What is the Investing Process Like?

Estimated time: 3 minutes / Difficulty: Basic

If you've never invested before we bet you're wondering what the process is actually like.

How do you actually get to the point of having stock?

Time to dive in.

The Investing Process

After deciding you want to invest, and how much you want to start with, it's time for what is the least fun part. Opening a brokerage account. For many people, this means going to a bank and filling out paperwork. Thankfully there are now online options, including ninety nine, that turn what used to be a frustrating several day process into a matter of minutes.

Things you'll want to consider before **opening an account**, especially online, are whether they are secure and whether they offer the kind of investments and companies you are looking for.

Once you have your account activated, then you start your **research.**

It depends on the style you develop, but you can choose a stock by looking online for companies that analysts recommend, doing lots of research, asking a friend who invests, or simply look at the companies behind the products you like.

You should **learn more before starting**, but in the end, you're really just looking to make an informed bet. The bet that whatever company you buy a piece of will increase in value over time.

Once you've settled on a company, then you go to your trading platform and place a **bid**. I say bid because share price is just what people are currently buying and selling for.

For you to buy a share, someone needs to agree to sell theirs to you at the price you're offering. If a stock price is currently 100 euros, and you bid 80 euros, you probably won't get it. If you offer 99.99, you'll probably be successful.

Now comes the fun part, **holding**.

How long you own a share depends on a lot of things, but mostly your goals. Are you looking for a short term profit, or to meet a specific goal? Or are you simply investing your savings and betting that this stock is going to continue rising for a longer period of time?

If you're looking for short term gains, you'll be reading the news and looking at the performance daily, watching for the right moment. If you're more long term, you'll only worry if the economy changes drastically or if you need your money for another purpose.

When the price is right, and the timing is right, that's when you **sell.** Just like when you buy, you set a price that works for you, but you need someone to accept your *ask*.

If a lot of people are selling because a company is doing poorly, it might be hard for you get a price you like, and you may lose money. But if a lot of people are excited, you might get more than you hoped for.

When it does sell, the money will shortly be deposited into your account.

And just like that. You're done!

Conclusion

Of course, hopefully you're not done. If you were able to do well for yourself, you will reflect on your results, think about what to do better next time, you will start looking for your next investment.

This is an extremely simplified version of the process, and depending on how much time you want to invest, in can become much more complicated.

However, as you'll probably start out investing with relatively small amounts, you'll be able to learn as you go!