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And one more thing,  
I wanna give you a personal podcast recommendation.  
Invest Like the Best is one of my favorite podcasts.  
The host, Patrick, is a world-class interviewer,  
and he shares my passion for podcasting.  
Whatever podcast player that you're currently listening  
to this on, please search for Invest Like the Best  
and make sure you follow that show.  
I have two episode recommendations for you.  
It is episode 293, Mitch Lasky.  
It goes into the actual business of video games.  
I thought it was fascinating.  
And then if you want to listen  
to the episode Patrick and I did together,  
it's episode 292.  
It's called Passion and Pain.  
This is not a book about computers.  
It is a story about people.  
A remarkable collection of individuals led by one man,  
Bill Gates, whose drive, genius, vision,

and entrepreneurial spirit created one of the great success stories in the history of American business.

At 35 years old, Gates was at the pinnacle of his young career.

Microsoft, the company that he and Paul Allen had founded 16 years earlier, had become the first software company in history to sell more than a billion dollars worth of products in a single year.

Gates was the undisputed mastermind of that success.

His company's astounding ascension had made him the youngest billionaire in the history of America.

A most unlikely captain of industry, he looked as if he could have been 25 years old or younger.

No one underestimated Bill Gates though.

Too many people had done that in the past.

Most people already knew Microsoft's history.

In 1980, the company had sold the MS-DOS operating system to IBM.

The revenue from that partnership gave Gates a guaranteed income stream and the push he needed to make his vision, Microsoft software on every desktop PC, come true.

Not long after he made the deal with IBM, the fiery competitive Gates slammed his fist into his palm and vowed to put several of his major software competitors out of business.

By 1991, many of those competitors were in full retreat.

That is an excerpt from one of my favorite biographies in the book that I'm gonna talk to you about today which is hard drive, Bill Gates and the making of the Microsoft Empire.

And it was written by James Wallace and Jim Erickson.

I first read this book almost three years ago for episode 140.

And the reason it's one of my favorite biographies is because it covers the first 36 years of Bill Gates life.

It is about the beginning of the company.

And more importantly,

it is about the young version of Bill Gates that built the foundation

that the Microsoft Empire rests upon today.

And the young version of Bill Gates is nothing like the version of Bill Gates that you see in the media today. And after I read the book the first time, the way I described it was that a young Bill Gates was like Genghis Khan in a Mr. Rogers costume. And so let's jump into his early life and how he was when he was a kid spread throughout the first chapters all these different descriptions from people that knew Bill when he was younger. Some were friends, classmates, family members. And so I'm just gonna give you a couple of examples of how they described him. Aggressive and stimulated by conflict, prone to change moods quickly, a dominating personality with outstanding powers of leadership. If left to his own devices, a young Bill Gates would just sit in his room and read nonstop. Gates read the encyclopedia from beginning to end when he was only seven or eight years old. That is going to be a reoccurring theme throughout the entire book, just how much he reads. And this is a description of Bill from his mother, Mary. Mary Gates in describing her son has said that he has pretty much done what he wanted since the age of eight. And here's another description of a young Bill Gates. Even as a child Gates had an obsessive personality and a compulsive need to be the best. Any school assignment, be it playing a musical instrument or writing papers, whatever he would do at any or all hours of the day. Everything Bill did, he did to the max. That's actually a great one sentence summary of the Bill Gates that's present in this book all the way up until the age of 36. Everything Bill did, he did to the max. What he did always went well, well beyond everyone else. A few pages later, Gates loved competing. He hated losing.

Everything he did, he did competitively and not simply to relax. He was a very driven individual. When Bill was going into seventh grade, his parents did something that was important. They transferred him from a public school to a private school. This private school is called Lakeside. The reason that is important is because Lakeside is the first place where Bill ever sees a computer. This is going to be the start of Gates' obsession. This is where he gets access to a PDP-10 mini computer. So it says the PDP-10 Lakeside used was owned by General Electric, which billed Lakeside for computer time. And so the parents at the school, they raised about \$3,000 thinking, okay, this is going to be, this should be enough for the kids to learn how to use a computer, right? So it says they raised about \$3,000, figuring that the amount would be enough to last the rest of the school year. What they didn't realize was how seductive a mistress the machine would become. Bill Gates was about to develop a very expensive addiction. And this event in Bill Gates' life is important for at least two reasons. The first thing that popped to mind when I was rereading the section was this excellent advice that Charlie Munger gives to increase your likelihood of success. And he said, you should maneuver yourself into doing something in which you have an intense interest. The key word being intense. Intense is exactly what a young Bill Gates obsession with the computer was. And the second reason was he's about to meet Paul Allen, which is going to be a few years from now, his co-founder of Microsoft. Gates was immediately hooked. Whenever he had free time, he would run over to get more experience on the system.

But Gates was not the only computer crazed kid at Lakeside. He found he had to compete for time on the computer with a handful of others. Among them was Paul Allen, who was two years older than Gates. Seven years later, the two classmates would form Microsoft. And so this is more about Bill's intense interest. It also makes me think of one of my favorite quotes ever from Jeff Bezos. He says, we don't choose our passions, they choose us. It says Bill Gates cannot explain why he reacted as he did to the computer, but it triggered a deep passion, an obsession in him. And this is what obsession looks like. Gates devoured everything he could get his hands on concerning computers and how to communicate with them. Often teaching himself as he went, the faculty knew next to nothing about computers. Gates and the other kids hanging out day and night in the computer room were pretty much on their own. Within weeks, most of the \$3,000 raised was gone. And so we're about to see how a young Bill Gates solves problems. He's like, okay, well, I want to use a computer. I can't use a computer because we're out of money. So I need to find some other way to get more time on the computer. So in his mind, the logical thing is, okay, let's figure out how to hack into the system and just change the amount of time that we're using. Gates and a couple other boys broke into the PDP10 security system and obtained access to the company's accounting files. They found their personal accounts and reduced the amount of the time the computer showed that they had used. They were quite proud of this ingenious accomplishment until they got caught. And so at first they get in trouble and then they get a job, which leads them to getting unlimited computer time. The company that they were paying for their computer time had a problem with their software crashing all the time. Bill and a couple of the other boys at Lakeside

