

Sizing up a CEO:

Sizing up a CEO doesn't take special access, psychological tests or FBI background checks.

If an investor listens and watches carefully, people give themselves away.

What have they said and did they follow through?

How often do they communicate? When they do, is it technical jargon and double speak or are they a straight shooter?

Do they set realistic expectations and tell investors bad things they don't have to?

There are even clues in how they present themselves, what they wear at conferences, laugh at, and in their lifestyle.

I once worked on a project for a well-known founder. He was a billionaire several times over. He was also concerned about the interest earned on his "laying around money". It wasn't surprising to learn his business was run with a thrifty, low-frills approach. The stock is up 250x.

Many investors think world-class CEOs can only be identified with hindsight. Maybe.

It's also possible that spotting them is not hard but few have the stamina to stay invested long enough to benefit from their talent.