

Learn From the Wise

SMT Prospects & Perspectives

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How can we get ahead in this digital world inundated with a gargantuan amount of information available to all? More sustainably, how can we stay ahead of the curve? Knowledge and wisdom are the fuel to propel us ahead; learning from the wise is the speedier path to acquire the fuel.



Warren Buffett

Business magnate Warren Buffett—one of the most successful investors in the world—holds a wealth of knowledge and wisdom. I wanted to attend the Berkshire Hathaway annual shareholders meeting regularly, but work schedule commitments persistently trumped my desire to attend regularly over the last 25 years. Nonetheless, I do make a point to read and study his iconic annual letter to shareholders, which I’ve found to be enlightening and thought-provoking.

Finally, I decided to make in-person attendance a priority in my work, scheduling way in advance. Last month, I had the pleasure to attend the wisdom-rich event. During the two days of the event, I absorbed or gained

a bounty of observations, new ideas, renewed points, and verified thinking paths. I felt intellectually enhanced and reassured.

There were reportedly more than 40,000 in-person attendees from all over the world and millions watching the livestream of the event remotely. The cross-section of attendees is as wide as can be, from a nine-year-old to senior citizens, spanning all walks of life.

What has attracted so many people? Why are there so many fans and admirers of Buffett and his business partner Charles Munger? Perhaps the simple (overly simplistic) answer is the search for “wisdom” in investments. But more importantly, it is the wisdom above and beyond investment for how to live a long, wholesome, successful life.

Both the Oracle of Omaha, 88-year-old Warren Buffet, and his six-decade-plus business partner, 95-year-old Charlie Munger, devoted almost an entire day to addressing a variety of questions. They shared their wisdom during this meeting and covered topics ranging



Charles “Charlie” Munger

from corporate governance and shareholder relations to human behavior and life lessons, acquisitions, and stock buyback. This wider interest than investment vividly manifested through a variety of questions and discussions, making the event even more intriguing and enriching.

This shareholders meeting is profoundly unique by any measure and in a way that is absent at many corporations, organizations, and institutions around the world. My attendance in-person this time provided me a distinctively deeper appreciation of alternative perspectives in a variety of areas.

Among many intriguing and striking observations, I want to share with our industry a select few that tugged at my heartstrings:

- The attendance of pre-teen kids (ages 9–13) brought by their parents was striking
- A 10-year-old girl asked, “What is your best personal investment?”
- An 11-year-old boy from China asked, “You said you know human nature and behavior better. How does knowing human nature and behavior help investment?”
- A 9-year old girl attending for the third time asked about investing in leading technologies was humored by Buffett, saying, “You should be rich now.”
- A 13-year-old boy asked Buffett’s thoughts on delayed gratification. Buffett’s response was quite educational: “Saving is a necessary thing to do in life, the delayed gratification may not be a qualifier for all individuals or families in all circumstances, but I spend only 2–3 cents on every dollar.”
- A 27-year old asked, “I’m young and have a lot to learn. I want to be a successful investment manager. How and when will I know I am ready to successfully manage other people’s money?”
- A young woman literally kangarooed with a baby as a first-time attendee who won the “lottery” to ask a question
- Foreign country college students arrived at 3:00 a.m. on the meeting day

- When Mr. Buffett was asked: “What do you value the life most?” he responded, “Time, and I have been able to control my time, and a job that is not limited by physical abilities.”
- Mr. Munger was asked, “You have worked with Buffett for more than six decades. Why is he much richer than you?” He answered with his signature touch of humor, “For a lot of reasons. Maybe he is smarter or works harder, but Albert Einstein was not rich.”
- Mr. Munger said, “No idea is good enough at any price,” which is a superb business acumen
- Mr. Buffett stated, “We always carefully measure ourselves on what we do.” Discipline is the key!
- Mr. Munger said, “Warren is a learning machine. He reads a lot”; Buffett added, “Charlie reads more books in a week than I do in a month.” This truly coincides with the following famed Buffett quotes, which I couldn’t appreciate or agree with more!
 - “I think you should read everything you can. In my case, by the age of 10, I’d read every book in the Omaha public library about investing, some twice. You need to fill your mind with various competing thoughts and decide which make sense.”
 - “Read 500 pages every day. That’s how knowledge works. It builds up like compound interest.”

