

Several themes emerged including: seeking high value, taking the long view, and keeping a virtuous character. Here are some of the salient points of wisdom, slightly paraphrased.

We have no grand design or master plan.

Simply consider every single decision thoughtfully along the way. See the patterns and avoid previous conclusions, which can have an anchoring effect. Our advantage is we know we don't understand it all.

We think it's a mistake to bet against America.

Business is the economic engine of a market economy. The U.S. has done extraordinarily well for 200 years. Either Hillary Clinton or Donald Trump as president will not expressly damage the country if you take a long-view perspective.

We know a CNBC disaster will happen.

CNBC stands for Cyber, Nuclear, or Bio-Chemical. This type of disaster is the only significant external risk shareholders face relative to Berkshire Hathaway value.

We expect high integrity from our business leaders.

Leaders should be intelligent, energetic, and act with integrity. If they don't act with integrity, you can only hope they are neither intelligent nor energetic. There's no limit to what truly talented people can accomplish. But you can't fix unable people.

We are candidly clear about what we intend to reward.

Don't just reward profitability. A manager could stop marketing to save cash and then never grow the business. Both growth and profitability are important measures to reward.

We see very smart people do very stupid things.

It's best to avoid self-destructive behavior. This requires you to have emotional control. It's all about temperament. Simply put, you should behave well.

We must be able to make our opponent's argument.

Only if you can make an opponent's argument better than they can, do you earn the right to disagree. Otherwise, it's best to stay silent.

We believe a rich society is obligated to help.

It's our responsibility as a wealthy society to help both the young and the old. Equity distribution is an increasing challenge; inequality is a real concern. Within our system of higher education, the issues of bureaucracy, monopoly, and inefficiency intensify these problems.

We always strive for win-win relationships.

Bend over backwards to take care of your customers, employees, even suppliers. If you take care of the customers, they take care of the business. It's not right when a company is rich and leverages its suppliers.

We made lots of mistakes along the way.

No due diligence can accurately predict economic opportunity and human behavior. No matter how much you can know, you can't necessarily see the future and know the true prospects for a business.

We love doing this work every day.

If you see the world accurately, it's bound to be humorous because it's often ridiculous. We're very happy guys, and we'll likely live longer because of it.

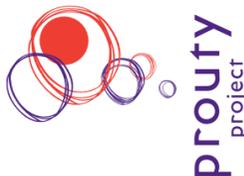
"It is not necessary to do extraordinary things to get extraordinary results," says Buffett. "The key is to understand the business, buy it at a sensible price, and grow the earnings over time."

This level of clarity and manner of confidence are typical of a true Level Five leader. Buffett's absolute drive and obvious humility make for a track record of sustained achievement. Berkshire boasts a 19.2% rate of per-share book-value growth compounded annually over 51 years.

The Buffett-Munger duo behind the Berkshire Hathaway brand creates a compelling narrative – one that embodies an inherent determination to achieve remarkable results. This driving energy seems to generate from some place deep in their individual DNA. And it certainly commands attention.

Strategic Planning • Organization Development • Board and Team Development

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Ambitious Aspirations

This newsletter was a lot of fun to put together.

After hearing **Warren Buffett** speak about "extraordinary results" at the Berkshire Hathaway shareholders meeting in May, we decided to ask a group of our clients for their insights on the topic. Enjoy their responses.

I also hope you can join us Thursday, October 27, 2016 at 6:00 p.m. in our Creative Think Tank to learn more about our **STRETCH Expedition 2017**. Norway high-adventure kayaking and hiking June 21-30, 2017, Sam Smith (our Sam Smith, not the singer) at the helm. Interested? Please RSVP to jayna.wallace@proutyproject.com.

And, as you're making your investment decisions for 2017-2018, please consider sending 2-3 of your "up and coming superstars" to our **L3 (Leading Self, Leading Others, Leading the Business)**, Cohort #2. Three, 3-day segments, held in the beautiful Leadership Lodge at Sugar Lake, near Grand Rapids, MN.

The 2017-2018 dates are as follows:

- August 7-9, 2017
- October 23-25, 2017
- January 15-17, 2018

If you'd like to learn more, please contact Peter Bailey, Sam Smith, or Christie Devine at L3@proutyproject.com. They're excited to talk with you.

As **C.K. Prahalad**, author of "**Competing for the Future**," liked to say, "Strategy is about stretching limited resources to fit ambitious aspirations."

What are your ambitious aspirations for the next year? The next decade? The next generation?

Keep stretching, be ambitious, be extraordinary.