were really actually good at identifying and fixing bugs.  
And so they saw Gates and his friends as a solution to what they called their reliability problem.  
And so the company hired a herd of friendly users and they became the unofficial night shift.  
They offered Gates and the other Lakeside computer junkies an opportunity to try to crash the system.  
In exchange, they would get all the free computer time that they wanted.  
And this is the first time the book talks about a theme that's going to repeat it over and over again for the next 400 pages.  
And that is Bill Gates' desire to be hardcore.  
He uses the term hardcore over and over and over again.  
It was often past midnight when the boys finished their work.  
That's insane because they're in middle school at this time.  
It was when we got that free time that we really got into computers, Gates said.  
I mean, then I became hardcore.  
It was day and night.  
Gates was 13.  
Gates and Allen not only look for bugs, but they also look for any information that might help them learn more about computers, operating systems and software.  
Gates would go through garbage cans so he could poke around for important tidbits of information left behind on the day shift.  
I'd get the notes out of the trash with coffee grounds on them and study the operating systems.  
And there's a line in here that made me think of something I read last week when I read Brunello Cuccinelli's autobiography for episode 289.  
And he talks about when he was getting started, right?  
He had no money, but he had a ton of enthusiasm.  
And he actually thought that enthusiasm helped other people want to help him.  
I think a line in the book says, he was describing stuff.  
He says, I was a young man with no money and tons of enthusiasm.  
We see that with both Bill Gates and Paul Allen

in this book right now,  
Gates and Allen stood out from the other kids  
because of their enthusiasm.  
And so as I'm rereading the book for the second time,  
I'm like, wow, this is like really,  
Bill Gates' parents had like a lot of foresight.  
Like they're letting their 13 year old kid  
work on these computers till after midnight.  
Nope, they were worried about his obsession too.  
His parents became increasingly concerned about their son.  
The computer seemed to have an almost supernatural hold  
on him.  
Although he was only in the ninth grade,  
he was already obsessed with the computer  
ignoring everything else and staying out all night.  
So they order him to stop using computers completely,  
which he complies with temporarily at least,  
but this is the interesting thing about Bill Gates.  
He has to direct his energy and his enthusiasm  
and his passion in some direction.  
So he directs it back into books.  
He said there was an infinite amount to read.  
There was at least nine months there  
when I did nothing with computers.  
Read he did with the same kind of commitment  
he had made to computers.  
He consumed a number of biographies,  
Franklin Roosevelt's and Napoleon's among others,  
to understand how the great figures of history thought.  
So young Bill Gates is doing exactly  
what you and I are doing right now.  
In addition to rereading this book,  
I also watched this documentary on Netflix  
for the second time about Bill Gates.  
It's called In Bill Gates Mind.  
And he talked about this time in his life  
and why he was so obsessed with reading these biographies.  
He said, the idea that some people  
were super successful was interesting.  
What did they know?  
What did they do?  
What drove those kinds of successes?  
So those are the questions that he's reading  
to try to answer for himself.

Back to more descriptions about a young Bill Gates.  
Bill Gates was never just one of the boys.  
His drive, intensity, attitude and intelligence  
made him stand out.  
Nothing about Bill Gates was normal.  
He had a hard nose, confrontational style.  
His intensity at times simply boiled over  
into raw, unthrottled emotion.  
And he was definitely introverted,  
but he also had a small group of really close friends.  
This is how they would describe Bill Gates  
at this point in his life.  
To those who knew him best, Bill Gates was hardly  
a social outcast he may have appeared to be  
from a distance.  
He had a sense of humor and adventure.  
He was a risk taker.  
A guy who liked to have fun and who was fun to be with.  
He had an immense range of knowledge and interest  
and he could talk at length on any number of subjects.  
This part that jumped out to me says he was a risk taker.  
I read his co-founders autobiography, Paul Allen.  
Paul Allen's autobiography a long time ago.  
It was all the way back on episode 44  
and there was something in that book  
said about Bill Gates by Paul Allen's mother  
that I never forgot.  
And she called Bill Gates an edge walker,  
which is a fantastic term.  
This is a quote from Paul Allen's autobiography.  
He says, my mother had a term for adrenaline junkies,  
people who would court risk for the thrill of it.  
That person, she'd say, is an edge walker.  
Bill Gates was an edge walker.  
Where I was wary of danger, Bill seemed to enjoy it.  
So far we have an extremely tense, intelligent,  
driven, focused person, obsessed with learning.  
And then another part that we have to add  
to understanding Bill Gates is he knew he wanted  
to be very, very rich and he said so at a very early age.  
This is just the first example of many times  
he repeated stuff like this to people around him,  
even when he was like a kid.  
So he says, although Gates may not have known



what he was gonna do with his life,  
he seemed confident that whatever he would do  
would make him a lot of money.  
He made such a prediction about his future  
on several occasions.  
Gates told his friend that he would be a millionaire  
by the time he turned 30.  
He told another friend,  
I'm gonna make my first million by the time I'm 25.  
It was not said as a boast or even a prediction.  
He talked about the future as if his success was predestined.  
And one idea that Bill and Paul arrived at early  
was the fact that, hey, learning how to create software  
is really valuable.  
Like we can make a lot of money doing this.  
And so there's gonna be two examples  
of how they actually made real money  
when they were still in high school by programming.  
And so the very first company that they started together  
was this company called Traffo Data.  
And the premise is very simple.  
If you ever drive on these roads,  
it says almost every municipality used metal boxes  
and linked to rubber hoses that stretched  
across the roadway to count cars.  
So this system is producing data.  
They're like, hey, we're just gonna make this data  
look better.  
So you can actually analyze it easier.  
Gates and Allen figured that they could program  
a computer to analyze the traffic counter,  
then sell the information to municipalities  
faster and cheaper than their competition.  
The software program turned the data  
into easily readable traffic flow charts.  
They grossed about \$20,000 from this.  
They're still, remember, they're still in high school.  
The company eventually folded though  
after Gates went off to college.  
So at this point in the story,  
Gates is a senior in high school  
and this is where he's gonna get a full-time job.  
And this is how that happened.  
Gates received a phone call one day from a man from TRW,