On investments, corporate governance, financials, and capital allocation, I felt a deeper sense for the concepts used in measuring a company’s performance by operating earnings rather than EBITDA. Mr. Buffett has been championing this approach for some time. I equally understood better the rationale behind the Buffett’s stock buyback. I can also see more clearly why Mr. Buffett prefers equity investment to bonds. Not surprisingly, on Buffett’s experience in corporate governance, to paraphrase his remarks, “I have served on more than 25 corporate boards. So-called independent directors are not independent at all.” How true!

Other learning advice is well reflected by an interview by the *Wall Street Journal* from May of this year, Munger stated, “Part of the reason I’ve been a little more successful than most people is I’m good at destroying my own best-loved ideas. I knew early in life that would be a useful knack, and I have honed it all these years, so I’m pleased when I can destroy an idea that I have worked very hard on over a long period of time. And most people aren’t.” How pragmatic! Indeed, objectivity is the engine for building up one’s wisdom.

Overall, my takeaway thoughts go to the following inferred and inducted points:

1. The Buffett/Munger duo create an intellectual synergy. What a fortunate partnership. Good partnership is power!
2. There are profound reasons for the overwhelming reverence and admiration for the two
3. Pre-teen attendance points to the next generation’s high aspiration
4. Pre-teen grasp of high-level knowledge demonstrates ever-increasing competitiveness in future generations
5. Learning from the wise is a speedier way to get ahead
6. Mr. Munger’s advice, “No idea is good enough at any price,” speaks volumes for astute business decision-making
7. A company’s healthy and sustainable performance correlates so well with level-headed leadership, including the board and management. This applies to any organization.
8. Further appreciation of Buffet’s iconic concepts and practices:
 - “The best investment you can make is an investment in yourself. The more you learn, the more you’ll earn.”
 - “We don’t have to be smarter than the rest. We have to be more disciplined than the rest.”
 - “If you want to soar like an eagle in life, you can’t be flocking with the turkeys.”
 - “Always associate yourself with people who are better than you.”

- “Someone is sitting in the shade today because someone planted a tree a long time ago.”
- “Outstanding long-term results are produced primarily by avoiding dumb decisions rather than by making brilliant ones.”
- “It’s good to learn from your mistakes. It’s better to learn from other people’s mistakes.”

How can we get ahead—and stay ahead—of the curve? Speed is the key. Among the fundamental traits, continually and consistently learning from the wise is the speedier path to acquire the fuel to propel us forward. **SMT007**



Dr. Jennie S. Hwang—an international businesswoman and speaker, and business and technology advisor—is a pioneer and long-standing contributor to electronics hardware manufacturing as well as to the environment-friendly lead-free electronics implementation. Among her many awards and honors, she was inducted to the International Hall of Fame–Women in Technology, elected to the National Academy of Engineering, an R&D-Stars-to-Watch, and YWCA Achievement Award. Having held senior executive positions with Lockheed Martin Corp., Sherwin Williams Co., SCM Corp, and CEO of International Electronic Materials Corp., she is currently CEO of H-Technologies Group providing business, technology and manufacturing solutions. She is the Chairman of Assessment Board of DoD Army Research Laboratory, serving on Commerce Department’s Export Council, National Materials and Manufacturing Board, Army Science and Technology Board, various national panels/committees, international leadership positions, and the board of Fortune-500 NYSE companies and civic and university boards. She is the author of 500+ publications and several books, and a speaker and author on trade, business, education, and social issues. Her formal education includes four academic degrees as well as the Harvard Business School Executive Program and Columbia University Corporate Governance Program. For more information, please visit www.JennieHwang.com. To read past columns or contact Hwang, [click here](#).