



An Insider's Perspective

Description

One of the keys to becoming a great investor is to somehow gain an edge. And one way to gain an edge is by accumulating information that others don't have. Yesterday I was introduced to a website that provides some potentially highly valuable information.

You see, we investors spend a lot of time reading through annual reports and crawling through reams of data. But what can't truly be gleaned from these traditional information sources is what it really "feels" like to be a part of the company you're researching. And since we Fools equate the purchase of company's stock to purchasing the entire company, knowing what that company "feels" like is very valuable.

The website is www.glassdoor.ca and its primary function is employment related. However, part of its offering is to provide company reviews by current and former employees. Granted, I'm sure there are many cases of current or former disgruntled employees that use it as a sounding board for their frustrations thus clouding the picture. However, without directly interviewing individuals, this is the closest resource I've come across that helps us "feel" what a company is really like.

As an example of how we can use this tool, let's take two comparables in the gold space. **Barrick Gold** (TSX:ABX, NYSE:ABX) and **Goldcorp** (TSX:G, NYSE:GG). Based on the following comments, which company would you rather own?

Employee Review #1

Pros – International Exposure, ability to create projects, no lack of funding

Cons – very political, passive aggressive, slow decision making, too many directors and manager and not very many workers.

Advice to Senior Management – eliminate 50% of the senior level positions

Employee Review #2

Pros – This company has the greatest people working for them. The staff is very knowledgeable and love their jobs. They have great benefits and provide a standard 3 weeks of vacation for all staff.

Cons – Salary could be higher and earning 4 weeks of vacation could come sooner.

Advice to Senior Management – Keep up the good work, don't become a RIM or Microsoft.... keep working hard to be the best!

I must point out that this is for illustrative purposes only, but clearly, Employee Review #2 has a much better "feel" than Employee Review #1. And for those keeping score, the more favourable review belonged to Goldcorp.

The Foolish Bottom Line

Like all variables in the world of investing, this is not a tool that should be used in isolation. But if you're sitting on the fence after going down the traditional channels of investment analysis, to have a "feel" for a company can certainly be enough to tip you one way or the other.

What are you doing October 1?

Our senior investment analyst will unveil his [top two stock ideas](#) for new money now on Oct. 1. And **YOU** can be one of the select few investors to find out first — just [click here](#) to reserve your invitation.

Fool contributor Iain Butler owns shares of both Barrick Gold and Goldcorp. The Motley Fool doesn't own shares in any companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

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Date

2025/06/27

Date Created

2013/09/27

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