



Warren Buffett: Learn From His Mistakes

Description

The generosity of billionaires is often perceived as less genuine than the generosity of one of the populace. And if we are to believe conspiracy theorists, such generosities are downright insidious. But if we look at this pragmatically, generous actions of billionaires tend to do more good to the world than harm, and their good is often more “sizeable” than the collective good of many people on the other end of the spectrum.

But not all generous actions of people like [Warren Buffett](#) succeed in achieving their goal. One of the most prominent examples of this is Haven Healthcare – A “visionary” project with the minds, names, and wealth of not just one, but three billionaires: Warren Buffett, Jeff Bezos, and Jamie Dimon (CEO of JP Morgan Chase). The project failed, quite spectacularly.

Learning from Buffett’s failure

The aim of the Haven healthcare venture was to find technological solutions for many of the problems that plague the US healthcare system. The three billionaires tried to create something that stood beyond the “profit-making incentives and constraints” of the U.S. healthcare industry.

While it was certainly ambitious, the minds and monetary power behind the project gave many people hope that it would solve at least some of the problems.

Unfortunately, it didn’t. According to experts (some of whom were skeptical about the project from the very beginning), the venture didn’t try to fight the root cause of U.S. healthcare system problems and instead tried to find some out of the box solutions.

The core of many problems that plague the U.S. healthcare system is the high cost of everything, from medication to consultation and treatment. The U.S. spends more per capita on healthcare than any other developed country, and yet it’s the only one without proper universal healthcare. Many medical experts agree that the best way to solve the US’s healthcare problem is to control the cost of healthcare.

The lesson to learn from Buffett's mistake is that sometimes, you can't find out-of-the-box solutions to a problem. Sometimes, the best way to solve a problem is to meet it head-on, no matter how messy and complicated it gets.

Profitability from pharmaceuticals

The right medical business can be highly profitable for you as well if you can find the right company to invest in. One medical company you [might want to consider](#) is **Profound Medical (TSX:PRN)**. It's a Mississauga-based medical device company that focuses on customizable incision-free therapies. It offers two major technologies. One targets inside-out prostate disease ablation, while the other is for outside-in disease ablation.

Profound Medical's revenues picked up from mid-2019, and that's about when the stock started growing as well. From July 2019 till now, the share price has grown over 390%. The stock is overvalued right now, but if it can keep growing at its current pace for a few more years, it will be well worth the cost.

Foolish takeaway

Warren Buffett, like any other human, makes mistakes. But thanks to his station, his mistakes are not just more visible than others, but in some cases, more disastrous. The failure of the Haven Healthcare program would likely push a lot of people to think of Warren Buffett, Jeff Bezos, and Jamie Dimon can't do it, who can?

But instead of getting demotivated, if Buffett or someone else learns from this mistake, they might strive for a better, more potent solution to this problem.

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