

## **Western students gain insight into world of Warren Buffett**

*By Ora Morison*

Warren Buffett may be known as one of the world's greatest investors, but he's still generous in sharing his time to play host to a group of Canadian students.

The financial genius known as the "Oracle of Omaha" opened his headquarters to a small group of Ivey MBA and HBA students during a visit last week in his hometown of Omaha, Nebraska.

"Ask anything you want to ask, and take as many pictures as you want," says Buffett.

The students' visit began with a tour of Nebraska Furniture Mart, a Berkshire Hathaway subsidiary and discount retailer of everything from La-Z-Boy recliners to Apple products.

Later, the students gathered in a large conference room where Buffett answered questions on topics such as ethics, financial innovations, and waning American global dominance.

"Happiness isn't getting what you want," he says. "It's wanting what you get."

According to Buffett, this happiness is essential in the manager of any company worth Berkshire Hathaway's investment.

"I ask myself, 'Do they love the business or do they love the money?'"

Buffett says he doesn't want to work with anyone who doesn't love the business.

On the ride to Piccolo Pete's, where the students lunched with Buffett, he pointed out the duplex where he lived with his wife and first child, in the days before he took his first job in New York.

"The only difference between you and me is the plane," says Buffett, referring to his private jet. He explained that, otherwise, everyone in the room was among the luckiest in the world – healthy, educated, and given numerous opportunities. Buffett reinforced his well-known view that money doesn't bring happiness – it's loving what you do that that will make you "tap dance to work" every day.

Following the typical Buffett meal – New York steak or chicken Parmesan and root beer floats – each student was photographed with Buffett beneath the restaurant's giant disco ball.

Students said they were impressed with Buffett's generosity and humility.

Buffett offered up the extra space in his Cadillac and drove four students from the question-and-answer session to the restaurant. From behind the wheel, he asked the students where they were from, what they were studying, and what they wanted to be doing in 10 years. He then gave personalized advice, recommended books to read, and asked follow-up questions.

Students also learned the story of Rose Blumkin, better known as "Mrs. B.", the founder of Nebraska Furniture Mart. After emigrating from Russia, Mrs. B. opened a small furniture shop based on her motto to "Sell cheap and tell the truth." Mrs. B.

worked until she was 103 and her son, 90-year-old Louie Blumkin, continues to manage "the Mart". Recognizing a passion for selling fairly priced furniture, Buffett concluded the managers of Nebraska Furniture Mart met his criteria. He so respected the honesty of Mrs. B that, in 1983, Buffett closed a deal to purchase Nebraska Furniture Mart for \$60 million with a simple handshake.

Taking a seat at his table at Piccolo Pete's, Buffett started his meal with a bowl of cream of chicken soup and a tall glass of cherry coke. While eating his chicken Parmesan, he chatted enthusiastically with the students seated nearby. Taking a break from the formality of the earlier question-and-answer session, he fielded questions on the Olympics, favourite restaurants and his other interests.

Turns out, Buffett watched a few Olympic events, but prefers the summer Olympics. His answer to what he does for fun was "work", explaining he enjoys his work and doesn't plan to stop. However, Buffett does make time to play bridge online – up to 12 hours each week – to keep his mind sharp.

The investment icon easily transformed into a grandfather figure, putting students at ease with his humour and easygoing nature and answering even the most mundane questions with interest and wit.

***(The writer is an undergraduate student at the Richard Ivey School of Business who participated in a trip to Warren Buffett's headquarters in Omaha, Nebraska on February 26. The trip was organized by George Athanassakos, Professor of Finance, who heads the Ben Graham Centre for Value Investing at Ivey, and was open to MBA and undergraduate students enrolled in Ivey's Value Investing courses.)***