. When something went wrong I measured it and recorded it. When something went right, guess what, I measured it and recorded it. I wrote down why I changed a 74LS174 chip to a 74F174, advice I got on the 'phone, delivery dates -- anything that was possibly forgettable. I didn't know whether I'd ever go back to read any particular number or sentence again but I knew that if I did I'd save ten or a hundred times the effort that it took me to write it down in the first place. Throwing away good data and consequently wasting time later drives me nuts.

I've been keeping investing notes since 2001 and instead of the hardbound A4 notebook I went paperless. If you spent as much time nicking other people's best ideas as I do, you wouldn't want to write out their nuggets in longhand when Mr Copy and Dr Paste are a click away.

A custom database would have been ideal but I didn't know how to do that. An Excel spreadsheet was the Good Enough solution and had the bonus of being able to do hard sums in the margins. This [template](#) will get you started.

I type notes in chronological order, one row per entry. Here's an entry for **Clinton Cards** [LSE:CC] from last year:

12-Jan-06	Clinton Cards	64.5	-11.5 on profits warning. F/C £14.1m and 4.7p, so £7m is about 2.3p. I think they will recover but wait for sign before buying. Net debt £103m. EVSR at 64.5p = (£133.5m + 103m)/£460m = 0.51. Not v cheap. Hit 70p.
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Don't worry about the acronyms. You'll develop your own shorthand. All buys and sells I enter in bold to make them easy to find. When I want to see all the entries for a particular share I choose it from the pick list at the top of the *company* column. The template also has *holdings* and *formulae* worksheets.

After a few years your scribblings may not rival a da Vinci Codex as a distillation of beauty and greatness but it could easily give you the extra bit of power you need to push ahead of the pack.