"Obviously I wasn't the fastest skater. I don't think I'll take the medal as the minute-and-a-half of the race I actually won. I'll take it as the last decade of the hard slog I put in."

Steven Bradbury

Like many people, I spent more than a little time watching the Winter Olympics from Sochi this February. This brought to mind Australia's first ever Winter Olympic gold medalist, speed skater Steven Bradbury, who took out the 1,000 metre final at Salt Lake City in 2002 after all four of the other skaters crashed on the final bend as they jostled for the gold medal.

Bradbury was seen by many as someone who fortuitously appeared from nowhere to have the gold medal fall into his lap. But I think this is being a bit ungenerous to him. The 2002 Olympics were the fourth that he had attended. No one competes in four Olympics without an enormous amount of hard work and preparation.

In 2002, aware of the years he was conceding to his competitors, Bradbury chose to skate more conservatively. He was never going to beat the younger skaters in an aggressive sprint to the finish. So he chose to sit off the back, reasoning that there was a good chance the race pressure could bring about a fall. If two skaters went down and he finished the race he would be rewarded with a medal. As luck would have it all four skaters went down and he claimed gold. From the vantage point of my couch it seems to me there are some parallels between investing and speed skating.

Firstly you need to do the hard yards and be properly prepared. In skating this involves early mornings at the ice rink and long sessions in the gym. In investing it means having a clear idea of the value of a security which in turn means making a clear and reasonable assessment of how much cash it will generate and when.

Secondly you need to avoid disasters. In Bradbury's case this meant steering clear of the jostling of the pack. If he could keep on his skates he would finish the race. In the case of investing it means not going "all in" on one particular investment, particularly a speculative one. It means having a margin of safety baked in to the price, so if things don't turn out as good as you hope, you still don't lose too much. And it means being prepared to pass on a potential investment if it contains a risk you're not comfortable with. Even more so than in speed skating, in looking after your retirement savings it is important to finish the race.

Finally, having done the preparation and hopefully avoiding disasters, you need to grasp the opportunity when it presents itself.

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