## The Warren Buffett CEO: Secrets from the Berkshire Hathaway Managers

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element of its operation. The notion is that empowerment of project teams is the way to handle routine issues and problems that face any firm. Given this premise, the challenge is to coordinate, monitor, and guide these empowered teams in their pursuit of their assigned tasks. While management is ultimately responsible for this activity through a sponsorship system, they advocate that a centralized project office can best provide stewardship to the project management process.

Ample examples of the success of this process are given citing its use at ChevronTexaco, Project Development and Execution Process; HP Spain, Hewlett-Packard Consulting Organization; and the U.S. Air Force, Aviano 2000 Program Management Office. The cases are well presented and cleverly integrated into the presentation to show that centralized stewardship is critical to the success of the project management effort.

The authors discuss the three pillars of project management—cost, schedule, and quality—in terms of traps that can thwart even the best project manager. They say that overemphasis on any one of these factors can lead to the demise of the project and the idea of integrating project management into the fabric of the organization's culture. They recommend that these pillars be augmented with a series of success factors to support enterprise project management.

The success factors are: strategic emphasis, upper-management support, project planning support, customer and end-user support, project team support, project performance support, communication and information systems support, organization support, and economic value support. They are very clear that implementation of these factors through a project office is to support not create a bureaucratic bottleneck in the organization.

The organizational management advice presented in the book is rooted in a strong theoretical base tempered by the authors' vast experience in project management. This combination provides ample examples of successful approaches and pitfalls that one could expect to encounter in their role as a champion for project management. For example, they compare and contrast the long, steady approach (Quaker) and short, iron-handed approach (Attila the Hun) that a champion could use. Their general preference is the Quaker approach because it focuses on long-term cultural change rather than short-term superficial compliance.

Creating the Project Office: A Manager's Guide to Leading Organizational Change is a book to be read. Its presentation of the essence of project management and organizational change is excellent.

Reviewed by James B. Kohnen St. Mary's College of California The Warren Buffett CEO: Secrets from the Berkshire Hathaway Managers. Robert P. Miles. 2003. New York: John Wiley & Sons, Inc. 412 pages.

The mystery of who will succeed Warren Buffett as the leader of the Berkshire Hathaway organization he built is explored by Robert P. Miles in this book. However, in chronicling the experiences of the current leaders in the Berkshire Hathaway organization he has created an incredible collection of stories illustrating a continued commitment to excellence. Since many of the companies were privately held prior to acquisition by Berkshire Hathaway, not much is known about them except that they are incredibly successful in the markets in which they operate.

The stories are told from the viewpoint of the current Berkshire Hathaway entities' CEOs, who are totally committed not only to Warren Buffett, but also to their company. The structure of Berkshire Hathaway resembles a family in which everyone is expected to contribute to the well being of the group. Thus, each organization gives what it can to the group as a whole and receives the support its needs to succeed. And succeed they do.

The group is very diverse in its management and product line. One common denominator is that the current CEOs know their business and has been successful in it in their own right. They continue in

## Reviews

their position because they genuinely like what they do and know how to do it. Generally, they were in a position of leadership when their firm attracted Warren Buffett's attention. The reason for the initial interest is vague, although a recommendation by Berkshire Hathaway insiders goes a long way. However, in almost every case the closing issue was the commitment of the current leadership of the firm to remain in place.

Miles has done a superb job in gathering information about the key firms that make up Berkshire Hathaway. Each one has a unique story, but there is a common thread—customer satisfaction. Each business was built on a desire to provide excellent customer service with a fair market price. The net result was and is a business that consistently contributes to the Berkshire Hathaway organization. The compensation that the respective CEOs earn for their efforts is also fair, but the real reward for them is to be part of an organization that they truly enjoy.

Read the stories. Vicariously enjoy the successes of the original owners. Relish the intrigue of the moment of truth when the time for action arrived to transfer ownership to Berkshire Hathaway. And watch the development of the business when it was relieved of the burden of external financial manipulation. The mystery of who will follow Warren Buffett to lead Berkshire Hathaway into this millennium is not solved at the end of this book. Readers, like the other Berkshire Hathaway CEOs, can play the succession game so eloquently described by Robert P. Miles.

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