



## Warren Buffett Advice: Don't Make This Devastating Mistake

### Description

Warren Buffett isn't just the greatest investor of our time. He's also one of the best teachers on the planet, having educated many self-guided investors with invaluable wisdom and countless pieces of advice over the years. When the Oracle of Omaha speaks, it pays dividends to listen up. And while following the man into industries or taking hits on where top-down opportunities lie may have been profitable for many over the years, I think that investors should be their own investor.

### **Warren Buffett is a terrific teacher, but be your own investor!**

Followers of Warren Buffett know that it can be very profitable over the long term to take pages out of Warren Buffett's (or Charlie Munger's) playbook. But for those who don't understand the advice they're getting, they may be leaving long-term profits on the table.

You see, Warren Buffett has his circle of competence, and you have your own. His circle probably doesn't align with yours. As such, you should not attempt to follow the man explicitly.

Do heed the words of wisdom and caution of Warren Buffett. But don't try to align your circle of competence with his, because, given your unique background, that may be an impossible feat that may not lead to the most desirable outcome.

### **Do as Warren Buffett says, not as he does!**

As an avid Buffett follower myself, I've learned a tonne from his many words of wisdom over the years. But I don't necessarily agree with his stance on everything, especially giving the rapidly changing market environment.

Back in the first quarter, Warren Buffett mostly sat on his hands when it came to buying activities. The coronavirus sell-off turned out to be one of the greatest buying opportunities in recent memory, and Buffett didn't back up the truck, as some may have thought he might. He's an advocate of being greedy while others are fearful, after all!

If you panicked and followed Warren Buffett by halting your buying (or even selling stocks) following the sombre 2020 **Berkshire Hathaway** annual meeting, you missed out on further gains, as the S&P 500 proceeded to recover over the following months. If you did as he did and not as he said, you missed out on a glorious rally.

So, in short, don't seek to be Warren Buffett. Seek to learn from him and build upon your own investment knowledge over time. It's all right to be a disciple of Warren Buffett, but understand that you're your own investor and that he won't be able to hold the hands of investors forever with his invaluable words of wisdom.

## A bruised tech stock may not be the Oracle of Omaha's cup of tea, but it could be yours!

Use his knowledge to [fish for your own investments](#), build upon your own circle of competence, and you'll do very well over the long term. Tech stocks like **Lightspeed POS** ([TSX:LSPD](#)) probably lie way [outside Warren Buffett's circle](#), but it may be in the centre of yours. And if you're given an opportunity to buy at a reasonable price, you should hit that buy button, regardless of where anybody thinks the market is headed next.

For those unfamiliar with Lightspeed, it's a commerce-enabling tech company that's been a lifeline for many restaurants and retailers amid the COVID-19 pandemic. Many of its clients are under extreme pressure these days, but with an acceleration of growth across many of its offerings, I view the pandemic as more of a tailwind than a headwind, despite the initial panic-driven sell-off that seemed to suggest that Lightspeed was going to see a massive chunk of its client base go belly up.

If you bought the stock when fear was in the air, you profited big time in a matter of months, as the sell-off overextended itself. Today, shares of Lightspeed POS are still down around 30% from the top. I'd say buy the little-known commerce play before it has a chance to correct further to the upside, regardless of what Warren Buffett is buying at this critical market crossroads.

### CATEGORY

1. Coronavirus
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

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