

Mrs. B had this relentless dedication to her work
and a willingness to do whatever it took
to serve her customers.
That reminds me a lot of the founders of Meter.
The Meter founders make their own hardware.
And to make sure they got it right,
they literally moved into the factory
and slept on the floor.
And now almost a decade later,
they have perfected their service.
Meter gives you fast and secure internet and Wi-Fi
for your business.
It works in any commercial space.
This could be an office, a warehouse, a lab, everywhere.
Meter makes fast, secure and reliable internet and Wi-Fi.
That is as easy to switch on as electricity or water.
That is actually why the company is called Meter.
There's power meters and there's water meters
for every building.
There should be one for internet and networking and Wi-Fi.
Meter can help you set up a new space
or help you expand your existing space.
In fact, in the podcast you're about to listen to,
there's a tornado.
A tornado tears through Mrs. B's business.
So then she buys the lot next door as well
and then she expands.
So if this was happening today,
Mrs. B without a doubt would use Meter
because she wants to focus on selling
and dominating her competition.
While Meter could handle everything
that a modern business needs,
all their internet and networking and Wi-Fi needs.
With Meter, you get streamlined design and installation,
powerful hardware and smart software.
Meter makes both their hardware and their software.
Meter offers fully managed expert support.
And one of my favorite things about Meter
is how easily they make it for the customer.
All you have to do is give Meter your address
and your square footage of your commercial space
and they take care of the rest.
Even better, there's no upfront costs to you.

Meter grows right along with your business
so that means you can expand your business
without worrying about expensive upfront costs.
You simply pay one monthly rate.
Check out their website.
It's absolutely beautiful and explains all the value
that Meter can provide your business.
And you can do that by going to meter.com forward slash founders.
I was talking to Andrew Wilkinson the other day.
He's the co-founder of Tiny.
And something Andrew and I both learned
from Warren Buffett and Charlie Munger
is the importance of having fun in your work.
It's very obvious that Warren and Charlie are gifted
and what they did, literally the best in the world
and what they did, but they also had fun.
And Andrew and Tiny have fun by building silly
but very valuable side projects.
I wanna tell you about one right now.
Go to Berkshirenerds.store.
And when you go to Berkshirenerds.store,
you will see two things that I have sitting in my house
watching over me.
There are these high quality, heavy duty,
bronze busts of Charlie Munger and Warren Buffett.
I think of them as physical manifestations of the ideas
that you and I are learning in these books
and on this podcast.
I glance up when I need to make a decision
and they serve as a constant reminder for me to ask
what would Charlie and what would Warren do?
You've gotta see what these look like.
Go to Berkshirenerds.store to check them out.
You can buy them for your office.
They also make great gifts for a fellow Berkshire nerd.
I wanna tell you about one of my favorite podcasts
in the world.
It is invest like the best.
A long time founders listener was just interviewed
on invest like the best.
It was episode 326 with my friend Alexis Rivas.
You can find that whatever podcast play you're listening to
and I'll also leave a link down below.
The tale of Rose Blumkin is a quintessential

immigrant success story.

She was born in a village near Minsk, Russia.

She and her seven siblings lived in a two room log cabin
and had to sleep on straw mats.

Her father was a rabbi and spent his days
in religious study.

Her mother ran a small general store.

My father was so religious he said
that my mother had to support us.

He only prayed.

Rose never attended school.

She started helping her mother in the store
at the age of six.

She once woke up in the middle of the night
and saw her mother washing clothes
and baking bread for the next day.

Rose said, when I grow up, you're not gonna work so hard.
I can't stand it.

The way you have to work day and night.

When Rose was 13, she left home walking barefoot
for 18 miles to get to a train.

She stowed away on the train
and got off 300 miles away at a small town
near the Ukrainian border.

She went from shop to shop looking for a job
and a place to stay.

You're just a kid, one store owner said.

I'm not a beggar, Rose shot back.

With only four cents in her pocket,
she asked to sleep in the house that night.

Tomorrow I go to work, she said.

The owner relented and Rose got up before dawn
the next morning and cleaned the store.

She stayed, becoming the manager of that store
by the age of 16.

Then she went to a larger town,
got another job in a men's clothing store as a salesman
and met Isidore Blumkin.

They were married in 1914
and Mrs. B later remembered her wedding day,
saying, my mother brought me two pounds of rice
and two pounds of cookies.