the giant defense contractor.  
TRW was offering a full-time job with a salary.  
They needed help with a project to computerize  
the power administration's power grid for the Northwest.  
So why would they be calling a high school senior?  
They did not know they were calling a high school senior.  
Their project was behind schedule  
because the PDP-10 software was infested with bugs.  
TRW went looking for bug hunting experts  
with PDP-10 software.  
So the people at TRW are going to discover this book  
from that company that was giving them free time  
to find bugs at night.  
And as a result, you had unlimited,  
Gates and his friends had unlimited time on the computer.  
And so TRD comes across this book  
called The Problem Report Book.  
And it says the names of two bug hunters  
appeared on nearly every page.  
Bill Gates and Paul Allen.  
So TRW decided to contact Gates by phone.  
And then it says Gates received permission  
to miss part of his senior year  
so he could work full-time at TRW.  
And so Bill's gonna graduate high school,  
he's gonna go off to Harvard.  
But at the same time, him and Allen have these ongoing  
discussions about what they should do together  
in the future, said he and Allen began to talk seriously  
about forming their own software company.  
For some time now, they had shared the same vision,  
that one day the computer would be as common place  
in the homes as a television,  
and that these computers would need software.  
Their software.  
We always had big dreams, Allen said.  
So Bill arrives at Harvard, keeps the same level  
of intensity, the intensity he had when he was a kid,  
that he had in high school, that he had in college,  
that he's gonna have his entire time running Microsoft.  
There's just one line in here that made me laugh,  
though I have to read to you first.  
Bill Gates would later tell a friend,  
he went to Harvard University to learn

from people smarter than he was.  
And he left disappointed.  
So most of his time in college was not spent on his classes,  
it was actually spent programming and playing poker.  
And so it says that Gates would fall asleep  
when his class was not surprising.  
He was living on the edge.  
It was not unusual for him to go as long  
as three days without sleep.  
His habit was to go for 36 hours or more at a stretch,  
collapse for 10 hours, then go out, get a pizza  
and go back at it.  
And if that meant he was starting again  
at three o'clock in the morning, then so be it.  
And so there's a ton of stories in the book  
in the early days of Microsoft  
that people would just walk in the office in the morning  
and they trip over like Gates is sleeping on the floor  
or sleeping on his desk or crawl up in the corner.  
And so Gates doesn't think he's getting a lot out of Harvard.  
He, at the same time,  
he's having all these phone conversations with Paul Allen  
and he's telling Allen,  
I'm thinking about dropping out of Harvard.  
And Gates had been telling his parents  
that I might drop out of Harvard  
and me and Paul are gonna start our own computer company.  
They did not like that idea.  
And this is the thinking of Paul and Bill Gates  
on like why would they would both take a risk  
of dropping out of college to do this thing?  
And so Gates and Allen were convinced  
that the computer industry was about to reach critical mass.  
And then when it exploded,  
it would usher in a technological revolution  
of astounding magnitude.  
They were on the threshold of one of those moments  
when history held its breath and jumped  
as it had done with the development of the car  
and the airplane.  
They could either leave the revolution  
or be swept along by it.  
And this might surprise you  
that Gates may never have dropped out of college

if it wasn't from the constant push from Paul Allen.  
Allen was much more eager to start a company than Gates  
who was worried about the reaction from his family  
if he dropped out of school.  
Paul kept saying, let's start a company, let's do it.  
He kept saying, it's gonna be late, we'll miss it.  
And so we see from this section of the book,  
he's at the right place at the right time in history  
with the right set of skills.  
And yet he still needed a push from Paul.  
What's so fascinating about this time in Bill's life  
is he just wasn't sure where to direct  
his monomaniacal focus.  
This is one of my favorite paragraphs in the entire book.  
Bill had a monomaniacal quality.  
He would focus on something and really stick with it.  
He had a determination to master  
whatever it was he was doing.  
Bill was deciding where he was gonna put his energy  
and to hell with what anyone else thought.  
And so he's looking at all these options,  
trying to figure out, okay, where am I gonna direct  
this monomaniacal focus?  
He makes a decision, which is one of my favorite things  
that Edwin Land ever said.  
And it had a huge influence on my own decision,  
like where I'm gonna direct my energy.  
He says, don't do anything that someone else can do.  
Bill is going to arrive at a very similar conclusion  
that Edwin Land did.  
It says, at Harvard, Bill was one of the top math students,  
but he was not the best.  
*The is italicized.*  
He had met several students better than he was at math.  
Gates eventually gave up any thoughts  
of becoming a mathematician  
if he couldn't be the best in his field.  
I met several people in the math department  
who were quite a bit better than I was, said Gates.  
It changed my view about going into math.  
It made, and this is why,  
it made the odds much longer  
that I could do some world-class thing.  
Bill wanted to be the best, not one of the best,

not kind of best, not top five, top 10.  
He wanted to be the best at what he did.  
And so he's going through all these options.  
Okay, mathematician, that's out.  
He says, there were so many choices.  
My mind was pretty much open.  
Maybe being a lawyer would be fun.  
I thought working artificial intelligence would be fun.  
I thought theoretical computer science would be fun.  
I really had not zeroed in on something.  
But this sentence is very important  
in how he made his decision.  
Gates may not have been the best math student at Harvard,  
but he had no peers in computer science.  
And then the decision was made obvious  
when Paul Allen walks by a magazine stand  
and sees the latest edition of Popular Electronics Magazine  
and on the cover is the world's first mini-computer.  
And it says, on a cold winter day in December 1974,  
Allen was walking across Harvard Square  
and on his way to visit Gates.  
When he stopped at a kiosk and spotted  
the issue of popular electronics,  
that issue sent his heart pounding.  
On the cover was a picture of the Altair 8080.  
It said, world's first micro-computer kit  
to rival commercial models.  
I bought a copy, read it,  
and raced back to Bill's dorm to talk to him.  
I told Bill, well, here's our opportunity  
to do something with basic,  
basics of programming language at the time.  
Allen was a student of Shakespeare  
and was reminded of what Shakespeare wrote in Julius Caesar.  
There's a tide in the affairs of men,  
which, taken at the flood, leads on to fortune.  
Omitted, all of the voyage of their life  
is bound in the shallows and in miseries.  
On such a full sea, we are now afloat  
and we must take the current when it serves  
or we'll lose our ventures.  
Gates knew Allen was right.  
It was time.  
The personal computer miracle was going to happen.

