One of the best ways to achieve success is to model yourself after someone who has already achieved it. In the world of investing, there has been none more successful than Warren Buffett. So it makes sense that we would look to him for ideas on how to become better investors.

His investment success over the years has led many to refer to him as the “Oracle of Omaha” and thousands gather every year to listen to him dole out wisdom at the Berkshire Hathaway (BRK.A) annual shareholder meeting. This wisdom has helped him amass over $75B of net worth according to the recent Forbes billionaire list. This number serves as a testimony to his incredible investment success over time.

All this to say that Warren Buffett would be an excellent choice for someone to model your investment behavior after if you want to be more successful with your wealth. Here are a few thoughts on things that we can do to think more like Warren when it comes to our investments based on a few quotes from the Oracle himself.

**TIP 1 – Pursue your passions**

“In the world of business, the people who are most successful are those who are doing what they love.”

You can work on your weak areas and eventually become good in them. Or, you can choose to work on your areas of strength and develop them from good to great. The latter is what a lot of the most successful people do. This enables them to work more exclusively in the areas they enjoy the most, which not only makes them more fulfilled in their work but more productive as well. A great combination!

There are many great resources out there for you to discover your main areas of strength. The one that I have found very helpful is Strength Finders 2.0 by Tom Rath. It not only helps you identify your strength areas but also gives you some ideas on how to further develop and work in them.

**TIP 2 – Invest in yourself**

“The most important investment you can make is in yourself.”

This is something that is often overlooked when it comes to investing. It is an investment that can provide excellent returns that come in the form of your career advancement, career enjoyment, and quite possibly your career longevity. In other words, the investment into yourself can help you make more money over a longer period of time with greater enjoyment of your work. Sounds like a great return on investment to me!

The investment itself can take many forms from pursuing a formal study program to gain an additional degree or designation or it can be a less formal program such as reading great books and listening to impactful podcasts that will help your personal growth. The program you select should be developed for maximum impact on advancing on your most important goals. So go ahead, make a plan and get started on it today.
TIP 3 – Seize the day

“Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble.”

This is often a hard thing to do because great opportunities do not always come when you feel fully prepared or completely confident to act upon them. The opportunity itself could take many forms such as a new investment or career move that requires thoughtful and decisive action to take full advantage of them. So, what is the best way to prepare yourself in advance to take the right course of action?

The best way I have found is to have a framework in place for making these decisions. This framework is a clear and concise plan that outlines where you are now and where you would like to be in a year, in 5 years, in 10 years, and beyond. With this plan in place you now have the filter to run these opportunities through when they come along and can act decisively on the right ones.

TIP 4 – Limit your downside

“Rule No. 1: Never lose money. Rule No.2: Never forget Rule No.1.”

This statement does not mean that you will never see a reduction in your account value when you open up your monthly investment statement. Instead, a loss occurs when you make the decision to sell a particular investment at a point when it is worth less than what you have invested in it. This is considered a loss and the scenario you want to avoid if possible.

The key to following this advice from Warren Buffett is to position your portfolio in such a way that you will not have to sell any of it at a loss during a down market. This will allow the part of your investments that are down in value a chance to recover.

A couple of steps you can take with your portfolio so that you have a greater probability of not selling at an inopportune time would be:

1. Maintain a strategic cash allocation that covers your short-term liquidity needs.
2. Maintain a well-diversified portfolio with multiple asset classes that do not move in lock-step with one another.
3. Maintain a long-term perspective and try to avoid investing money that is needed in the short-term in investments that have a high degree of risk.

These tips are just the tip of the iceberg when it comes to success advice from Warren Buffett but they are some of my favorites. I hope they can help you progress on your own success journey.

A question for you to consider -

What is one thing that you could do now to further your success?

Please contact me with any questions or comments here.

Please contact me here to set up a wealth management review.

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