That was the wedding feast.

World War I erupted that same year

and many inhabitants of Russia had to flee.
Isidore was able to emigrate to the United States.
We didn't have the money for two passages, Rose said,
and so my husband had to go alone.
For the next three years,
Rose worked in a dry goods store, squeezed every penny,
and finally in 1917 took a train
to the Chinese-Siberian border.
I had no passport at the China-Russia frontier
a soldier was standing guard with a rifle.
I said to him, I'm on my way to buy leather for the army.
When I come back, I'll bring you a big bottle of vodka.
I suppose he's still there waiting for his vodka,
she said, laughing.
She made away from China to Japan
and then booked passage on a Japanese peanut boat.
After six miserable weeks,
the ship finally docked in Seattle.
When she got to America,
she had \$66 in her purse.
The Red Cross helped Rose find her husband
who was living in Iowa.
They lived in Iowa for two years
during which their first daughter was born.
But Rose was unable to communicate with any of the locals,
so they moved to Omaha,
where there was a large community of people
who spoke both Russian and Yiddish.
I couldn't learn to talk English, Rose said.
I didn't know nothing.
So I made up my mind that I was going to a bigger city.
That was an excerpt from the short biography
of Rose Blumkin that I found in the book
that I'm gonna talk to you about today,
which is the Women of Berkshire Hathaway,
Lessons for Warren Buffett's Female CEOs and Directors,
and is written by Karen Linder.
So I made a lot of podcasts on Warren Buffett
and Charlie Munger.
And in almost every book,
including the Berkshire shareholder letters,
they'll mention their admiration for Rose Blumkin,
who's known as Mrs. B,
who's the founder of Nebraska Furniture Mart.

And I've mentioned on past podcasts
that I can't find a biography on her.
I wish I could do an episode on her.
And a few listeners actually told me
about the book that I'm holding in my hand.
And this book does an excellent job
of giving an overview of Rose Blumkin's life and career.
And so let's jump right into it.
It says Rose Blumkin became the first ever female
Berkshire Hathaway manager
when Nebraska Furniture Mart was acquired
by Warren Buffett in 1983.
Rose was just shy of 90 years old at the time.
You would assume that this changed an ownership
with signal retirement for Rose,
but she still worked for more than a decade longer,
12 to 14 hours a day, seven days a week,
until she reached the age of 103.
So after I read the book
and went and searched all the highlights that I have
about Rose Blumkin, and back on episode 182,
I read a biography of Warren Buffett that came out in 1995.
It's called Buffett, The Making of American Capitalists.
And there's this great excerpt in that book
that describes this purchase that this book is describing.
And it's the negotiation, if you can call it that,
between Buffett and Mrs. B.
And this is, I think, the second or third time
he had tried to buy, I think,
I know he tried to buy it at least one other time,
maybe like 20 years earlier.
And so it says, how much, Buffett asked,
60 million Mrs. B. spat out.
They shook hands and Buffett drew up a one-page agreement,
Buffett's biggest acquisition by far.
Mrs. B., who could not write in English
and barely could read it, made a mark at the bottom.
A few days later, Buffett presented her with a check
for 90%, this is my favorite part.
She folded it without a glance
and by way of concluding matters declared,
Mr. Buffett, we're gonna put our competitors
through a meat grinder.
She was 89 when she said that.

About 46 years after she started the company,
it says Rose founded the furniture store in Omaha in 1937
at the age of 43 and grew it into a business
with annual profits of over \$15 million.
By this time, she had trouble walking,
but that wouldn't stop her.
She'd actually drive around the furniture store
on a motorized scooter and she would stop
to speak with customers in her thick Russian Yiddish accent,
encouraging them to make a decision
and assuring them that they wouldn't get
a better deal anywhere.
She had a harsh management style and she was very tough.
The way she speaks about some of her former employees
in this book, it's just, it's funny
because it's coming from like a 100 year old lady.
This is the end result.
Most furniture stores have found it futile
to attempt to compete in Omaha
with Nebraska Furniture Mart.
In fact, I can't remember if it's in the book,
Buffett the Making American Capitalist.
No, you know what?
It's in Buffett's Shareholder Letters
where he says that he would rather wrestle grizzlies
than compete with Mrs. B.
And so I want to expand on that idea
that most furniture stores have found it futile
to even try to compete with her.
This is one of my favorite parts of this entire
like mini biography of Rose.
Look what they hang on the walls
in the office of Nebraska Furniture Mart.
There are several going out of business advertisements
from competitor stores framed and hanging on the wall
displayed so that the company will never forget
about those other stores who put themselves out of business,
how it can happen to anyone, and that it must be avoided.
And so yeah, that's a good idea as a reminder.
Hey, how bad things can get, you know,
Buffett has like a newspaper covers him
from the depression to remind him for the same thing.
But after getting to know Mrs. B,
I just can't help but thinking that she also put it up there