And so this is gonna be the first project of what turns into Microsoft.  
And so they call up the maker of the computer.  
It's this company out in Albuquerque, New Mexico, called MITS.  
He needed somebody to write software for the computer and he tells Paul and Bill, whoever shows up first with a working version of basic will get the deal.  
And so I'm skipping ahead to after their program worked.  
This is how the author describes the importance of this event and this is just absolutely excellent writing.  
The personal computer revolution had begun with a game played on a small blue box with blinking lights named after the brightest star in the constellation, that's the Altair.  
30 years earlier, people in Albuquerque had witnessed the sun come up in the South when the world's first atomic bomb exploded in the pre-dawn darkness 100 miles away, heralding the nuclear age.  
Now, another age had dawned in Albuquerque.  
It began at a ragtag company located next to a massage parlor.  
Its profits were two young men not yet old enough to drink whose computer software would soon bring executives in three-piece suits from around the country to a highway desert town to make million dollar deals with kids in blue jeans and t-shirts.  
This is happening 45 years ago.  
I think this paragraph gives you context to why this is so important.  
You have to remember that in those days, the idea that you could own a computer, your own computer was about as wild as the idea today of owning your own nuclear submarine.  
It was beyond comprehension.  
And so this is where Gates is gonna drop out of Harvard for the first time.  
He actually winds up going back for like one other semester and then dropping out permanently.  
But what was fascinating is this is what I mentioned earlier how his parents did everything they could to try to talk him out of this.

So they had a family friend that was a founder and investor.  
They sent him over, they're like,  
hey, can you talk to Bill?  
Can you please tell him not to do this?  
His name's Samuel,  
he's having this conversation with Bill Gates.  
And so not only did he not talk him out of it,  
he thought it was a great idea.  
Not only did Samuel not try to talk Gates out of his plans  
to start a business,  
but after listening to the enthusiastic teenager,  
he encouraged Gates to do so.  
Mary, which is Bill Gates's mom,  
Mary and I have kitted about this for years,  
said Samuel, who's now 70 years old  
when he's given this interview for the book.  
Mary and I have kitted about this for years.  
I told her I made one terrible mistake.  
I didn't give Bill a blank check to fill out the numbers.  
I had been known as an astute venture capitalist,  
and I sure didn't read that one right.  
And so Bill drops out of Harvard,  
moves to Albuquerque, where MITS is headquartered.  
And this is another main theme that is repeated  
over and over and over again in the book,  
is just how financially conservative Bill Gates was  
when he was running Microsoft.  
Even many years into the future,  
when Microsoft was printing money,  
he was very financially conservative.  
Microsoft was unbelievably capital efficient.  
They got from founding to IPO  
without needing to take venture capital money.  
When they did take an investor in,  
they did it for advice,  
and they said they just took whatever,  
I think it was like a million dollars,  
maybe two million dollars.  
They're like, oh, we just took that million  
or that two million,  
and just put it in the bank  
with all the rest of our millions.  
And so this is the first time it's mentioned in the book,  
but it's repeated over and over again.

His parents and grandparents  
had taught him to be financially conservative,  
and that was the way he intended to run his company.  
There would be no unnecessary overhead  
or extravagant spending habits with Microsoft.  
When Gates arrived in Albuquerque,  
he and Allen shared a room.  
And so even from the very beginning,  
they had these giant goals that Paul Allen  
referenced early in the book  
when they talked about in high school  
that they're saying, hey,  
the PC is going to be everywhere,  
it's gonna be as common as television,  
and we want our software on all of them.  
And so this is a description  
of the very, very early days at Microsoft.  
Bill and Paul were very, very intense.  
They had a clear understanding of what they were doing  
in the sense that they had a vision of where they were going.  
It wasn't just that they were developing basic.  
I don't think most people ever really understood this,  
but Bill certainly always had the vision  
from the time that I met him  
that Microsoft's mission in life  
was to provide all the software for microcomputers.  
And this is a description of a lot of the early employees  
at Microsoft.  
Part of what made Microsoft so successful  
during the company's infancy was the team of programmers  
that Gates and Allen began to assemble  
in the spring of 1976.  
They became known as the microkids,  
high IQ insomniacs who wanted to join  
the personal computer crusade.  
Kids with a passion for computers  
who would drive themselves to the limits  
of their ability and endurance.  
And so the agreement that Microsoft has with MITS at the time  
is that, hey, you're going to pay us a license fee  
for every computer that you sell that contains our basic.  
And there's gonna be a dispute  
on how exclusive this license agreement should be.  
Gates is out there selling it



to a bunch of other hardware makers,  
but Ed Roberts, the founder of MITS,  
gets in the way constantly.  
And so the first time I got to this section in the book,  
I wrote, this does not seem like a situation  
that Bill would put up for very long.  
And it's not.  
And part of the reason is that Bill thought  
that MITS was a poorly run company.  
And he had no intention allowing anybody else  
to limit the amount of licenses that he could sell.  
And so this disagreement goes on for a while.  
What happened is Microsoft says,  
okay, we're gonna terminate the license agreement.  
This is going to lead to MITS suing Microsoft.  
Their contract said that any dispute  
had to be resolved by arbitration,  
so that is what they're waiting for.  
This leaves Microsoft in kind of a limbo.  
And so it says, until the licensing dispute was resolved,  
Microsoft could not license its basic.  
It would take several months to resolve the matter,  
and for what would be the only time  
in the company's history, that is a crazy line,  
and what would be for the only time  
in the company's history, Microsoft faced money problems.  
And so what was interesting is while this dispute is happening,  
Ed Roberts actually sells his company,  
he sells MITS to this other company called PerTech.  
And that leads to one of the funniest paragraphs  
in the entire book, which gives you a great idea  
of who, remember this entire book,  
this entire podcast is about young Bill Gates.  
And this is gonna give you a great insight  
to how a young Bill Gates was,  
to somebody that was working with him for years.  
In many ways, his very first business partner  
outside of Paul Allen, listen to how he describes him.  
When the chief counsel for PerTech came to Albuquerque  
to assess the situation and talk with Gates,  
he took one look at the long-haired, scraggly 21-year-old  
and decided that this legal battle against Microsoft  
was going to be easy, it's not easy,  
not only was it not easy, they went up losing.

Roberts had warned PerTech that it would have its corporate hands full with Gates, but no one listened to him. PerTech kept telling me I was being unreasonable and that they could deal with this guy. It was a little like Roosevelt telling Churchill that he could deal with Stalin. He's comparing a 21-year-old Bill Gates to Joseph Stalin. And he wind up being correct. PerTech winds up losing this arbitration because they also said that, hey, they sent Bill a letter and they said they would no longer market basic or allow it to be licensed because they considered all other hardware companies competitors. And so that letter winds up being a key piece of evidence. And this is the result after the PerTech decision came down and the log jam of customers waiting for basic broke loose, Microsoft never had to worry about money again. And so again, I just had to reiterate how lean Bill Gates ran Microsoft four years in. They're just 11 employees. They're about to move from Albuquerque to Seattle. Before I get there, there's just one line that made me laugh. It said Gates had read business books like other male students read Playboy. He wanted to know everything he could about running a company. And so again, we see this insatiable desire of knowledge that is so common with the people that you and I study on this podcast. And so right before they moved the company from Albuquerque, they take this company portrait. You can actually see this. If you type in Microsoft 11 portrait on Google images, it says a few weeks before the move, they decided that Microsoft needed a company portrait. The picture of the Microsoft 11 taken that day would later become famous, appearing in magazines across the country. And so they're all packing their stuff up and they're gonna drive from Albuquerque to Seattle. And the way that Bill drives is also the way that he built his company.

