

Why You'll Probably Miss the Next Mark Leonard

Every investor would love to find the next Mark Leonard.

Imagine it is May 2006 and, to provide liquidity for institutional investors, Constellation Software is going public. You hear about its genius CEO and invest, compounding your investment at more than 30% for the next 20 years. That single decision makes you a fortune.

Because we know how the story ends, we revise history. We look at Mark Leonard today, a legendary, towering CEO, and think, *"I would have written that check."*

But let's be honest: you wouldn't have. Almost no one would have.

Because the Mark Leonard of 2006 looked nothing like the man we know today.

There was no track record, just a former gravedigger and venture capitalist with an unconventional idea to buy dozens of obscure vertical market software companies. Wall Street was skeptical. The consensus view said these were dying businesses and the model would not scale.

Leonard himself was a ghost. There were few articles written about him. He didn't give guidance or host earnings calls. The annual meeting was a small, formal affair. Few investors knew what he looked like; Google searches came up empty. Constellation's website was terrible.

To many investors, not participating in these rituals was suspicious. It was easy to come to the conclusion that Leonard was hiding something.

But Leonard liked it this way. He was confident and understood companies get the shareholders they deserve. Without being promotional, he provided enough information so that investors could make up their own minds about Constellation's stock.

The irony is that when searching for the 'next' Mark Leonard, we look for what he looks like today, not what he looked like then.

We search for billionaires with impeccable track records and clean reputations. We like it when they grace magazine covers. We seek validation from others on Twitter - it will always be Twitter to me - and at cocktail parties.

But we should be looking for what they looked like then: eccentric but rational, and ignored by the masses.

It is hard to overstate how uncomfortable this is. It means looking foolish for years before you are proven right. And that is exactly why so few people ever find them.