to be like, look what happens
when you try to go against me.
I unapologetically adore and love her approach
and how serious she took her work.
And just if you think about the opening
where you just think about how difficult
her early life was, she was never able to go to school ever.
Not elementary school, not college, not high school, nothing.
You know, having to start work at six years old,
live on a straw mat, and then have the opportunity
to come to America and build a business
that made her and her unborn grandchildren rich.
I could see why she would take it so seriously.
So let's go back to the very humble beginnings
of this business that's unbelievably valuable.
I think in later shareholder letters,
they were doing more, they were doing, what, 120 million
a year just out of the one Nebraska store,
I think it was more than all the other furniture stores
in Omaha combined.
And it started out because she needed to help her husband.
Her husband opens a secondhand clothing store.
Now sometimes it's referred to as a clothing store,
sometimes it's referred to as a pawn shop,
but her husband's the one working originally
and she's at home with the kids.
Remember at the very beginning, she calls herself dumb
or she says, I was dumb because I couldn't learn
to talk English.
The way she speaks, learns to speak English though,
is actually from her, I think, I'm pretty sure
this is her oldest daughter who was going to school
in Omaha, her oldest daughter is named Frances.
Frances taught her mother how to speak English
after she came home from school each day.
Rose tells the story of how she began to be involved
in Isidore, her husband's store.
The depression came and my husband came home
and said, well, starve to death.
Nobody walks in, what will we do?
I already had my four children by 1930.
So she's gonna go to work and help her husband.
She says he would sell clothing at the same price
he had paid for it.

He didn't understand how to make a profit.
Remember, she's at this point, she's what, almost 43.
She'd been working in stores and she was six,
working full time when she was 13.
Managing stores when she was 16, she knew how to sell.
And so she told her husband, this is what we're gonna do.
And this is really the basis for her entire,
Warren's gonna talk about the advantage that he has
and why she had over her other competitors.
And in many cases, I think it's in this book
and if it's not, I'll find the quote for us
about the fact that she hit on the idea
for what makes places like Costco and Walmart so special
before there was a Costco and Walmart.
And so she says, let's sell 10% over cost
and I'll come to your store and show you and help you
because I did build a big business in Russia
for my boss and I knew business.
These are direct quotes from her.
So this is how she speaks.
She obviously speaks, she's missing some words there.
Rose began retailing right out of the Blumkin home.
This is hilarious.
With home furnishings and accessories.
This practice continued even after she was successful.
Check out her dedication to sale.
This practice continued throughout her lifetime.
Visitors to the Blumkin's house would admire the furniture
that had attached price tag, I'm sorry.
All right, hold on, I gotta read that to you again.
I just, this idea where you're like,
one of the most financial successful entrepreneurs
in Omaha and you come to her house
and her furniture has price tags on it.
And I'm like, oh, I like your couch
and she tries to sell it to you.
I love this lady.
This practice continued throughout her lifetime.
Visitors to the Blumkin house would admire the furniture
with attached price tags and lampshades
still covered in plastic wrap.
If a guest expressed interest in a piece,
it was available for sale.
Long before that though, she had to find a way to make money.