One of the last employees to leave Bob Wallace while driving along Route 66 towards Seattle in his Honda Civic noticed a green dot appear in his rearview mirror.  
Moments later, it shot past him at well over 100 miles per hour.  
It was Bill Gates and his Porsche.  
He was anxious to get moving.  
All this driving was a waste of time.  
You couldn't be programming.  
And so I think a lot of people might find how Bill spent his time in the early years of Microsoft surprising.  
He was their main salesman.  
He prioritized sales over everything.  
What sustained the company was not Gates' ability to write programs.  
Gates sustained Microsoft through tireless salesmanship.  
For several years, he alone made the cold calls and haggled, cajoled, browbeat, and harangued the hardware makers of the emerging personal computer industry, convincing them to buy Microsoft services and products.  
He was the best kind of salesman there is.  
He knew the product and he believed in it.  
He approached every client with the zealotry of a true believer.  
From the day he first articulated the Microsoft mantra, a computer on every desktop and Microsoft software in every computer.  
And this is Bill describing Microsoft when he was 25 years old.  
When we got up to 30 employees, it was still just me, a secretary, and 28 programmers.  
I wrote all the checks, answered the mail, took the phone calls.  
So since the first five years of Microsoft's history, there was more than 200 different brands of microcomputers that had been brought to the market.  
That is who Bill Gates is selling into.  
That is the first wave that Microsoft is going to ride.  
The second one is going to be IBM.  
And so this is what's gonna set the stage for IBM and Microsoft to work together.

Many of those working at IBM did not believe it was possible for them to develop its own successful personal computer given the existing structure and culture of the company.

So it's talking about at this page in IBM's career, it's very, it's just a giant bureaucracy.

The personal computer had been created out of an entrepreneurial spirit that did not exist at IBM.

And so what IBM does is essentially they set up this lab in Boca Raton, Florida that's supposed to be set,

it's still owned by IBM, but it's supposed to be like more like a startup culture outside of IBM's headquarters in New York.

And so I'm gonna get into why, if they're building their own hardware, why didn't they just build their own software too?

But I found a note that I left the first time

I read this book and I just found it again and I wrote,

oh, this is still a good note almost three years later.

And it's this guy from IBM meeting a very young Bill Gates.

And this is how he described me.

He says, I knew Bill was young,

but I'd never seen him before.

When someone came to take us back to his office,

I thought the guy who came out was the office boy.

It was Bill.

Well, I'll tell you or anybody else

that by the time you were with Bill for 15 minutes,

you no longer thought about how old he was

or what he looked like.

He had the most brilliant mind that I had ever dealt with.

And so this is the note I left myself many years ago

and I thought the one that I thought was still good.

Bill overcame his weakness, which was that he looked young

by relying on his strength, his mind and the passion

he had for his work lean into your strengths.

And so they wanted making this agreement

that Microsoft's gonna provide the software for IBM's PC.

And this is very interesting why they had to do this.

Actually, I'll get there in one second.

This, before I get there, this decision for Bill

not to cap his upside,

maybe the most important business decision

he ever made in his life.

IBM had talked to Gates about a fixed price for an unlimited number of copies of the software Microsoft licensed to IBM. The longer Gates thought about this proposal, the more he became convinced it was bad business. Microsoft would be making a huge financial investment in this project and a lump sum payment from IBM would not give the young company much of a return on its investment over time. Gates had decided to insist on a royalty arrangement with IBM. That royalty arrangement was referenced in the introduction of the book when it says that the revenue from the partnership gave Gates a guaranteed income stream and the push he needed to make his vision, which was Microsoft software on every desktop PC come true. Another part of the agreement, which is what I was just referencing early and why this is super important was that Microsoft would retain ownership of whatever software it developed. And so the reason that IBM is not writing its own software and saying Microsoft can keep ownership of the software that it creates is because for the last 10 to 15 years through three different presidential administrations, the government had been investigating IBM as a monopoly. Three separate presidential administrations had investigated and tried to break up IBM. So once Bill has assigned agreement with IBM, he actually goes and buys the operating system. And there's a few things interesting about this deal. The first one is that you see that Bill wants to receive license royalties. He does not want to pay them. He just insisted IBM pay him a royalty and not a flat fee. Now when he's doing this deal with Seattle computer products, it says Gates personally went through the document in his own handwriting and changed key language to specify a sale of DOS instead of an exclusive license. Gates signed what would prove to be the key financial agreement that made him a billionaire and many of those working for him millionaires

for only \$50,000.

Gates bought all the rights to 86 DOS previously owned by the Seattle Computer Products Company.

It was the bargain of the century.

And why do they say it's the bargain of the century?

Because just a few years later,

I think this is like maybe eight, maybe 10 years at the most, says the operating system that once belonged to Seattle computer had by then become an industry standard. By 1991, Microsoft was making more than 200 million a year just from sales of MS DOS.

And so the book goes into a lot more detail about the development of the partnership between Microsoft and IBM.

It was top secret.

Eventually they wind up finishing the work for IBM.

Then it becomes publicly announced

that IBM is building a PC

and the Microsoft software is going to be running it.

And Microsoft's reaction to this major milestone in the corporate history is fascinating.

It reminded me of something that Michael Jordan said in his autobiography, I'll get there in one second.

He says there was little celebrating back at Microsoft when the big day came.

Steve Ballmer took the newspaper clipping and posted it on the front door.

There were smiles, handshakes and paths on the back, but no wild parting, no champagne corks popping.

There was still a lot of work to do.

A new version of DOS was already in the works.

This is the turning point in Microsoft's history.

And when I read that part on episode,

I think it was 213 of Michael's autobiography driven from within.

He talks about this mentality that you see in Microsoft.

He talks about it.

He had this mentality.

He sees extreme winners have this mentality.

It's this idea of being uncompromised.

And so this is what Michael said about that.

You have to be uncompromised in your level of commitment to whatever you're doing

or it can disappear as fast as it appeared.

