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Behind Buffett's curtain: Love and passion amongst senior executives

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Success cannot stem from personal achievement alone. Luck, sharp business acumen and tenacity count for something. However, true business legends are made when one spots the right people, empowers them, and places them in positions where they can produce stellar results – all in the name of the legend. Case in point is the 'Oracle of Omaha' – also known as Warren Buffett, chairman and CEO of Berkshire Hathaway.

'*Behind the Berkshire Hathaway Curtain* (<http://as.wiley.com/WileyCDA/WileyTitle/productCd-0470560622.html>)', by first-time author Ronald W. Chan, offers a refreshing take on the multibillionaire investor's businesses, picking up on a rarely talked about aspect of the oracle's strategy – his people. Buffett, known to adopt a hands-off approach to the running of his companies, puts businesses in the hands of individuals who, he thinks, are capable of contributing positively to the Berkshire Hathaway empire.

While Buffett's name is obviously the draw, the stars within the book are really his brigade of business commanders, including Cathy Boron-Tamraz of Business Wire, Brad Kinstler of See's Candies, and David Sokol of MidAmerican Energy – companies owned by Berkshire Hathaway.

Interestingly, amongst the nine executives featured in the book, only Brad Kinstler applied for a job directly with Berkshire Hathaway. The rest were inherited by Berkshire Hathaway through acquisitions. This runs counter to a popular belief that the management of acquired companies should always be prepared to leave because the acquirer will often want to rid the acquired organisation of its leaders.

Labour of love

As most of them affirmed in the book, their decision to stay on in their businesses – post acquisition – was influenced by Buffett himself. Randy Watson, CEO of Justin Boots, noted that Buffett would leave the day-to-day decisions to managers who are passionate about what they do. "Unlike Berkshire, many corporate raiders never seem to leave good businesses alone. They feel the need to make changes even when a business has worked perfectly well for generations," he said.

The way Watson sees it, Buffett is not only an investor, he is also a brilliant marketer who "sells the features and benefits of Berkshire ownership, and that attracts willingness of like-minded business owners and other good companies to be part of the Berkshire family".

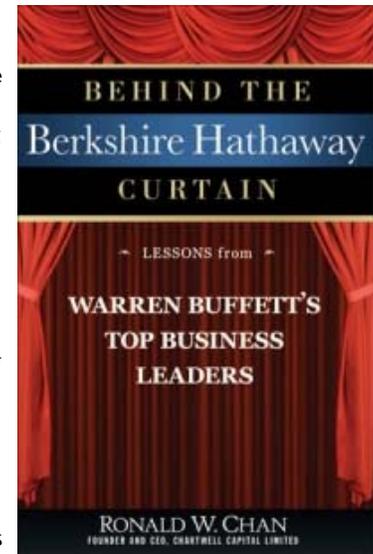
Likewise, Barry Tatelman, co-owner and ex-CEO of Jordan Furniture, was impressed by Buffett's relaxed and honest nature. Eliot, Barry's brother and business partner, shares the same sentiments. The brothers eventually concluded "if they sold their family business to Buffett, changes to the operations would be kept to a minimal, and at the same time it would be fair to all family members".

Incidentally, most of the featured business leaders did not start out knowing what they wanted for their careers. They only began to realise their true calling as they advanced from one job to the next.

Cathy Baron-Tamraz, for instance, worked as a high school teacher and a manager of a boutique hotel before returning home to New York to pursue a master's degree in literature – with the thought of teaching the subject at college level. But a decision to join Business Wire as an editor due to her love for reading and writing would forever change the course of her career. The keen learner took on new challenges eagerly, discovered her love for the news business, and rose through the ranks. After 26 years with the company, she eventually became CEO in 2005.

Brad Kinstler, meanwhile, also went through various industries, from consulting and insurance to uniform manufacturing, before becoming CEO of See's Candies. He never did find passion within any of the industries he had been in. What he did realise, however, was that he enjoyed analysing data and figuring out how to make each business more efficient and productive. It was his love for making businesses better that propelled him forward.

Chan noted that while each of the leaders hail from different industries, each with a different story to tell, all of



them share certain qualities that can be applied beyond the business world – they are all passionate, and they work really hard. All of them have their eyes on the long term, and they hold dearly to virtues such as integrity and fairness.

Success principles

Chan's work on the book coincided with the downturn of 2008 to 2009, when the global financial system was in its darkest winter. 30-year-old Chan hopes that the optimistic tone of the book, packaged in a 165-page form of a personal learning journey, will help inspire readers with the successful career-building stories of those profiled in the book.

Each chapter corresponds to an interview with one executive. While many of those names may not be familiar for Asian readers, Chan, who, in his day job, is founder and CEO of Chartwell Capital Limited, a Hong Kong-based investment management company, has done a good job of providing a brief history and background of each company before he introduces its leader.

For Chan, the two years spent researching and writing *'Behind the Berkshire Hathaway Curtain'* provided many learning opportunities. He believes that the principles of success detailed in the book can be applied to any business, be it in the US, Asia or Singapore. "There are cultural and political differences in different countries, and every leader would have his or her personal style, but the basic business virtues can be applied universally," he told Knowledge@SMU.

Putting the money where his mouth is, Chan drew from the advice given by his interviewees for the running of his own business. "David Sokol mentioned that 20 years of experience can mean the same experience 20 times. So it's important to make sure I gain something new with every year of business. I was a stock picker for six, seven years, but over the last two years, I've learnt to look at bonds and property, which widens my perspective and has given me a better understanding of the business."

A peek behind the curtains

Although the book covers a wide range of industries under the Berkshire Hathaway group, a prominent chunk of Berkshire's business was noticeably missing from the line-up – the insurance industry. Chan clarified that the decision to exclude the insurance sector was a deliberate one.

"Many of them are in industries that are difficult to understand, and to be honest, I still do not understand some of them myself," Chan said, referring to the fact that Berkshire Hathaway has more than 60 subsidiaries. "I wanted to write a book that anyone, and not just finance or business people, could understand. So that was part of the reason why I did not include the insurance industry – because it involved so many regulations, laws and confidential cases that would be hard to explain simply. And unlike selling cowboy boots or furniture, it was also difficult to drill out quality comments and stories of personal and leadership growth because insurance was all about numbers and figures and laws."

Overall, the book provides rare glimpses into the conglomerate's inner workings. Way too much ink has been spilled about the legend himself, while not much is known about his managers. Chan tells their lesser-known stories of triumph in an easy-to-read, narrative style that does the job of drawing attention to those who work tirelessly behind the curtains on Buffett's stage, inches shy from the limelight.

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