At one point she printed 10,000 flyers
offering to dress a man from head to toe for \$5.
So this is back in I think like the 1930s,
somewhere around 1937.
This one promotion made the Blumkin family \$800.
And so she's selling stuff out of her house.
There's like this basement.
She's selling stuff out of this store.
And she realizes like people keep coming to her
because they get such great prices.
Can you get me this?
Can you get me that?
People used to ask me, can you get me this?
Can you get me that?
I used to take them to the wholesale house
and sell it and sell them at 10% above cost.
I never lied.
So her main, let me go to another quote real quick.
I think I brought this up in the latest episode
that I did on Charlie Munger, episode 295.
And he says, well, there's actually two ideas here.
Let me bring this up to you first
before we go back into Rose's story.
Because I think this is fascinating
how they make an exception to their rules.
Rose is so special that Munger and Buffett
make exceptions for her.
As a general rule, this is Charlie Munger saying,
as a general rule, you should bet on the quality of the business
not the quality of the management.
Unless of course you've got a Mrs. B in your hand.
If that's the case, you need to go all in.
I remember Nebraska Furniture Marts founder, Mrs. B,
who in response to a question about having a business plan
replied, yeah, sell cheap and tell the truth.
She was a business genius.
So that's the end of the quote from Munger.
How many, and again, this is what I always pay attention to
with people like Buffett and Munger.
How many different managers, founders, businesses
have these guys analyze over their entire life?
Like it's incredible.
And they're saying, hey, no, pay attention to this person.
This is why I went really deep on Henry Singleton

and why I've been collecting a bunch of hard to find Singleton information because I'm going to do another episode on him. But his idea is like she was a business genius. The reason that came to mind just now is because where we're in this book, they're like, listen, I'm just going to tell the truth. And at this point in the story, she's telling the customer, hey, I'm going to get you a good deal, and I'm just going to sell to you above 10% cost. And because the markup's so low, this is the lowest price you're going to get, and therefore, it builds trust and a relationship with these customers. And they're going to come back forever. They're going to tell their friends. Their kids are going to go there. Their grandkids are going to go there. Assuming you're in a game that you're going to play for a long time, this is like the version of this idea of infinite return on investment. I never lied. I showed them the bill and then they all respect me. You should see what kind of customers I have. The best in the world. They build me one of the finest businesses in the country. I always believe in honesty. Anything is wrong, I try to make it right. Meaning, obviously, if the customer has a problem, I'll make it right. Mrs. B opened a furniture store in 1937 with a \$500 loan from one of her brothers. It was a 30 by 100 foot basement room. She called it the Nebraska Furniture Mart. This is hilarious. The same day I opened, another furniture store was opening. They had an orchestra, orchestra music, and Hollywood stars, and I only had three line one ads because I was poor. I did that day a big business. I couldn't get over it. Rose was 43 years old at the time, and her four children were between the ages of 10 and 19. And then this story is also mentioned in Buffett's Shareholder Letters, which was fantastic. The fact that she gets sued by her competitors over charging customers too little,

Mrs. B would encounter a fair number of obstacles in growing her business throughout the years. She would choose to make a small profit of 10%, bend over backwards for customers, and grow the company by selling in large volumes. It also made her competitors very angry. At one point, Mrs. B was able to convince Marshall's Fields to sell her carpet wholesale at \$3 per yard. She then resold it for \$3.95 per yard. The competition was selling the very same carpet for \$7.95 per yard. Her competition called her a bootlegger. Her reply was, you betcha, I'm the best bootlegger in town. So then she tells the story of what happened. These three lawyers from this one company take me to court, suing me for unfair trade practices. Three lawyers and me with my English. I can't afford a lawyer, so I just go to the judge and I say, judge, I sell everything 10% above cost. What's wrong? Can't I give my customers a good deal? I don't rob my customers. The judge agreed throughout the case and bought \$1,400 worth of carpeting from Mrs. B the next day. The publicity from this trial was worth far more than Mrs. B could have afforded to purchase in advertising. It's hard to think of better advertising than that. It's something, you imagine reading the newspapers, like this lady gets sued because her prices are too little. You know where you're going the next day. Oh, this is fantastic. So this investor named Josh Wolff has this great maximum that I see in these books all the time. He says, chips on shoulders puts chips in pockets. I think Rose Blumkin is a perfect example of that. Rose attempted to buy furniture wholesale in Chicago. Their merchants were very rotten to me. When I walked in to the merchandise mart to buy furniture, they used to kick me out and say, don't bother us. We're not gonna sell you nothing. I used to almost start to cry. My face would get red and I'd say someday

