

# WARREN BUFFETT

BERKSHIRE HATHWAY

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# Introduction

Born: Warren Edward Buffett August 30, 1930 (age 78) Omaha, Nebraska, U.S.

**Parents: Howard and Leila Buffett** 

**Nationality: American Citizen** 

Alma mater: University of Pennsylvania University of Nebraska-Lincoln Columbia University

Spouse(s): Susan Thompson Buffett (1952-2004) Astrid Menks

Children : Susan Alice Buffett, Howard Graham Buffett, Peter Buffett







# REAL INTRODUCTION

Occupation: Chairman & CEO, Berkshire Hathaway

Salary: US\$ 100,000

Net worth: 10,090 crores USD (2022)

## JOURNEY AS A YOUNG ENTREPRENEUR

- Age 6 Peddled Coke
- Age 9 Carrying golf clubs for \$3 per day
- ❖ Age 11- Bought his first stock
- Age 11-13 Sold used golf balls.
- Age 13 Carrier for Washington Post and 4 other newspapers.
- Age 14 Bought 40 acres of farmland and leased it out.
- Age 16 Rented out used pinball machines making up to \$50 a week.

# BUFFETT AS A BUSINESSMAN



Largest shareholder and C.E.O. of Berkshire Hathaway, and is currently ranked by Forbes as the second richest human on Earth with an estimated net worth of approximately thirty-seven billion dollars.

In 1999, Buffett was named the top money manager of the twentieth century in a survey by the Carson Group, ahead of Peter Lynch and John Templeton.

In 2007, he was listed among Time's 100 Most Influential People in the world.

# Buffett AS A CONTRIBUTOR

1

"When I buy businesses, it's the same as investing in philanthropy. I'm looking for somebody who will get the job done and is in synch with my goals"

2

Buffett pledged to give away 85% of his fortune to the Gates Foundation. Some US\$ 31 billion. "More than 99% of my wealth will go to philanthropy during my lifetime or at death."

3

In New Orleans, Mr. Buffett promoted the charity work of his friend Thomas Cousins, an Atlanta real-estate developer.

# Warren Buffett: Life

01

1. He bought his first share at age 11 and he now regrets that he started too late! Encourage your children to invest.

02

2. He bought a small farm at age 14 with savings from delivering newspapers. One could have bought many things with little savings.

03

3. He still lives in the same small 3-bedroom house in mid-town Omaha, that he bought after he got married 50 years ago. He says that he has everything he needs in that house. His house does not have a wall or a fence. Don't buy more than what you "really need".

# Warren Buffett: Life

04

He drives his own car everywhere and does not have a driver or security people around him. You are what you are.

05

He never travels by private jet, although he owns the world's largest private jet company. Always think how you can accomplish things economically.

06

His company, Berkshire Hathaway, owns 63 companies. He writes only one letter each year to the CEOs of these companies, giving them goals for the year. He never holds meetings or calls them on a regular basis. Assign the right people to the right jobs.

# Warren Buffett: Life

07

He does not socialize with the high society crowd. His past time after he gets home is to make himself some pop corn and watch Television. Don't try to show off, just be your self and do what you enjoy doing

08

Warren Buffet does not carry a cell phone, nor has a computer on his desk.

09

He has given his CEO's only two rules.

Rule number 1: Do not lose any of your share holder's money.

Rule number 2 : Do not forget rule number 1. Set goals and make sure people focus on them.