So the way I think about this is if you go to sleep on a wing, you wake up with a loss.

Michael continues, look around.

Just about any other person or entity achieving at a high level has the same focus.

The morning after Tiger Woods rallied to beat Phil Mickelson at the Ford Championship in 2005,

he was in the gym by 630 AM to work out.

No lights, no cameras, no glitz or glamour uncompromised.

So Microsoft's revenue and profit growth from here is just absolutely parabolic.

This is where he brings in, quote unquote, adult advice.

Imagine being able to buy 5% of Microsoft for a million dollars. I think they buy like 985,000 shares for a million dollars.

I think it mentions this later in the book as well.

Then in a carefully planned move that had been under discussion for some time, Bill sold 5% of Microsoft for a million dollars to technology venture investors.

It was a venture capital firm in Menlo Park, California.

David Mark Hart, I think is how you pronounce the guy.

He was a general partner in TVI, was made director of Microsoft's new board.

Microsoft did not need the venture capital.

Gates was essentially hiring the firm's expertise.

It was Steve Ballmer who convinced Gates to sell off a small part of the company as a long-term investment in the future.

We just threw that million dollars into the bank with all of our other millions.

And so we go back to this main theme that appears over and over again in the book, over and over again in documentaries about the early days of Microsoft.

Bill Gates was ruthless.

This is why I say he reminds me of Genghis Khan.

Gates wanted to eliminate his opponents from the playing field.

Bill learned early on that killing the competition is the name of the game.

There just aren't as many people later to take you on.

In game theory, you improve the probability you're going to win if you have fewer competitors.

And so there's a ton of anecdotes in this book just like this.

We're gonna put digital research out of business, slamming his fist into the palm and his other hand.

So there's actually a sequel to this book that I did all the way back for episode 174.

It's called Overdrive.

And it's like the next like five years or maybe six years of the history of Microsoft.

And there is a story in that book that stuck with me for the very first time that I read it or from the very first time that I read it that really describes just how obsessed Bill Gates was of eliminating his competitors.

You have to understand if he didn't think this is how, this is something he repeats in this book over and over again.

If this is the way he thought, if you lost a \$50,000 contract, he considered it \$100,000 loss because he lost the \$50,000 from the revenue of the contract and the other competitor, the other company, got the \$50,000.

And so in that book Overdrive, it goes into even more detail I think than this book does about like their obsession with their competitors and eliminating the competitors.

They would like create like t-shirts talking about their competitors, like to rally them up to like try to destroy them.

Okay, that's fine.

I'm sure other people have done that.

I'm not sure if I've ever heard another story like this.

Keep in mind at the time of this story, this comes from Overdrive episode 174.

Bill Gates is a multi-billionaire.

Microsoft is undeniably the leader in its category, right?

Philippe Kahn ran a software company.

They were competitors or like frenemies, right?

But they would like talk to each other industry events.

So Philippe Kahn tells a story that he winds up walking over, they're both at an industry conference. Gates is sitting alone in a corner, right?



Looking at a photograph in his hands.  
Philippe Kahn walks over to say hi to Bill Gates  
and realizes that Bill is looking at a picture  
by himself in the corner staring at a picture of Philippe Kahn.  
That is some serial killer shit.  
So this obsession to eliminate players,  
other players from the board cannot be understated.  
It's also why the US government hits Microsoft  
in a few years with the antitrust suit.  
But Bill was obsessed with knowing everything  
that was happening in his industry.  
This is another example.  
This is a few pages later.  
If you talk to Bill about any software company  
or any hardware company, there's a very high probability  
that he would be able to tell you who the CEO is,  
what their revenues were last year,  
what they're currently working on,  
what the problems are with their products.  
He's very, very knowledgeable  
and he prized himself on knowing what's going on  
in his industry.  
And so a major criticism people would fling  
at a young Bill Gates was that, oh, he's arrogant,  
he's cocky, he thinks he's smarter than everybody else.  
Everybody really says that he's arrogant,  
but there's also a ton of examples  
where he knew where he was weak  
and he would listen to others.  
So at the time, Microsoft's doing this massive expansion  
into another huge category for them,  
which is that we're gonna write our own applications, okay?  
And so they're actually developing  
what is eventually gonna turn into Microsoft Word.  
Before it was called Microsoft Word,  
Bill Gates wanted to call it multi-tool word.  
But we see these willing to listen to other people  
and if their idea is better,  
he's willing to use their ideas.  
Word was originally going to be released  
as multi-tool word,  
which would just be a continuation  
of the multi-tool application product line  
that Microsoft was developing at the time.

So there's a guy named Hanson that's working in there.  
He says, no, that's a bad idea.  
Hanson suggested a different product naming strategy.  
It was important.  
This is actually good advice for products,  
for naming products and the importance of brand.  
Talks about the brand has to be the hero.  
Hanson suggested a different product naming strategy.  
It was important for the product  
to be identified by its brand name.  
He pointed out that Microsoft had to get its name  
associated with its products.  
And so he elaborates on why this is an important concept.  
He says, if you look back at some of the old articles  
that were written in the industry,  
you'll see the word multi-plan,  
but no Microsoft associated with it.  
That was because multi-plan was a standalone name,  
just like WordStar.  
So WordStar is the application they're trying to compete against  
and trying to displace, okay?  
People who wanted a word processing program  
knew the name WordStar,  
but they could not have told you that MicroPro  
was the company that had made it.  
And Hanson's point is like,  
we want the consumer to know that it's made by Microsoft.  
The brand is the hero, Hanson said.  
People start to associate certain images with the brand,  
and that becomes much more important  
than any single product.  
What the consumer goods companies realized years ago  
was that products come and go.  
You're gonna have a product and it's gonna rise and fall.  
But if you create a halo around a brand name  
and create equity in a brand,  
when you introduce new products under that brand halo,  
it becomes much, much easier to create momentum.  
We decided that we needed to make Microsoft the hero.  
Gates immediately saw the logic of Hanson's argument.  
And that is an important idea behind this concept  
of you have to know what you're not good at.  
It appears over and over again in the book.  
This is a summary of that.

