Women of Berkshire / Appraising Business

Management Traits: Rationale, candid with shareholders, resist institutional imperative (falling in line with the folly).

Institutional Imperative: Resistint change, make less than optimal use of corporate funds (support low cost of capital), unwisely imitate peer companies.

Decentralized Power: Berkshire only buys companies with string continuing management that can continue to succeed with little intervention.

People not Processes: Trust in people, not processes.

Best Boards in America: Berkshire, Johnson and Johnson, Amazon.

Berkshire Board Member Criteria: Owner-oriented, business savvy, skin in game, independent.

Competition: Know your competition better than your own business.

Compete Question: Would you rather compete with this business or wrestle a grizzly bear?

Buffet Characteristics (From Mrs. B): Buffet is plain (does not create complexity), honest, and his word is good as gold.

Jobs/Mrs. B. Bait, Compete and Switch: Establish a company, bring in outside money, leave, compete with company, and then come back.

Knowledge Circles: Join groups whose purpose is to spread knowledge.

Best Investor: Hands off, accessible, and complementary.

Synergies: Independently successful companies that support each other.

Celebrities: Keep an eye on celebrities, they always influence or indicate trends.

Sunshine Test: Don’t do, email, text, or say ANYTHING that you would not want to read in the paper.

Tap Dance to Work: Bring enthusiasm to the job.

Pricing Formulas: Keep them simple.

Startup Value: For long-term growth it takes five years to break even and ten to make profit. Follows power law curve.

Hiding Revenue: Berkshire can hide a company’s revenue by pooling it with other companies since it is under same holding company.

Doris Christopher Startup Tips: follow passion, know what you want to do, find a niche, be the best, make a difference, keep it simple, watch your overhead, go with your instincts, value your time, brush up on computer skills, it’s only business.

Annual Reports: Read annual reports for intelligence.

Subsidiary: Wholly owned by another company.

Spending: Run a tight ship and keep unnecessary spending under wrap.

Attention to detail: You should know exact metrics for your company at any given time.

Health: Support healthy mind body and spirit.

Discussion Threads: Online discussions to determine how to be more efficient, increase sales, answer FAQs, etc.

Parent Worker: Being a parent you learn how to work smarter.

No Negotiation: Prized companies don’t negotiate, they know exactly what they can buy and sell for, nothing less.

First to Market: Has advantage.

Microsoft Culture: Pranks and practical jokes welcome.

Microsoft Hopper Program: improve lives of Microsoft women, improve female ratio, help women move up ranks.

Servant Leader: Leader focuses on the needs of the team. Some CEOs get paid the least.

Areas of Study: Economics, Finance, Computer Science.

Data Analytics: Numbers don’t lie, they unveil what people are too blind or afraid to see.

Fast Failure: Encourage taking risk and laying to rest bad concepts.

Never Bid Crazy: Never bid crazy prices, regardless the strategy.

Graham Business Success: “I owe my fortune to two great American institutions, monopoly and nepotism (favoritism granted to relatives).

Gender Advantages: Studies have shown that having three or more women in top management positions has led to superior performance.

Spouse & Children: The more successful the man, the mire likely he is to have spouse and children.

Women Values (study): ability to associate with people they respect, freedom to be themselves at work, schedule flexibility.