Jeff Prouty
jeff.prouty@proutyproject.com

"C" NOTE QUOTE:

"It's about being the kind of friend you wish you had yourself. Everyone should be lucky enough to have a friend who is as thoughtful and kind as Warren. He goes out of his way to make people feel good about themselves and share his joy about life."

Know the quote?

If you know who said this quote, please send an email to: melissa.gennert@proutyproject.com or call 952.942.2922 by **Tuesday, November 1**; one guess per person. If we have more than one correct answer, we throw those names into a hat and draw the winner of a \$100 gift card.

Last issue's "C" Note Quote winner is...

Tom McDaniel, Robert Bosch Packaging Technology, Inc.

Tom knew that Actor Alan Arkin, said the following: "You have to think of your career the way you look at the ocean, deciding which wave you're gonna take and which waves you're not gonna take. Some of the waves are going to be big, some are gonna be small, sometimes the sea is going to be calm. Your career is not going to be one steady march upward to glory. And it's not going to be what you think it is. No matter what your plans are for yourself, it'll end up being different from what you anticipated."

Congratulations, Tom!

Tom says, "I participated in a 'Breath of Hope' Lung Cancer fundraiser just a few days after I learned I was the winner, so I donated (and matched) the \$100 to Breath of Hope. Thanks to Prouty for injecting some fun into our week with this contest and for, in the end, supporting a very worthy cause!"



Tom McDaniel



Berkshire Brand Commands Attention

By Prouty Partner: **Anne Berg, Vyway® Market & Brand Strategy**

"It is not necessary to do extraordinary things to get extraordinary results."
—Warren Buffett

It was my privilege to experience the Berkshire Hathaway annual meeting – known as "Woodstock for Capitalists" – as a wide-eyed newcomer attending for the first time along with seasoned experts from Team Prouty.

On a cold and rainy April day in Omaha, we were educated on significant financial matters. And we also were witness to a lesson in brand management. As someone who sees reality through a brand strategy lens, I can only conclude that Warren Buffett, 86, and Charlie Munger,

92, are not only masters at making money, but also masters at marketing – the kind of marketing that's both classic and original: they simply are who they are.

Buffett and Munger possess an unmistakable drive to achieve extraordinary results, complemented by an obvious desire to be fair and honest. With an eye toward the distant future, they hold an absolute resolve to do the right thing, which seems to assure their ongoing success.

This authentic reputation derives from decades of being consistently candid about what they believe and how they work. Much of that belief system was revealed in the six hours of question-and-answer that took place live on stage and this year for the first time, live on the internet.

THOUGHTS ON ACHIEVING EXTRAORDINARY RESULTS

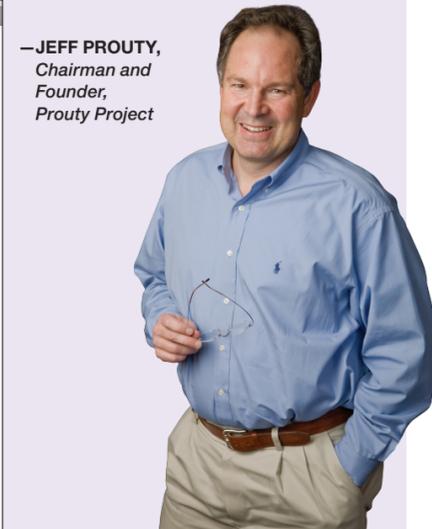
"Extraordinary results for big challenges come by inviting the entire team to be part of the solution. Leaders have a responsibility to establish the vision and direction of the organization. We may know the initial steps needed to begin moving the organization towards the vision. However, there is tremendous power in inviting the team to identify and act on details we would never have known, and which have the potential to achieve or exceed our objective much more quickly. Being part of the solution is more exciting and energizing than being told the outcome. Opening the door to insights and solutions throughout the organization becomes part of the culture, increasing team engagement and commitment. When we have 600 AgStar team members aligned behind a common objective they become a powerful force."

—ROD HEBRINK, President and CEO, AgStar Financial Services



"HIRE SMART, DRIVEN, TEAM PLAYERS."

—JEFF PROUTY, Chairman and Founder, Prouty Project



"Never forget that there is an invisible transaction behind every sale or purchase. How someone feels about their treatment is equal to the quality or value received. Therefore, a company must rigorously market a superior product, but should spend an equal effort scoring quality, training service, and instilling culture to make their superior product a fond, memorable experience."

