



The Hale Group, in conjunction with its clients, continually evaluates *how to sustain success* for the long term. Often we look to other industries and other industry leaders to capture learnings that are relevant to the issues we are challenged by, both as an industry and as individual organizations. Sometimes the greatest catalyst for change comes from the introduction of a different perspective.

A Different Perspective

William C. Hale

I just finished reading *Snowball*, a biography of the *Oracle from Omaha*, Warren Buffet. There are many insights worth reflecting on in Buffet's storied career, however one stood out as particularly provoking to me.

Buffet would periodically gather a group of business leaders / investors, that he respected, and sequester them away at some interesting location far from the limelight of the press. The basic idea was to learn from each other what they saw as the changes in the investing and business environments and their impact on investment decisions. During one of these meetings of "The Buffet Group", Warren had an agenda item for discussion:

"...review the ten most valuable companies in 1950, 1960, 1970, 1980, 1990 — and how has the list changed? What gave a business a durable competitive advantage? What gave these companies an edge, and why didn't they keep it?— because most didn't."

The group concluded that:

"Most of the proposed answers, regardless of the company, revolved around arrogance, complacency, and what Buffet called the 'Institutional Imperative' — the tendency for companies to engage in activity for its own sake and to copy their peers instead of trying to stay ahead of them. Some companies didn't bring in young people with fresh ideas. Sometimes the managements weren't attuned to tectonic [structural] shifts in their industry."

What then, is the *desired* imperative? Examine your motives, challenge your assumptions, and continually guard against simply doing what other industry participants are doing.

It is worth keeping these inhibitors of sustainable success and leadership in mind as we formulate strategy and move to execution.