

# Buy the Right Puppies

By Rick Aristotle Munarriz  
April 9, 2007

Congratulations! Your portfolio is perfect. The collection of companies that you have assembled is ... mwah, *tres magnifique* -- the perfect combination of bottle rocket and short wick. Celebrated investors like Warren Buffett, Peter Lynch, and David Gardner have *you* on speed dial. Riches beyond measure are just a few trading days away.

Now, I'd love to tell you that with a straight face. Really. I'd love to deny that I saw you nodding along with me just now. It's human nature, really. Every investor thinks he or she owns the best stocks. It's a bit like rooting for your alma mater's football team or cheering on that lottery ticket or roulette wheel. You think you've got a fighting chance to win -- or you wouldn't be there at all.

It's not hopeless. Beating the market is a lot easier than you think. It's just a matter of identifying the great growth stocks of tomorrow before the rest of the market comes around. Sound daunting? It isn't, really.

## Best of breed in a flea-ridden world

By now, you've probably heard the expression "best of breed" countless times -- and you're probably wondering what it's all about. In the corporate software space, the phrase refers to cherry-picking the best applications that excel at a particular task. Instead of resorting to the integrated one-vendor solution suite, you assemble a hodgepodge of specialized brands. It's not the easy way out, but it *is* the best way.

When you think about it, investing is just like that. Even if your portfolio is heavily weighted toward a particular sector, or if there's a theme that resonates throughout your holdings, every stock you own is unique. To you, it was the best of its breed.

"Best of breed" has evolved in recent years. These days, it's the process of ferreting out the superior company in a particular sector. If you're talking about satellite radio, **Sirius** (Nasdaq: [SIRI](#)) is probably the first company that comes to mind; it's landed more net new subscribers than its only rival during each of the past five quarters. If premium soft drinks are the topic, it's hard to resist the bottled charm of **Jones Soda** (Nasdaq: [JSDA](#)) with its funky-colored fizz and photographic labels. (Expect to see more of the company now that it's hitting most major retailers with canned soda over the next few weeks.) **And can you name another attorney services provider after Pre-Paid Legal (NYSE: [PPD](#))?**

The market rewards excellence. That's why finding these top performers is often a financially rewarding quest. What could be better than that? Well, for one, identifying these best-of-breed companies just as they begin to shine.

Finding great growth stocks early is the goal of our *Motley Fool Rule Breakers* newsletter service. It's not an intimidating process. Who here didn't know that **Cintas** (Nasdaq: [CTAS](#)) would have investors sitting pretty as it took advantage of a fragmented market with a history of spotty service -- workplace uniform rentals -- and became the only name that matters? Who here didn't know that **Monster Worldwide** (Nasdaq: [MNST](#)) would take the employee recruiting world by storm by digitizing the tired want ads through its vibrant job-hunting website? However, even if you weren't familiar with their models, you still could have warmed up to their income statements.