

Loomis, Carol J. – Tap Dancing to Work*Portfolio Penguin, 2012 [Equity Investing] Grade ★★ ★*

Last month, one of the most influential business journalists of our time decided it was time to hang up the pen. Carol J. Loomis, the longest-tenured journalist ever at Fortune Magazine (60 years!) was recently described as the business writer combination of Cal Ripken Jr (durability and integrity) and Michael Jordan (megastar and superior ability). So it seems apt to take this opportunity to review her 2012 book *Tap Dancing to Work* – Fortune’s collective pieces on Warren Buffett. One could say the book is the most personal account of the journey from Buffet (sic) to uncle Warren, consisting of previously written material, in this case articles about and by Buffett in Fortune, spanning 46 years. It is utterly striking how most things of contemporary fascination have been written about before; buy-backs, the wonders of compounding, peak margins, ethical behavior, central bank policies... “*The market has not become more rational over time, it has become more followed*”. Aside from the marvelous sweep of business history that is presented, what four decades of judgments and predictions – through the mind of one of the greatest business thinkers ever – give you is a stark reminder of the saying that it is better to be approximately right rather than precisely wrong.

One pertinent example of this is the 1977 article by Buffett about the impacts of inflation for equity investors. It was masterfully penned, well argued in its bearishness and complexity-made-easy over 12 full pages - and also dead wrong. Inflation was not here to stay. Tax rates did fall from the high 40s. And ROEs certainly did not get stuck at 12 percent. As this was in 1977, the equity world in general and Berkshire-holders in particular are likely pleased that the gloomy Mr. Buffett didn’t follow through on his own advice, but kept being almost fully invested, as he did after disclosing the Buffett Partnership in 1969, contrary to his advice at the time to buy municipal bonds. Conclusion? You can take the equity market out of the stock picker but you cannot take the stock picker out of the equity market.

Henrik Andersson, October 28, 2014

The watershed article of them all is in my mind the 1988 profile of Buffett (*The Inside Story of Warren Buffett*). He was obviously known by that time, but his recognition among the general public brutally lagged his impact and achievements. Up until then, Loomis had been friends with Buffett for two decades, a BRK shareholder for almost as long and pro-bono editor of his shareholder letter. Hence, she had at her own behest taken a back-seat in Fortune’s coverage of Buffett, suggesting stories but assigning them to other reporters. However, that all changed with this piece, where the first full profile of Warren E. Buffett was penned. It also brought forward the so-far neglected topics of Buffett the businessman and the huge influence of Charlie Munger. Rather surprisingly, Loomis omits this piece on her own list of her best articles.

Tap Dancing to Work is simply organized in chronological order of appearance, with the first piece being the 1966 article about Alfred Winslow Jones, where Buffett was mentioned. And it couldn’t be any other way, as the power of half a century of thoughts should not be interrupted by any other format. The added comments by Loomis at the beginning of most of the stories bring valuable context and benefit of hindsight. So what are the negatives? Well, the usual suspects. Stitching together over 40 individual pieces seldom make for a great quilt. And after libraries written on Buffett, things that were revolutionary when they appeared are now over-chewed. The elephant in the room of course, is why Loomis did not write *Snowball*. As they had talked for decades about collaborating on a biography and being “Buffett’s Boswell”, she must have been asked at the time. Perhaps Mr. Buffett himself would have been more pleased had certain parts of *Snowball* been left out – which surely Carol Loomis would have done – but for the rest of the world it only added to the fascinating personality of our time’s greatest investor and teacher. Some of that shines through in *Tap Dancing*, but the originality of the pieces are now merely a great history lesson.