As you watch, this is coming many pages later,  
as you watch how Microsoft has developed,  
what you see is Gates realizing well in advance  
what he's not good at and going out  
and finding exactly the right person to do the job.  
This is so rare.  
I've been following startup companies for years.  
I can't tell you how rare this is.  
And so then I gotta tell you about something  
that I missed the first time I read the book.  
I couldn't tie it together yet,  
because the first time I read this book  
was for episode 141, episode 155.  
I read this fantastic book called Invent and Wander,  
the Collected Writings of Jeff Bezos.  
And Jeff says something in that book  
that's very fascinating,  
and he talks about like how important speed is in business.  
Like the importance of speed is something  
that appears over and over again  
in these conversations that you and I have, right?  
Let me read this quote though from Jeff Bezos,  
Invent and Wander, episode 155, okay?  
Hopefully you have that book.  
It's all of Jeff Bezos' shareholder letters  
and then transcripts of all of his important speeches.  
It's absolutely excellent.  
If you don't have it, I'd order it right now.  
It's definitely, you know,  
there's ideas worth millions,  
if not billions of dollars in that book.  
And this is what Jeff says.  
You can drive great people away  
by making the speed of decision-making really slow.  
Why would great people stay in an organization  
where they can't get things done?  
They look around after a while and they're like,  
look, I love the mission,  
but I can't get my job done  
because our speed of decision-making is too slow.  
And so at this point in history,  
we're in the Bill Gates book,  
is that Steve Jobs and Bill Gates  
are just taking a ton of ideas from Xerox Park,

which was a research and development company in Palo Alto owned by Xerox.  
And not only are they taking ideas, but they're taking people away from them. Why? Because they move too slow. Finding Xerox defectors wasn't difficult. So Bill Gates, his company's growing like crazy. He needs his bottleneck. In many cases, it's like talent, right? So he's finding talent because this other company's just too damn slow. Finding Xerox defectors wasn't difficult. I'm gonna skip over the names. They had grown dissolution with the fact that so many good ideas developed by Xerox Park never got to market. Xerox was the epitome of corporate culture and said one of these people that he's recruiting, everything was run by committee and there was not too much individuality. Microsoft, on the other hand, was a bunch of individualists with the whole show run minute to minute by Bill Gates. He was in on every decision from top to bottom. And this is something that's also repeated multiple times in the book. It's gonna echo one of my favorite quotes that I've told you over and over again. It's in this book called Inside Steve Jobs Brain. I think that's episode 204. And it's the fact that Apple is just Steve Jobs with 10,000 lives. The founder's personality is going to be embedded into the company. And we see this explicitly in Microsoft's early history. Microsoft just hired clones of its leader over and over and over again. One of the greatest lines that I've ever had in conversation came from my friend Seth Bannon, who was describing to the other founder named Alexis Rivas, who's also a friend of mine. And he said that Alexis is intolerant of slowness. I just absolutely love that term. I think I go into more detail

on the Alexander the Great episode that I did.  
That's episode 232, but here's another great line.  
So we have intolerant of slowness.  
And now we're gonna have Bill Gates' version  
intolerant of distractions.  
I love this.  
Gates was extremely focused and did not tolerate distractions.  
He didn't own a television and he disconnected  
the radio in his car.  
There's this great quote from Warren Buffett  
that I heard one day where him and Bill  
are having, I think, lunch with Bill's dad.  
So Bill Gates is a senior, right?  
Bill's dad.  
And Warren said something that was fascinating.  
He said, Bill Gates senior posed the question to the table.  
What factor did, this is the question Bill had  
for his son and Warren Buffett.  
What factor did people feel was the most important  
in getting to where they've gotten in life?  
And I said, focus.  
And Bill said the same thing.  
Gates was extremely focused and did not tolerate distractions.  
So eventually Bill realizes there's no avoiding,  
Microsoft has to go public.  
He didn't wanna go public.  
This is the financial performance of Microsoft  
the year before they go public.  
And Bill is 30 years old when this is happening.  
And he said Microsoft had revenues of \$140 million.  
Its profits were \$31.2 million.  
And that's a \$19.85 adjusted for inflation.  
That'd be like if you had a private company  
and your company was doing \$87 million a year in profit.  
And so this is what Bill had to say about going public.  
I hate the whole thing.  
All I'm thinking and dreaming about is selling software,  
not stock.  
And I thought this was excellent.  
This is what Bill Gates was doing when Microsoft went public.  
On the day Microsoft went public,  
Bill Gates was off the coast of Australia  
on a 56 foot sailing vessel reading books.  
He had chartered the boat for five days.

This was to be one of his reading vacations in which he spent time alone plowing through as many books as possible. So that's something that he still does to this day. He calls them reading weeks. These vacations are called reading weeks. And we actually see that in the documentary on Netflix as well. He'll take a bag full of books, go to like this remote cabin by himself, just to be able to read and think. And he did this throughout his entire time using Microsoft as well. A year after Microsoft goes public, Bill Gates becomes a billionaire. So it says that age 31, Bill Gates was officially a billionaire. No one in American history from the great industrial barons and financiers of the 19th century to the modern day corporate raiders had ever made so much money at such a young age. And so I mentioned earlier, the reasons that I love this book so much is because like 90, 95% of it is just about Microsoft before it IPO'd. Then the book ends and Bill Gates is only 35 or 36. And so when I got to this part, I thought what I love about it is like, it's a snapshot in time of this company history, right? But when I got to this part, when I got to the end, I sat and thought, I was like, what is the chance that this version of Bill Gates, this 35 or 36 year old Bill Gates, would ever believe that seven years from now, seven years from where we are in this book, that he would no longer be running the company that he gave his entire young life to. I would love to be able to have lunch or dinner, to be able to talk to Bill and ask him about the times, not contained in this book, but after stepping down from the head of Microsoft in the year 2000, I hope he writes an autobiography one day and goes into detail the difference between his life

as the founder and complete control of Microsoft  
to what his life was after.  
And so these will be the last words  
that we'll cover from a young Bill Gates.  
It's impossible to imagine Microsoft  
without Gates at the controls.  
Those who know him best say he is as driven as ever.  
We have this vision of where we're trying to go  
and we're a long way away from it.  
Gates said during a recent interview in his office,  
a large window looks out  
over part of Microsoft's huge campus,  
but Bill Gates is not the kind of CEO  
who spends valuable time admiring the view.  
You gotta watch out for the anti-climax, he said,  
in a response to a question about what it felt like  
to be running the world's largest software company.  
I mean, we are not on top of the networking heap,  
of the spreadsheet heap, or the word processing heap.  
Computers are not very easy to use.  
We don't have information at our fingertips.  
Yes, our revenues are bigger than anybody else's,  
but if we don't run fast and do things,  
his voice trailed off, leaving the sentence unfinished.  
Believe me, he said, staring out the window  
and saying, isn't this great?  
Is not the solution to pushing things forward.  
You've got to keep driving hard.  
And that is where I'll leave it for the full story.  
I highly recommend buying this book.  
I think this book should be in every entrepreneur's library.  
It is a book I plan on rereading again in the future.  
And if you're gonna buy the book,  
use a link that's in the show notes on your podcast player,  
are available at [founderspodcast.com](https://founderspodcast.com).  
And if you buy the book using that link,  
you'll be supporting the podcast at the same time.  
Another way to support the podcast  
is to sign up for Founder's Premium,  
where you can not only ask me questions directly,  
but you can also listen to the AMA,  
the Ask Me Anything episodes that I make on that private feed.  
And last but not least,  
if you want me to email you my top 10 highlights