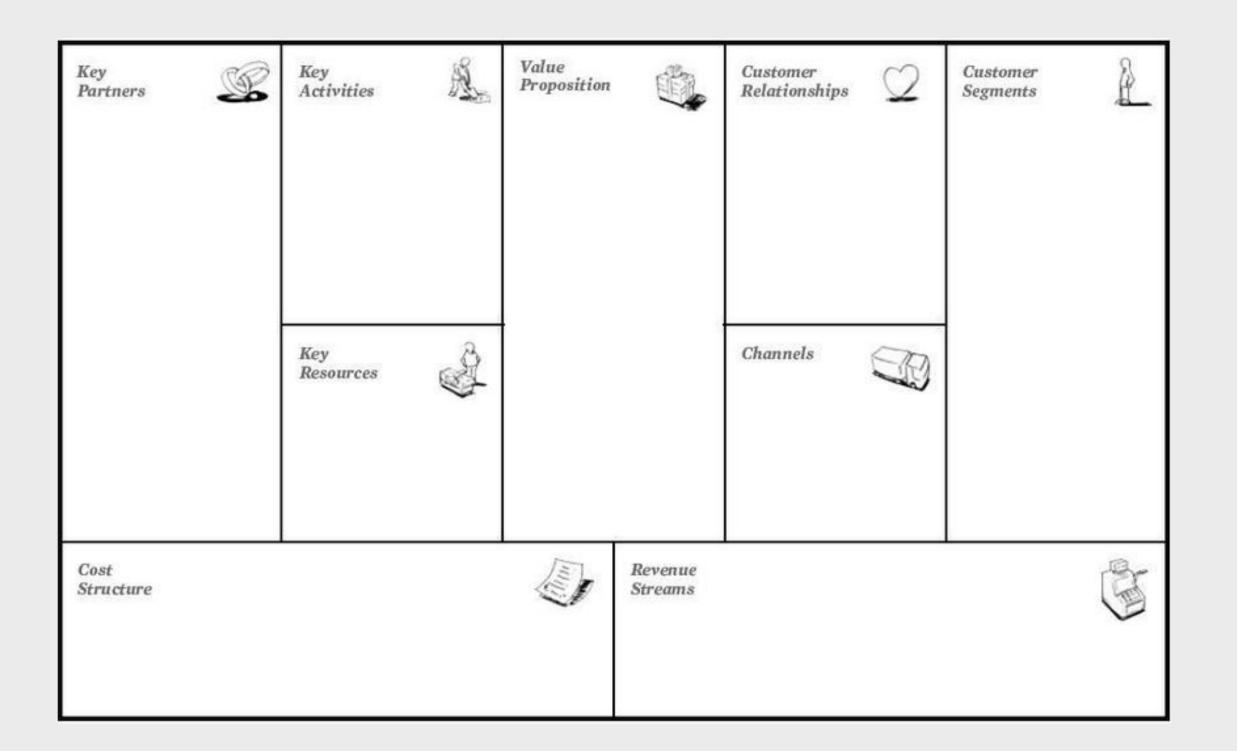


Assignment-2 Activity-2

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### What is Business Canvas Model?

The Business Model Canvas (BMC) is a strategic management tool to quickly and easily define and communicate a business idea or concept. It is a one page document which works through the fundamental elements of a business or product, structuring an idea in a coherent way.



The right side of the BMC focuses on the customer (external), while, the left side of the canvas focuses on the business (internal).

Both external and internal factors meet around the value proposition, which is the exchange of value between your business and your customer/clients.

# 17 Why do we use Business Canva?

- To quickly draw a picture of what the idea entails.
- It allows us to get an understanding of your business and to go through the process of making connections between what your idea is and how to make it into a business.
- It looks at what kinds of customer decisions influence the use of your systems.
- It allows everyone to get a clear idea of what the business will likely be.

# 03 Our Business Model Canvas

# Model

#### **KEY PARTNERS**

The network of suppliers and partners that make the business model work

- · Website portals for marketing and promotion
- Investors



#### KEY ACTIVITIES

- Consulting
- Designing
- Web Developement
- App Developement
- Management of learning Community
- IT Infrastructure Operations
- Data Centre Mangement

#### VALUE PROPOSITION

- · Trusted reputed Resources
- Engaging content
- Qualified exp industry experts
- Video Delivery model
- Progress Tracking
- Community

#### **CUSTOMER RELATIONSHIPS**

- Web application
- Application Development
- · Online Virtual Recorded
- Direct Meeting
- Guided Structured Path
- Community
- Industry
- · one on one communication
- · Dealership with universities focused on students.

#### CUSTOMER SEGMENTS

- Students
- Teachers
- Industry Experts
- · Domain specific resources

#### **CHANNELS**

- Public Relations
- Social Media/ Digital Market
- Offline Advertising (Colleges/)
- Content Marketing
- Viral Marketing

- Public Speaking
- Unconventional Public Relation
- Agents and tutors
- Tieups and collaborations

#### **KEY RESOURCES**

- Office
- **Electricity Connection**
- Water connection
- Internet Connection
- People (staff)
- Computer/PC/Laptop

- Furniture
- Machines
- Servers
- Interactive Services/ Graphics
- Lectures

#### COST STRUCTURE

- Cost of app and website development 10,00,00 INR
- Subscription cost 3600 INR
- Business development and operation cost 45,000 INR
   Maintainance cost 8000 INR
- Domain, Data centre and server cost 5000 INR
- Electricity 13,775 INR

Marketing and Sales cost - 12,000 INR

#### REVENUE STREAMS

The revenue you generate from each customer segments

- · Subscription model
- · Online Counselling
- Tieups and workshops



# O4 HOW ARE BMC AND VALUE PROPOSITION RELATED?

Value Proposition is the foundational base of every business canvas model.

The Value Proposition Canvas was initially developed by Dr Alexander Osterwalder as a framework to ensure that there is a fit between the product and market. It is a detailed tool for modelling the relationship between two parts of the Osterwalder's broader Business Model Canvas; customer segments and value propositions.

The Value Proposition Canvas can be used when there is a need to refine an existing product or service offering or where a new offering is being developed from scratch.

# **O5** Our Value Proposition Canvas

#### **Customer Profile**

- Gains the benefits which the customer expects and needs, what would delight customers and the things which may increase likelihood of adopting a value proposition.
- Pains the negative experiences, emotions and risks that the customer experiences in the process of getting the job done.
- Customer jobs the functional, social and emotional tasks customers are trying to perform, problems they are trying to solve and needs they wish to satisfy.
- A customer profile should be created for each customer segment, as each segment has distinct 'jobs to be done', pains and gains.

#### Value Map

- Gain creators how the product or service creates customer gains and how it offers added value to the customer.
- Pain relievers a description of exactly how the product or service alleviates customer pains.
- Products and services the products and services which create gain and relieve pain, and which underpin the creation of value for the customer.

• • •

Brand
Peer-to-peer ridesharing

Persona: Status: Juan Dela Cruz Middle Class Monthly Income: **10,000** 

Gender: **Male** 

**Customer Segment** 

#### **Value Proposition**

