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## Every Investment Firm Has a Heavy Responsibility to Its' Clients

Every investment firm has a heavy responsibility to its clients, often defined as a fiduciary duty. Webster's defines a fiduciary duty as blab bla bla. It is an honor to be entrusted with the responsibility to care for someone's money, to be given the opportunity to act as a fiduciary. "1

We think this bare bones, minimum definition. There is nothing wrong with this definition: it does address the imperative that the money manager put the client first, but what does it mean to the client first? To put the client first, we believe, the investment manager must do the following: create, articulate and put into action a plan for managing money that is based on common sense and the harsh, unforgiving but ultimately the logical realities of business competition. What does this mean?

Every day businesses engage in warfare of great intensity (or intense warfare?) Businesses fight for market share, they fight for the best employees, they compete in a deliberate race to get products to market before other businesses do, or event create markets by offering a product superior to anything in existence. Winning any of these battles gives the victor a competitive advantage. Winning many of such battles may create a competitive advantage so great, so decisive, and so pronounced that the competition may be effectively sideline, its strength eviscerated, so that its competitive prowess, its competitive threat is negligible. When Intuit turned the world of mass tax preparation on its head by offering the convenience of computing and filing taxes using a personal computer inn your living room, it caught H and R Block off guard and revolutionized the tax preparation business . Soon consumers, instead of having to drive to a sparsely furnished office, with the bare amenities, in rundown strip shopping centers, to have their taxes done by a hastily trained part time accountant, the taxpayer could sip coffee do his taxes relaxed in is home office, or in the kitchen, or wherever he pleases.

As Intuit added more convenience to its software and connected its tax preparation software to its created system of managing check writing and recording for TurboTax, it created more distance between itself and HR Block. It became difficult for HR block to bridge the gap and intuit income rose as a much faster rate than Block's . What also happened was not surprising is the difference in stock price progression. To win these struggles, a company must have a competitive advantage. If successful, if it wins these battles, it fortifies its competitive position making it more likely it will win the next battle. Winning more customers gives company the opportunity to buy the best equipment, hire the best employees and thus gives it advantage in the next struggle for competitive supremacy. This supremacy is not ordained or guaranteed. Companies must defend their supremacy, protect their turf. When they do so, they increase the odds of holding competitive advantage for five years, ten years, and maybe even longer., a consideration critical for our investment philosophy. We week companies such as Intuit, or Adobe software, or Union Pacific whose competitive advantages are so pronounced that they can command decisive market shares, controlling the competition, and affording a long-term capital gain, a gain realized in economic terms, but a gain untaxed or unrealized for many years, a particularly important plus for monies subject to federal and state income taxation. An example: a million dollars invested in a series of companies produces a twenty percent annual gain before taxes of \$ 20,000,000 assume a long-term capital gain of twenty five percent. Net capital gain after one year is \$150,000. Compound \$150,000 times net twenty percent for second year etc. versus no taxation. Clear powerful lucid description of what the company is doing with money. For example: In 2004 Charles Darwin said life is survival of the fittest.

Featured snippet from the web



It **means** that the company and/or brand best “fitted,” or best “adapted,” to its environment (its markets, its customers) is most likely to **survive**, and most likely to flourish. It **means** that **companies** or brands not well “fitted” to their markets will not **survive** long-term.

- strategic complexities that offer great return, for example, to the hedge fund operators but none to the clients. To put clients first the manager must do rigorous analysis, subject his assumptions to ruthless peer questioning. The purpose is a long-term capital gain and there is no point in exercising such responsibility unless the strategy meets the demand of common sense and unless hard work has been undertaken to provide for safeguard of capital. Money manager ought to be able to state philosophy in one hundred words or less, Money manager must operate with simple plan. Figuring out how valuable and what the

composition of the competitive advantage is not easy. One must measure the tangibles and the intangibles. **TurboTax** – offered in Basic, Standard, Premier, and Home & Business versions, as well as TurboTax 20 for preparing multiple returns.<sup>[23]</sup>

- **QuickBooks** – small business accounting and financial management software, offered in EasyStart, Pro and Premier versions.
- **QuickBooks Online** – web-based accounting software designed for companies to review business financials through live data and insights to help make clear business decisions.
- **Mint.com** – web-based personal finance service.
- **ProConnect** – professional tax solutions, including: ProConnect Tax Online, Lacerte, ProSeries Professional, ProSeries Basic and EasyAcct.
- **Credit Karma** – free access to your credit scores, reports and monitoring.

International operations [\[edit\]](#)

**Canada** [\[edit\]](#)

**Intuit Canada ULC**, an indirect wholly owned subsidiary of Intuit, is a developer of financial management and tax preparation software for personal finance and small business accounting. Services are delivered on a variety of platforms including application software, software connected to services, software as a service, platform as a service and mobile applications. Intuit Canada has employees located all across Canada, with offices in Edmonton, Alberta, and Mississauga, Ontario.

**Intuit Canada** traces its origins to the 1993 acquisition by Intuit of a Canadian tax preparation software developer. In 1992, Edmontonians and University of Alberta graduates Bruce Johnson and Chad Frederick had built a tax preparation product called WINTAX – Canada's first <sup>*citation needed*</sup> Microsoft Windows-based personal tax preparation software. In 1993, they agreed to be acquired by Chipsoft, manufacturer of the U.S. personal income tax software TurboTax. Shortly after the WINTAX acquisition, Chipsoft agreed to merge with Intuit, the developer of the Quicken financial software.<sup>[24]</sup> Intuit Canada continued to update and support the WINTAX software, which was renamed QuickTax in 1995 and then renamed TurboTax in 2010. Intuit Canada quickly became the hub for international development at Intuit, producing localized versions of Quicken and QuickBooks for Canada (in French and English) and the United Kingdom. The U.K. version of Quicken was discontinued in 2005.<sup>[25]</sup>

**Current products of Intuit Canada** [\[edit\]](#)

- **TurboTax** (formerly QuickTax) – offered in Basic, Standard, Premier, and Home & Business versions, as well as TurboTax 20 for preparing multiple returns.<sup>[26]</sup>
- *ImpôtRapide* – French-language version of TurboTax – offered in de base, de luxe, premier and particuliers et entreprises versions.
- **TurboTax online** – Online versions of Free, Student, Standard, Premier and Home & Business.
- *ImpôtRapide en ligne* – Online versions of *ImpôtRapide* gratuit, étudiant, de luxe, premier and particuliers et entreprises.
- **SnapTax** – an iPhone app that allows users to complete their income tax return on their iPhone
- **TurboTax Refund Calculator** – an iPad app that estimates tax returns and illustrates how changes, such as having a baby, can impact your income tax return

- **QuickBooks** – Small business accounting and financial management software, offered in EasyStart, Pro and Premier versions.
  - **QuickBooks Payroll Solutions** – extends QuickBooks Pro and Premier into an in-house payroll solution.
- By 2004, taxpayers had been going to H&R Block for almost half a century and using H&R Block tax software to do their own taxes for more than a decade.