from every book that I read,  
you can join my email list for free.  
All the links that I mentioned are down  
in the show notes on your podcast player,  
but you can also find them by going to [founderspodcast.com](http://founderspodcast.com).  
That is 290 books down 1,000 to go,  
and I'll talk to you again soon.  
Okay, so I'll be back on episode 227.  
I read this fantastic book called The Essays of Warren Buffett.  
So all the way back on episode 88,  
I read every single one of Warren's shareholder letters.  
But what this book that was put together by Lawrence Cunningham,  
called The Essays of Warren Buffett,  
did that was so smart is that he took the shareholder letters  
and instead of organizing them by year, which is standard,  
he organized them by topic.  
And so in the original podcast I did on this book,  
which again is episode 227,  
one hour and 28 minutes into the podcast of thereabouts,  
I go over this letter that I'm about to read to you now.  
It's under the heading titled On Selling One's Business.  
And the reason I'm bringing this up  
is because one of the sponsors of this episode is Tiny.  
And one way that Tiny has been described  
is that they're building the Berkshire of the internet.  
And you can go to [tiny.com](http://tiny.com) and read the testimonials  
and see all the founders that have sold their business to Tiny  
and how their main differentiation,  
just like Warren Buffett and Charlie Munger is,  
there's no BS, we're gonna make this transaction  
as simple and easy as possible,  
where a lot of people that buy businesses  
make you jump through hoops and it's just a headache.  
And so if you think about what Warren is doing here  
in this letter is, his business is buying businesses.  
And so his customer or founders or managers of businesses.  
And so he is essentially writing a letter to a guy.  
So he wrote this letter in 1991  
to a guy who indicated he might want  
to sell his family business.  
And so I'm just gonna pull out a few highlights here  
and really think about what Warren's doing is,  
he is differentiating his services  
from other people that also buy businesses.



He says, if you should decide to sell,  
I think Berkshire Hathaway offers some advantages  
that most other buyers do not.  
Practically all of these buyers will fall  
into one or two categories.  
And so now Warren is going to describe his competition.  
If you go to tiny.com,  
you'll see they described their competition  
in some ways, their competition,  
which is typically VCs or private equity companies.  
So Warren says, number one,  
a company located elsewhere,  
but operating in your business  
or in a business somewhat akin tiers.  
Such a buyer, no matter what promises are made,  
will usually have managers who feel they know  
how to run your business operations  
and sooner or later will want to apply some hands-on,  
and he puts the word help in quotation marks.  
Obviously, Warren does not think  
that the managers are going to install in that business  
are actually going to be helpful at all.  
The second other option,  
a financial maneuverer invariably operating  
with large amounts of borrowed money,  
who plan to resell either to the public  
or to another corporation as soon as the time is favorable.  
Frequently, this buyer's major contribution  
will be to change accounting methods  
so that earnings can be presented  
in the most favorable light just prior to his bailing out.  
And then listen to this persuasion technique that he uses  
because he's writing to somebody  
that he knows it's a family business,  
which means they put a lot of their time  
and life energy into.  
So he says, if the sole motive of the present owner,  
it's to cash their chips and put their business behind them,  
and plenty of sellers do fall into this category,  
either type of the buyer that I just described to you  
is satisfactory, but if the seller's business  
represents the creative work of a lifetime  
and forms an integral part of their personality  
and sense of being, buyers of either type have serious flaws.

So he's just described his competitive landscape.  
He says, listen, there's option one, there's option two,  
but then there's a new option,  
something that's completely different and better.  
And he's describing the services  
that he provides to founders, right?  
So he says, Berkshire is another kind of buyer,  
a rather unusual one, we buy to keep.  
Tiny does too, by the way.  
All of the businesses we own are run autonomously  
to an extraordinary degree.  
When we buy a business, the sellers go on running it  
just as they did before the sale.  
We adapt to their methods rather than vice versa.  
And in Tiny's case, it's up to the founder  
if they wanna stare, if they wanna go.  
Tiny's fine with either solution.  
And then Warren does something fantastic.  
He's like, listen, you know who the past businesses  
that we bought, in fact, I'm including in this letter  
a list of every single person  
we've ever bought a business from.  
Tiny does something very similar on their website,  
which you can go see.  
You know some of our past purchases.  
I'm enclosing a list of everyone from whom  
we have ever bought a business,  
and I invite you to check with them  
as to our performance versus our promises.  
And then Warren says, hey, I'm gonna keep it simple with you.  
If you should decide to do business  
with Berkshire, we would pay in cash.  
Tiny says the exact same thing on their website.  
Your business would not be used as collateral  
for any loan by Berkshire.  
There would be no brokers involved.  
Warren also says you deal with me.  
And finally, you would know exactly  
with whom you are dealing.  
You would not have one executive negotiate the deal  
only to have someone else in charge a few years later  
or have the president regretfully tell you  
that his board of directors required this change  
or that change.

And because Warren has hacked away at the unessential,  
all that is left is simplicity.

And his pitch is simple.

Do you want a great home for your business?

Then call me and I will do a cash transaction really fast.

Same thing that Tiny does.

I will not pester you.

If you have any possible interests in selling,

I would appreciate your call.

I would be extraordinarily proud to have Berkshire  
along with the key members of your family own blank.

So you took out any identifying information  
of who he's writing to, okay?

I believe we would do very well financially  
and I believe you would have just as much fun  
running your business over the next 20 years  
as you have during the past 20.

Sincerely, Warren Buffett.

I think reading the entire letter is worth your time.

If you buy the book, it's on pages 230 through 233  
and make sure you go back and listen to episode 227,  
the essays of Warren Buffett.

If you have not done so already.

And if you have a business that you're interested in selling  
now or in the future, make sure you go to [tiny.com](http://tiny.com).