

■ BRAMMER

Don't let fear drive your investment decisions

I remember one of the first lessons I learned as a child regarding investing. Bernice was much like a grandmother to me and my brothers and sister. She was raised on a farm in north-west Iowa and taught third grade most of her career in Muscatine. In actuality, she was the first cousin to my maternal grandfather, but she treated us like her own. You can never have too many grandmothers.

Bernice and I were visiting one afternoon and somehow the topic turned to investing. She mentioned the stocks of companies she owned during the market crash of 1929 and the subsequent depression. Many of the company names I remember being familiar. I made the remark, "Wow, you must have lost a lot of money." Bernice stopped, turned and looked at me quizzically. She finally said, "I didn't lose any money. I didn't sell." So 50 years later, she planted a seed in me that has fully blossomed. Do not let fear drive your investment decisions.

Fundamentals are the best driver of our investment decisions. Having well thought-out buy and sell strategies for our portfolios and being diversified among diversified asset classes, before the markets become turbulent, help us to adhere to those strategies through the turmoil. Diversification will be our anchor through the economic storms.

One of the more challenging things regarding investing is not being our own worst enemy.



Nate Brammer

Investing is enjoyable when our account values are increasing every quarter. However, inevitably when the market becomes volatile or there is a significant downturn, many investors panic and head for the exits. Investing is one of, maybe a few purchases, people will make fewer of as the price goes down and want more of as the price increases. This behavior is counter to the old adage: "Buy low and sell high."

That is something we would never do when it comes to purchasing groceries or clothes.

It is not often easy to set aside our emotions and make a rational decision, when on TV commentators are telling us that the sky is falling. It is a better idea to access personalized advice.

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■ BRIMEYER

The cost of procrastination

Prior to starting my own consulting business, I worked for a small consulting firm. One of my responsibilities was helping to create the training tools which our team of consultants used with their clients.

Over time, we decided to offer these tools in a virtual store. Our thought was that these tools would be attractive for do-it-yourself organizations that didn't want to use an external consultant. The internet also allowed us to sell to anyone in the English-speaking world, thereby extending our market boundaries beyond a couple of Midwest states where we had a physical presence.

As we worked on creating the website and populating it with exciting organizational learning tools, we had visions of arriving at work on future mornings to a backlog of orders from around the world waiting to be filled. We coined the phrase "making money while we sleep" to describe this situation. It was an exciting time.

It just didn't work. Do-it-yourself organizations also wanted to create their own materials (they were do-it-yourselfers after all). There were several other websites offering similar products making it extremely difficult to differentiate ours. The mornings that we awoke to new orders were few and far between.

Over time, we recognized that the idea was a distraction to our core



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consulting business and the website was shut down.

There's another way to make money (albeit less direct) while sleeping ... or driving ... or walking ... or any relaxing behavior. The secret is getting an early start on a challenging project or problem. By simply framing the issue at hand and then stepping away, we allow our brains to play with alternatives in the background.

For example, I typically choose the topic for my monthly column three weeks prior to the deadline. I invest a few minutes collecting a few key ideas around that topic, creating perhaps a very rough outline. Then I walk away.

During the course of the next week, various new ideas pop up at unpredictable times and I add them to my outline. Writing the first draft of the column is typically painless and occurs two weeks prior to the deadline. Again I walk away, and comfortably make final revisions a couple of days before required.

Over the years, I've noticed that seemingly unsolvable problems

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have multiple alternatives after a good night's sleep. A stalled crossword puzzle practically solves itself after setting it aside for a couple of days.

Perplexing client issues become much clearer following the drive home. (Unfortunately, I haven't found a tactful way of including this on an invoice.)

I suspect this phenomenon goes back to the physiology of the brain. When we allow ideas to percolate, it provides the opportunity for the prefrontal cortex — the creative, high horsepower portion of our brain — to go to work free of stress on the issue.

Procrastination robs one of this opportunity. It turns the problem into

an emergency and triggers the primitive, survival-oriented portion of the brain to take over. (No wonder I can't recall Jimmy Carter's wife's name as the buzzer is about to sound during a trivia contest.)

Providing time to ponder is especially important for creative activities (i.e., design and writing), problem solving and ambiguous direction-setting work such as strategic planning. That's one reason why it's a good idea to get off-site for strategic planning activities. Some organizations provide designated physical spaces for pondering.

Obviously, unforeseen emergencies can and do occur and require people that can think clearly under pressure. Procrastination creates avoidable emergencies.

So get an early start on your most important projects, if only to document what you currently know and don't know. Pinpoint the key sticking points and then let your mind go to work. Don't be afraid to daydream. Take a walk. Stare outside your window. If someone asks what you're doing tell them, "Making money."

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