

## Warren Buffett and You

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### What you can learn from the strengths of the world's greatest investor

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"I am really no different from any of you."

Warren Buffett, with his usual down-home style and slightly disheveled appearance, is talking to a roomful of students at the University of Nebraska. Since he is one of the richest men in the world and since most of the students can barely cover their phone bill, they start to chuckle.

"I may have more money than you do, but money doesn't make the difference. Sure, I can buy the most luxurious handmade suit, but I put it on and it just looks cheap. I would rather have a cheeseburger from Dairy Queen than a hundred-dollar meal." The students seem unconvinced, and so Buffett concedes on one point. "If there is any difference between you and me, it may simply be that I get up every day and have a chance to do what I love to do, every day. If you want to learn anything from me, this is the best advice I can give you."

On the surface this sounds like the kind of glib throwaway line you tell people after you have already banked your first billion. But Buffett is sincere. He loves what he does and genuinely believes that his reputation as the world's greatest investor is due to his ability to carve out a role that plays to his particular strengths.

Surprisingly, his strengths are not those that you might expect to see in a successful investor. Today's global marketplace is fast-paced, extraordinarily complicated, and amoral. Therefore, you would think that the creature best adapted for this world would be blessed with urgency, a conceptual mind to identify patterns in the complex market, and an innate skepticism about everyone else's motives.

Buffett cannot claim any of these strengths. By all accounts he is a patient man. His mind is more practical than conceptual. He is inclined to be trusting of other people's motives, not skeptical. So how did he thrive?

Like many people who are both successful and fulfilled, he found a way to cultivate the strengths he did possess and put them to work. For example, he turned his natural patience into his now-famous "twenty-year perspective" that leads him to invest only in those companies whose trajectory he can forecast with some level of confidence for the next twenty years. His practical mind made him suspicious of investing "theories" and broad market trends. As he said in one Berkshire Hathaway annual report, "The only role of stock forecasters is to make fortune-tellers look good." So he resolved to invest only in those companies whose products and services he could intuitively understand, such as Dairy Queen, The Coca-Cola Company, and The Washington Post Company.

Finally, he put his trusting nature to good use by carefully vetting the senior managers of the companies in which he invested and by stepping back and away, rarely interfering in their day-to-day operations of the business.

Warren Buffett has used this patient, practical, and trusting approach since he formed his first investment partnership with \$100 in 1956. He has honed it, perfected it, and stuck to it even when the temptations to adopt a different strategy were tantalizingly sweet. (Remember, he didn't invest in either Microsoft or the Internet because he didn't feel he could paint an accurate picture of where high-tech was going to be in twenty years.) His distinct approach is the cause of his professional success and, to hear him tell it, also the cause of his personal happiness. He is a world-class investor because he deliberately plays to his strengths; he loves what he does because he deliberately plays to his strengths.

In this sense -- and perhaps in this sense alone -- Warren Buffett is right. He isn't any different from the rest of us. Like the rest of us he responds to the world around him in distinct ways. The way he handles risk, the way he connects with other people, the way he makes his decisions, the way he derives satisfaction -- not one of these is random. They all form part of a unique pattern that is so stable his family and closest friends are able to recall its early tracings in the schoolyard in Omaha, Nebraska, half a century ago.

What makes Buffett special is what he did with this pattern. First, he became aware of it. Many of us don't seem able to take even this step. Second, and most significant, he chose not to focus on reinforcing its weaker threads. Instead, he did the exact opposite: He identified its strongest threads, wove in education and experience, and built them into the dominating strengths we see today.

Warren Buffett is relevant here, not because of his personal fortune but because he has figured out something that can serve as a practical guide for all of us. Look inside yourself, try to identify your strongest threads, reinforce them with practice and learning, and then either find or, as he did, carve out a role that draws on these strengths every day. When you do, you will be more productive, more fulfilled, and more successful.