you'll come to my store to try to sell it to me
and I'll kick you out the same way you did to me.
And then her punchline here is hilarious.
This is why I think he's framed going out of business.
She definitely has a chip on her shoulder
and it takes great pride in competition.
And I just, I could picture her looking at these framed,
going out of business sale,
like advertisements of her competitors with glee
because the way she ends this story, the punchline is,
I outlive them all.
But of course with any business, there's ups and downs.
Here's one of the downs in 1950, business slowed down.
This is after the Korean War.
Business slowed down and Mrs. B found herself
unable to pay her bills.
She was worrying night and day.
A local banker came into the store to buy a cabinet
and asked why she was so upset.
After listening, he gave her \$50,000
of his personal money as a 90-day loan.
She then had to think of a way to earn the money
to pay back the loan.
This is really smart.
So she rented the Omaha City Auditorium for \$200 per day
and held a three-day sale.
She took in \$250,000 from the sale,
paid off all of her loans and never borrowed money again.
Unfortunately, this is the same time that her husband dies.
Isidore had a heart attack and died.
They were married for 36 years
and Rose would be a widow for 48 years.
Mrs. B once asked if she believed
that she had a tougher time succeeding
because she was a woman.
She said, me?
No, sir, she answered.
When it comes to business, I could beat any man
in any college graduate.
She was relentless.
Another example of that.
In 1961, half of Nebraska furniture mart was destroyed
by a fire.
The resulting fire sale generated a line two blocks long

to buy hugely discounted items
that had been exposed to the smoke.
One of my favorite maxims from the history
of entrepreneurship is problems or just opportunities
and work clothes.
She's like, okay, can't pay my bills, gets this loan,
does a three-day limited sale,
makes five times the amount of money, right?
Then fire comes, okay, what can I do?
Now I have a bunch of inventory I need to get rid of.
Hugely discounted just because it has a little bit
of smoke damage.
People love saving money.
Couple years later, actually about 15 years later, 1975,
a tornado took out the entire
Nebraska furniture mart building.
The tornado also destroys a post office next to the mart.
So what does she do?
She buys the ground and built on it
to expand the business.
We have turned every tragedy into a positive.
That's another way of saying problems
or just opportunities and work clothes.
Then it goes into the description of her insane work hours
and her dedication, the fact that work was a hobby for her
with her children grown and out of the house.
She devoted her entire existence
to growing Nebraska furniture mart.
She loved the game of selling.
She didn't care a bit about the money.
It was all about making the sales, she said.
Louis, her son, came back after World War II in 1945
and joined the business showing the same intelligence
and business acumen as his mother.
And I think long after she passed away,
he was still, I just saw him in the,
I was reading through all my highlights in Berkshire
and Warren's shareholder letters and as of like 92,
when Louis was like 92, he's still working in the business too.
His calm management style balanced out
his mother's quick temper and he would often hire back
employees who had been freshly fired by Rose.
She could have quit working at any time
but the simple action of going to work

and being productive kept her interested in life
and energized.
David Ogreby has a great quote on this.
He says, retirement is fatal.
When I was poor, I was ambitious, she said.
I always wanted my kids,
I always wanted that my kids should have what I didn't have.
I wanted to show poor people that there's a future in life.
If you try, you can have it.
Mrs. B took time off of work
to take classes to become a U.S. citizen.
A fellow member of Mrs. B's class recalls asking her,
you were here for 30, this is hilarious.
You were here for 37 years before becoming a citizen.
How come you waited so long?
I was busy, Mrs. B said.
And Mrs. B has some good maxims.
This is one of them.
Business is like raising a child.
You want a good one.
A child needs a mother and a business needs a boss.
My hobby is figuring out how to advertise,
how to undersell, how much hell to give my competitors.
I'll never forget how they treated us when we were poor.
This is, I think this is my favorite part
of the entire book.
A 1977 local newspaper article
sums up Mrs. B's temperament on work ethic.
What's your favorite thing to do on a Sunday afternoon?
Visit my customers at my store.
What is your favorite thing to do on a nice evening?
Drive around to check the competition
and plan my next attack.
Favorite movie in the last year, too busy.
Favorite book in the last year, don't have time.
Favorite cocktail, none, drinkers go broke.
If you want to be in business, be sober.
Favorite place, my store.
And finally, last question.
What's one thing that needs,
that most needs to be done in our state or in our nation?
Clean out all the lazy ones.
This just made me think of something.
There is something that I think adds a little flavor to life.

