

## 23 STEPS TO BECOME THE NEXT WARREN BUFFETT



By: Ashley Redmond - February 27, 2016

Warren Buffett, also known as the Oracle of Omaha, is the third richest man in the world worth close to \$60 billion, according to Forbes' "2015 World's Billionaire list." And at 85 years old, the Berkshire Hathaway CEO shows no signs of slowing down.

If you want to become the next Buffett — that is, an extremely successful investor, businessman and philanthropist — click through to find out which steps you need to take and which Buffett-like traits you need to adopt (to read all steps, visit [www.gobankingrates.com](http://www.gobankingrates.com)).

### Decide That You're Going to Be Rich

In order to be rich, you have to believe that one day you will be rich. Buffett once reportedly said, "I always knew I was going to be rich. I don't think I ever doubted it for a minute."

Set high expectations for yourself, and work toward your goals and aspirations. "Then, make it clear to yourself, your family and friends that you have a commitment to become financially independent," said Randall "Dolph" Janis, an insurance agent at Clear Income Strategies Group. "Create your future with a plan, knowing when to get aggressive against knowing when to be conservative — and that can produce the results of your goal to become the next Warren Buffett."

### Start Saving at a Young Age

At the age of 15, Warren Buffett was making \$175 a month delivering newspapers, according to OldSchoolValue.com. From that job, he accumulated \$1,200 in savings and bought a 40-acre farm in Omaha.

The lesson? "Start saving money as early as possible, so that you get into the habit," said Brittney Castro, founder and CEO of Financially Wise Women.

### Graduate College Early

Did you know that Buffett attended college for only three years — two at the Wharton School of Business and one at the University of Nebraska? Although college costs weren't nearly as high as they are today, it's likely that Buffett saved money by finishing college in three years instead of four. And today's college students will likely save even more.

Unfortunately, many are drowning in debt. But, an early graduation can save you approximately \$40,000 at a private college versus nearly \$20,000 at a public college, reports Forbes. To graduate early, try taking as many credits as possible per semester.

### Bounce Back From Rejection

Ironically, Harvard Business School rejected Buffett after his

interview. But instead of sulking, he headed to Columbia and met Benjamin Graham. Graham is a legend in the investment industry, and he became Buffett's mentor. Much of Buffett's incredible investing success could arguably be credited to Graham and the lessons he taught him.

"Turned down? Who cares? Keep going, it happens all the time," said Thomas Scuccimarra, vice president of sales at M&O Marketing. "You can't take it personally, and you can't let it push you off course of your dreams." So even if you don't get into your school of choice, keep moving forward. If Buffett had quit after Harvard dismissed him, he wouldn't be where he is today.

### Communicate in Person

In 1951, when Buffett was digging around looking for companies to invest in, he stumbled across GEICO. To investigate the company further, he rode a train to the company's headquarters. According to GEICO's website, the office was closed, so a janitor let him in and luckily a top executive was there and they had a meeting. Afterward, Buffett made one of his earliest stock purchases and bought GEICO stock. Today, the insurance company is a subsidiary wholly owned by Berkshire Hathaway.

Don't underestimate the value of face-to-face communication. Sometimes a phone call or email just won't cut it. Like Buffett, have a conversation in person to make connections and gather information.

### Be Honest

Buffett is known for his honesty. For example, in the 2013 Berkshire Hathaway shareholder letter, he admits to losing \$873 million by purchasing Energy Future Holdings' \$2 billion debt and called it a "big mistake."

Honest business practices build trust between colleagues and among staff and even competitors. Moreover, investors then express confidence by offering more funding. The lesson? Be honest, it'll likely help your business in the long run.

### Maintain Good Savings Habits

In the book "Icons of Business," Kateri Drexler writes that when Graham closed his partnership, Buffett returned to Omaha. Luckily, he was in a good situation: By being a good saver and avoiding debt, he grew his savings from \$9,800 to \$140,000. He then went on to create Buffett Associates, Ltd.

Paul Tarins, president and founder of Sovereign Retirement Solutions, said, "When evaluating your cash flow, you should understand that the more revolving debt you carry, the more you will diminish the amount that can be invested." By saving money and avoiding debt, you too can take advantage of investment opportunities like Buffett.

### Don't Invest Emotionally

This is one of the hardest pieces of investment advice to follow. Many investors have the urge sell stocks when the market is down. Buffett doesn't, and that's why he's such a great investor. To invest like Buffett you have to ignore stock market cycles, and put your emotions aside.

### Find a Business Partner

One could argue that Buffett wouldn't be successful without Charlie Munger, his billionaire right-hand man. According to

Omaha.com, the pair met in 1959, and today Munger is the vice chairman of Berkshire Hathaway.

Buffett once wrote, "It took a powerful force to move me on from Graham's limiting views. It was the power of Charlie's mind. He expanded my horizons." Together, they took on some of Buffett's largest acquisitions, such as BNSF Corp.

Find a business partner that you trust and ultimately challenge your mind to be more successful.

### Establish a Low-Key Headquarters

Berkshire Hathaway is located in a fairly average-looking building in Omaha. But since Buffett is worth close to \$60 billion, shouldn't his headquarters be in a nicer building? No.

"Your personal image is not the perception of how successful you are. Don't be someone you are not," said Janis. Buffett owns who he is — a humble, grounded and notoriously frugal man. Flashy headquarters wouldn't suit him. Own who you are, and it'll resonate with those around you as authentic.

### Live Frugally

Speaking of being frugal, that in itself is an important step you should take if you want to be like Buffett. Unlike other billionaires who live a lavish lifestyle, Buffett is known for living very modestly. In fact, Munger once told the Motley Fool, "Frugality is basically how Berkshire happened."

"There are things money can't buy," Buffett also told the Motley Fool. "I don't think standard of living equates with cost of living beyond a certain point. Good housing, good health, good food, good transport. There's a point you start getting inverse correlation between wealth and quality of life. My life couldn't be happier. In fact, it'd be worse if I had six or eight houses."

### Limit Your Activities

How do you accumulate close to \$60 billion like Buffett? You work hard, sure, but you also focus on just a few projects or activities. To explain Berkshire Hathaway's success under Buffett, Munger wrote in the company's annual shareholder letter, "Buffett's decision to limit his activities to a few kinds and to maximize his attention to them, and to keep doing so for 50 years, was a lollapalooza. Buffett succeeded for the same reason Roger Federer became good."



Randall "Dolph" Janis, founder and owner of Clear Income Strategies Group, has been in the retirement services industry for more than 11 years, building a strong network of satisfied clients in Charlotte, N.C. and surrounding areas. Dolph's goal is to provide fulfillment for the visions, hopes and dreams from baby boomers to seniors by providing common sense solutions for their retirement needs.

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