



## Berkshire Brand Commands Attention

By Prouty Partner: Anne Berg, Vyway® Market & Brand Strategy

It was my privilege to experience the Berkshire Hathaway annual meeting – known as “Woodstock for Capitalists” – as a wide-eyed newcomer attending for the first time along with seasoned experts from Team Prouty.

On a cold and rainy April day in Omaha, we were educated on significant financial matters. And we also were witness to a lesson in brand management. As someone who sees reality through a brand strategy lens, I can only conclude that Warren Buffett, 86, and Charlie Munger,

92, are not only masters at making money, but also masters at marketing – the kind of marketing that’s both classic and original: they simply are who they are.

Buffett and Munger possess an unmistakable drive to achieve extraordinary results, complemented by an obvious desire to be fair and honest. With an eye toward the distant future, they hold an absolute resolve to do the right thing, which seems to assure their ongoing success.

This authentic reputation derives from decades of being consistently candid about what they believe and how they work. Much of that belief system was revealed in the six hours of question-and-answer that took place live on stage and this year for the first time, live on the internet.

“It is not necessary to do extraordinary things to get extraordinary results.”

—Warren Buffett

Several themes emerged including: seeking high value, taking the long view, and keeping a virtuous character. Here are some of the salient points of wisdom, slightly paraphrased.

### We have no grand design or master plan.

Simply consider every single decision thoughtfully along the way. See the patterns and avoid previous conclusions, which can have an anchoring effect. Our advantage is we know we don’t understand it all.

### We think it’s a mistake to bet against America.

Business is the economic engine of a market economy. The U.S. has done extraordinarily well for 200 years. Either Hillary Clinton or Donald Trump as president will not expressly damage the country if you take a long-view perspective.

### We know a CNBC disaster will happen.

CNBC stands for Cyber, Nuclear, or Bio-Chemical. This type of disaster is the only significant external risk shareholders face relative to Berkshire Hathaway value.

### We expect high integrity from our business leaders.

Leaders should be intelligent, energetic, and act with integrity. If they don’t act with integrity, you can only hope they are neither intelligent nor energetic. There’s no limit to what truly talented people can accomplish. But you can’t fix unable people.

### We are candidly clear about what we intend to reward.

Don’t just reward profitability. A manager could stop marketing to save cash and then never grow the business. Both growth and profitability are important measures to reward.

### We see very smart people do very stupid things.

It’s best to avoid self-destructive behavior. This requires you to have emotional control. It’s all about temperament. Simply put, you should behave well.

### We must be able to make our opponent’s argument.

Only if you can make an opponent’s argument better than they can, do you earn the right to disagree. Otherwise, it’s best to stay silent.

### We believe a rich society is obligated to help.

It’s our responsibility as a wealthy society to help both the young and the old. Equity distribution is an increasing challenge; inequality is a real concern. Within our system of higher education, the issues of bureaucracy, monopoly, and inefficiency intensify these problems.

### We always strive for win-win relationships.

Bend over backwards to take care of your customers, employees, even suppliers. If you take care of the customers, they take care of the business. It’s not right when a company is rich and leverages its suppliers.

### We made lots of mistakes along the way.

No due diligence can accurately predict economic opportunity and human behavior. No matter how much you can know, you can’t necessarily see the future and know the true prospects for a business.

### We love doing this work every day.

If you see the world accurately, it’s bound to be humorous because it’s often ridiculous. We’re very happy guys, and we’ll likely live longer because of it.

“It is not necessary to do extraordinary things to get extraordinary results,” says Buffett. “The key is to understand the business, buy it at a sensible price, and grow the earnings over time.”

This level of clarity and manner of confidence are typical of a true Level Five leader. Buffett’s absolute drive and obvious humility make for a track record of sustained achievement. Berkshire boasts a 19.2% rate of per-share book-value growth compounded annually over 51 years.

The Buffett-Munger duo behind the Berkshire Hathaway brand creates a compelling narrative – one that embodies an inherent determination to achieve remarkable results. This driving energy seems to generate from some place deep in their individual DNA. And it certainly commands attention.



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