I was rereading past highlights.
And there's something about David Ogrevy
that was in this biography of David
written by somebody who worked with him.
Because I think all the books I've done on David Ogrevy,
he wrote himself, he's the best writer.
I've ever come across for the podcast.
Let me read this because I just realized,
there's stories I'm about to tell you,
we're gonna add to our rose file.
And this will make sense.
This comes from the king of Madison Avenue,
David Ogrevy and the making of Modern Advertising,
which I covered all the way back on episode 169
in case you missed it.
I'd also read the book, it's excellent.
But this is, I think, pretty sure,
this is one of the very beginning parts of the book.
And so the author who used to work with,
or work for Ogrevy said, he was 52 and famous.
I was 33 and a junior account executive.
Early on, he wrote a letter to one of my clients.
After listing eight reasons why some ads
prepared by the company's design department
would not be effective, he delivered his ultimate argument.
The only thing that can be said in favor of the layouts
is that they are quote unquote different.
You can make a cow look different by removing the utter,
but that cow would not produce results.
So began my David file,
almost everyone who worked at the agency kept one.
And this is something that was repeated in another context
for people that knew Ogrevy.
And they said almost everyone who brushed up
against the man has a David story.
And so this is, I think,
all the stuff that's happening on the next few pages,
is like, oh, we're gonna add to our rose,
how special and unique this individual was.
And I just think these people add
like so much spice and flavor to life.
In 1990, Mrs. B drove her cart into a metal post
and broke her ankle.
She didn't go to the hospital until the next day.

She was back at work the next day.
The next year, she took a corner with too much speed
and turned the cart completely over,
gashing her head on a grandfather clock.
The wound required stitches,
yet she was back in the store two hours later.
She is 97.
This is insane.
There was a luncheon where Mrs. B was being honored.
The luncheon was dragging on.
And at about 1.15, Mrs. B stood up and hollered,
what is wrong with you people?
Don't you have jobs?
I'm going back to work and she left.
Here's another addition to the rose file.
Warren Buffett said during the opening remarks
at the 1993 Berkshire Hathaway annual meeting,
I'd like to introduce Berkshire's managers,
except Mrs. B, who couldn't take time off of work
for such foolishness like a shareholder meeting.
And this is what I was mentioning earlier.
Mrs. B developed successful merchandising practices
long before they were adopted by mainstream retailers.
She had established the idea of a discount store
making small profits on large volumes.
Sam Walton didn't open his first discount store,
leading to the Walmart empire until 1962.
The company still follows these principles.
It is run very fiscally conservative, conservatively.
Mrs. B always felt that the days of the depression
could return at any time.
We still run the company like the depression is coming back.
We have no debt.
Though she never spent a single day in a classroom,
she had a savant's capacity for arithmetic.
So this is the idea of she gets interviewed on ABC's
like nationally televised show 2020
and people can't imagine,
can't believe how fast she is with numbers.
But it's another example of this maxim
that you and I talk about all the time,
that the public praises people
for what they practice in private.
How she's been working in the carpet department

for half a century.
How many times do you think she had to multiply
how much per yard or per square feet
by the size of the customer's space?
And so it says her skill was witnessed
by the entire country on a television broadcast.
They're like rolling through the store on her cart
and she's being interviewed
and he would just throw out random numbers.
So like, okay, let's say carpet's \$12.95 a yard.
I want 30 yards.
How much is that?
Unless in a second, Mrs. B would reply.
And if my room is 12 by 14 feet, how many?
And then she'd cut them off 19 yards.
She'd reply before he'd even finished his sentence.
She was the most brilliant salesperson I've ever met
but she's a lousy manager.
She is terribly abusive.
Who was saying this?
Oh, this is one of her former employees.
She's terribly abusive to her employees.
She charms her customers though.
She's a workaholic.
She operates on almost zero margin
and she's one tough feisty woman.
And so that's another actually good idea
for you and I where it's like, you know,
she's the most brilliant salesperson ever.
She is gifted at what she's doing
but she brought in her son to kind of balance out.
She's really great with customers
but maybe not good with employees.
Okay, so bring in somebody that's way more calm,
that's better at dealing with employees.
And like they said, she may fire an employee
but then her son who's more calm
might hire that person back after the fact.
And then here's the story referenced earlier
where Warren had previously tried to buy this business.
Warren Buffett had known of the business
and was aware of its success from living in Omaha.
He admired the Blumkin's business savvy.
In the late 1960s, he had offered \$7 million

