



Warren Buffett: 4 Keys to Being a Business Superstar

Description

Warren Buffett's conglomerate, **Berkshire Hathaway**, is one of the world's largest and most profitable enterprises. As captain of the ship, Buffett steered the company to prosperity by investing in the stock market and acquiring businesses. He amassed a vast fortune with his unique, uncommon yet simple management style.

Today, Buffett is a business superstar and [an investing legend](#), no less. People adopt his principles and practical methods to achieve a semblance of superstardom in the investment world. If you have the same goal, know the keys to Buffett's enviable success.

Enthusiasm and energy

Business superstars apply intense enthusiasm and energy to themselves. Buffett saw this differentiating factor in Rose Blumkin or Mrs. B, the founder of furniture juggernaut Nebraska Furniture Mart. Mrs. B became a retail legend because of the two virtues. Berkshire bought the business and made it part of Buffett's business empire.

Define your area of special competence

Buffett learned a valuable lesson from Mrs. B. Aspiring business managers must define their area of special competence with extraordinary realism then act decisively on all matters within it. Because of this trait, Buffett believes Mrs. B. can run rings around Fortune 500 companies' chief executives if she had the same resources.

Ignore propositions outside of your special competence

The famed value investor advises followers to invest only in businesses they understand. Buffett got this cue from Mrs. B., too, who ignored even the most enticing propositions falling outside of her area of special competence. The Berkshire CEO says, "Time is a friend of the good business and the

enemy of the mediocre.”

Behave in a high-grade manner in your dealings

Berkshire bought 90% of Nebraska Furniture Mart without requesting and conducting an audit. Buffett only needed to see a demonstration of the integrity of Mrs. B and her family. In one of his letters to shareholders, Buffett wrote, “Unfailingly behave in a high-grade manner with everyone you deal with.”

Investment philosophy

Buffett is a staunch believer in the value-based investing model. His philosophy is straightforward – only buy stocks in companies that exhibit [solid fundamentals](#), strong earnings power, and the potential for continued growth. One holding Berkshire isn’t ditching, notwithstanding its underperformance, is **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)).

Suncor Energy remains in the sinkhole, although there are no indications that Berkshire will dump the energy stock soon. In 2020, the Canadian integrated energy company lost \$4.3 billion compared to the \$2.9 billion net income in 2019. Aside from a 55% dividend cut, Suncor shares posted a 46.7% loss last year.

Currently, the stock trades at \$17.21 and pays a 3.74% dividend. As of Q3 2020, Berkshire holds 19.2 million Suncor shares. If the company doesn’t sell in 2021, it could earn \$331.4 million in dividends.

The narrower-than-expected loss in Q4 2020 is a welcome development. Thus far, management’s robust cost-saving measures are paying off. Suncor Energy CEO Mark Little also confirms that capital spending will not increase in 2021 despite higher oil prices. Instead, Suncor will use free cash flow on debt repayment and share buybacks.

Inspiration and guide

Warren Buffett shares fascinating insights and personal experiences whenever he writes or speaks to shareholders. His nuggets of wisdom serve as an inspiration to many desiring to be business superstars like Buffett or his role model Mrs. B.

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