—JON FOSS, CEO, Co-founder, Coach, and Instructor, Foss Swim School



"Always have a mentor and a talented team. In 2005, my mentor suggested I create posters for the changes of the USDA MyPyramid. So Learning ZoneXpress (LZX) created posters for schools and public health clinics with the new 2005 changes. MyPyramid was 20 years old. In 2011, the MyPyramid graphic changed to MyPlate. Michelle Obama made the announcement at 10am June 2, 2011. LZX was drinking champagne and ready for a launch! By 11am LZX broadcast via internet our NEW MyPlate poster for schools and public health. It was the first graphic designed poster nationwide, and we were shipping the posters within a week. Then LZX developed 40 more MyPlate products!

The LZX team proudly launched LZX from Owatonna, MN into national recognition and super growth. What a talented team!"

—MELANIE NELSON, Founder and Owner, Learning ZoneXpress



"Be able to take your ego out of the equation. Whenever I meet new people or work with groups, I want them to know they are the most important people in the room at that time... not me."

—PETER BAILEY, President, Prouty Project



"You've established your strategy and outlined your goals. The entire team is passionate about the direction and is ready to execute. Even in these exciting times, we can find ourselves tasked with things that drain rather than infuse us with energy. 'If you can't get out of it, get into it.' It is a bit of advice from childhood that rings in my ears every time I'm faced with doing something I dread. We each have an opportunity to create the energy we need to break through an obstacle. Do that enough, and it becomes a habit that helps you deliver extraordinary results."

—SAM SMITH, Vice President, Prouty Project

"The world is changing quickly. The way we did things yesterday will not work the same way moving forward. Be stubborn about your goals but flexible in your approach. And remember, everyone you encounter knows something you don't. Learn from them."

—ANDREA WEST, Senior Consultant, Prouty Project



"You can't think big enough is at the core of how MHIF approaches achieving its vision of a world without heart and vascular disease. Letting your team know this gives everyone permission to do the extraordinary."

—DR. KRISTINE FORTMAN, CEO, Minneapolis Heart Institute Foundation



"Set your intentions in whatever you want to achieve, and then partner/collaborate with the right people who share your vision and passion. The reward is watching successful people achieve extraordinary results as a team."

—JODY ROGERS, Vice President Human Resources, SFM Mutual Insurance Company



LAW OF MAGIC: Create positive energy by delivering excellence.

Do your best. Anything worth doing, is worth doing well. Take pride in your work. It reflects your standards. Engage in continuous improvement and, as Walt Disney said, "Inspect what you expect."

Exceed expectations; under-promise and over-deliver.

The best relationships have matched expectations. Do what you say you are going to do. If it is not possible, communicate the change.

Be disciplined; control your thoughts. Time is our most precious resource. Spinning on decisions, re-hashing conversations, and stirring up emotion wastes time. When decisions are made, honor them. If new information arises, bring facts to the decision maker to see if a new decision should be made. Its authenticity will be verified.

Collaborate to get the best results. Ask questions. Listen. Learn what people want and need.

Have clarity about desired outcomes and how you will measure success. How will we know we won if no one has shared the score? Define metrics, standards, expectations, and SMART goals: Specific, Measureable, Attainable, Relevant, and Time-based.

Simplify. Less is more. The most complex and difficult thing we can do is make something simple. Spend as much time as necessary to boil things down to their true essence. The result will be more memorable and impactful.

Create clear, duplicatable processes. Excellent systems save you time and free up your mental space.

—JILL BLASHACK STRAHAN, Founder and CEO, Tastefully Simple

"COMPETENCE DRIVES CONFIDENCE. CONFIDENCE DRIVES SIMPLICITY. AND, SIMPLICITY DRIVES SPEED."

FIGURE OUT HOW TO UNLOCK YOUR COLLEAGUES' CONFIDENCE AND THEY WILL DO EXTRAORDINARY THINGS...QUICKLY!"

—MIKE FELMLEE, CEO, Prouty Project



We encourage our associates to fully embrace their individuality by realizing that we, J&B Group, need all of our strengths collectively to succeed and propel us into the future. By doing this, relationships improve and we are able to increase our effectiveness at work and at home.

Building self-awareness is a key piece of the puzzle for us so we can achieve extraordinary results with ordinary people. Our interpersonal effectiveness, trust and rapport, are our competitive advantage, and extraordinary results are the by-product."

—AMY VALEK, Learning & Development Manager, J&B Group



"It's all about people, hire well and ensure that you help develop and grow the key talent within the organization."

—MARK RIGBY, CEO, RIE Coatings

COMMUNICATE, COMMUNICATE, COMMUNICATE... Every day on everything.

—JOE RYAN, CEO, Oppidan