for Nebraska furniture mart.
An amount, this is hilarious,
an amount that Mrs. B turned down while calling him cheap.
Two decades later, Warren came into the mart again
for the purpose of making Mrs. B another offer.
This time it was \$60 million for 90% of the company.
Mrs. B and Buffett shook hands on the deal.
No lawyers were involved and there was no audit
and no inventory was taken of the merchandise.
Buffett said, if she ran a popcorn stand,
I'd want to be in business with her.
She's just plain smart.
She's a fierce competitor and she's a tireless worker.
And this is one of my favorite things that he said
and I think is a good idea for us to think of,
are we the answer to Buffett's question?
That'll make more sense in one second.
One question I always ask myself in appraising a business
is how I would like assuming I had ample capital
and skilled personnel to compete with it.
I would rather wrestle Grizzlies than compete with Mrs. B.
They buy brilliantly.
They operate at expense ratios
competitors don't even dream about
and then they pass on to their customers much of the savings.
It's the ideal business, one built upon exceptional value
to the customer that in turn translates
into exceptional economics for its owners.
That is a great, I need to read that line again.
It's the ideal business, one built upon exceptional value
to the customer that in turn translates
into exceptional economics for its owners.
And I couldn't find it in my highlights.
And it's not in any of my notes and it's not in this book
but I swear I remember this idea of like they buy brilliantly.
There's a beautiful simplicity
to Rose's approach to her business, right?
And I'm pretty sure I had heard somewhere or read somewhere
that they buy all their inventory from one manufacturer.
But this idea when I read that I was like,
okay, I wanna make sure that my approach to my own work
is like, okay, I want people to describe me that way.
It's like I'd rather wrestle grizzlies
than compete with him in what he's doing.

And I think that's just a good like maximum
for us to keep in our back of our minds.
Like is that applicable to me?
And if it's not, what can I do to make it true?
In turn, Mrs. B also admired Buffett.
Mrs. B said, my hero is the middle class,
the immigrants and Warren Buffett.
He's a genius.
I respect him a lot.
He is very honest, very plain
and his word is as good as gold.
Another addition to our Rose file.
Rose is the only founder
that Buffett had to buy out twice.
So the good thing about the business
is it was a family business.
This is after Buffett already owns it.
She's still working.
They bring in like multiple generations of blumpkins.
And so she loved working with her son
and she hated working with her grandkids.
And so this is what's gonna cause her to leave.
Nobody wanted her to leave, said Louis, that's her son.
Mrs. B said she was not upset with Louis.
He is one in a million, she said.
However, she said,
however, she had used the name Hitler
to refer to her grandsons, Ronald and Irvin.
They have a fight over pricing
and control of the carpet department
which she considered was her domain.
And of course Rose, like all of history's
greatest entrepreneurs are obsessed with control.
And so she quits and she starts another business.
It'd probably be the first for a 96 year old woman
to start a business, but I feel capable of doing it.
And one approved a Buffett and my grandsons.
She was upset at Buffett
because she felt that he had sided
with her grandsons over this.
They wanted to patch things up.
I want to prove to Buffett and my grandsons
that I can do it.
I could outsmart any 25 year old.

So that's how old her grandkids are.
Mrs. B quickly became bored after leaving the store.
She hired a chauffeur, this is hilarious.
I keep saying that, but it is.
I laugh so many times reading her story, I absolutely love her.
She hired a chauffeur, her chauffeur around Omaha each day
and took her to other stores.
She looked in the windows and checked to see
how many cars there were in the parking lot.
She's 96.
It didn't take long for her to plan her revenge.
I want to be my own boss.
Nobody's going to tell me what to do.
I had enough.
I'm going to let them have it.
Thank God I've still got my brains.
I've got health, money and strength and common sense.
I know how to beat everybody.
The new store was directly adjacent
to the Nebraska furniture mart.
This is adjacent.
I heard it was across the street,
but it's, they can see it in one way or another.
And so she's asked,
would you like to see Nebraska furniture mart
go out of business?
She says, it should go out, it should go up in smoke.
I like that they should go,
they should go to hell, she replied.
The reason she was able to move so fast
is because there's really no,
it's everything's black and white.
There's really no like shades of gray with her.
And so at this point she felt, you know,
they took away her car by her department
or try to overwrite her decision.
So let's say you're going to go to hell
and Buffett picks up on that.
So everything with Mrs. B knew how to do, she would do fast.
She did not hesitate and there was no second guessing.
She'd buy 5,000 tables or sign a 30 year lease
or buy real estate or hire people.
There was no looking back, she just swung.
The rules of running her business were very simple.

Sell cheap, tell the truth.
Fortunately, Mrs. B lived long enough
to reconcile with her family.
The first relationship to be patched up
with this Warren Buffett, Rose was angry with him
because she felt that he had sided with her grandsons.
Two days before her 98th birthday,
Buffett once again bought her roses and chocolates
and brought it to her job.
He's a real gentleman, she said,
after accepting Buffett's peace offering.
She settled her differences with her grandsons
and sold Mrs. B's warehouse, the new company,
to Nebraska Furniture Mart for \$5 million
with the provision that she could keep control
of the carpet department.
This time Buffett made sure to have Mrs. B at age 99
sign a non-compete agreement.
And then Mrs. B looks back at this time
and really she's just saying,
control's obviously priority number one.
Maybe I was wrong, maybe I was too hard on them.
Mrs. B said on the feud with her grandsons.
I'm very independent.
If things aren't run the way I want it,
I don't like it and I get very mad.
And it's an excellent way to end Rose's story.
The woman who never attended school
and couldn't read or write was the recipient
of some distinguished college degrees.
Rose's long life allowed her to accumulate
numerous experiences in the community and in business.
She was forever grateful that she was able
to come to the United States.
In fact, at every family gathering,
she would insist that they sing God bless America.
It was her favorite song.
The people who were born in this country
don't appreciate all these wonderful things
like those who've come from out of darkness.
So when I had lunch with Sam Zell,
that was episode 298.
This is one of the things that we talked about in detail
because his experience as a kid was similar to

what his dad would tell him was similar
to what my dad told me.
His father escapes Poland,
the prosecution of the Jewish people of the Nazis.
And you tell Sam over and over again,
you have no idea how lucky you are
that you were born in this country.
My father was born in Cuba, fled Castro
and he would tell me that over and over again.
So as a people who were born in this country
don't appreciate all the wonderful things
like those who came out of the darkness.
I loved the United States since the day I came here.
On her 100th birthday, she said,
all my wishes have come true.
American people were wonderful to me
and I made a success.
I never expected that much and I did a pretty good job.
That's a hell of an understatement Mrs. B.
You did a fantastic job.
She officially retired in October, 1997
and she died at the age of 104 the next year.
Upon hearing of her death, Warren Buffett said,
we were partners and in most ways,
she's the senior partner.
She's forgotten more than I'll ever know.
Aspiring business managers should look hard
at the plain but rare attributes
that produced Mrs. B's incredible success.
Students from 40 universities visit me every year
and I have them start the day
with a visit to the Nebraska Furniture Mart.
If they absorb Mrs. B's lessons, they need none from me.
And that is where I'll leave it for the full story
of Mrs. B.
There's a bunch of other remarkable managers
profiled in this book as well,
but I think the book is worth buying
just for the Rose Blumkin chapter alone.
Even if you only read that chapter, chapter one,
I will leave a link.
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.
I've been making a lot of AMA ask me anything episodes
and so subscribers to Founder's Premium
can listen to those.
I think there's like 21 or 22 available
and I'll be updating that feed every week.
That link is obviously down below
and available at founderspodcast.com
and I have a free email newsletter.
If you want to receive an email from me,
a friend of mine will actually chastise me
because I was so inconsistent.
So I'm gonna update it every time I read a book
and he's right.
He was completely right about that.
So what I do is I just, usually every book,
I think the last one, the last email I just sent out
was on the Mine and Napoleon book.
I think I have like 76 or maybe 86, something like that,
different highlights from that book.
And so it takes me forever,
but I think it's really valuable
where I try to say, okay,
what are the top 10 things I want to remember most?
And I try to get them into like sentences,
almost like maxims.
So anyways, if you're interested in getting an email from me
with the top 10 highlights of all the books
that I read for the podcast,
that link is also down below
and available at founderspodcast.com.
That is 303 books down 1,000 to go
and I'll talk to you again soon.