

# Richard Branson's Virgin Success

## *The Incredible Triumph of an Enigmatic Entrepreneur*

When Richard Branson's granny was 99, she wrote him to say that the last 10 years had been her best. He should read the book, "A Brief History of Time" by Stephen Hawking. She had loved it. But most of all, her advice to Richard was "You've got one go in life, so make the most of it." Those are words that mean so much to Richard Branson, as they go right to the heart of his belief in making it on your own. Now, head of 150 or so enterprises that carry the Virgin name, with a personal wealth estimated at nearly \$3 billion, he has followed that personal dream and made the most of it. He still holds the record as fastest to cross the Atlantic ocean by boat. He still hopes to be first to circle the globe in a balloon. It is a success that was never expected for a dyslexic, nearsighted boy.

Richard didn't breeze through school. It wasn't just a challenge for him, it was a nightmare. His dyslexia embarrassed him as he had to memorize and recite word for word in public. He was sure he did terribly on the standard IQ tests...these are tests that measure abilities where he is weak. In the end, it was the tests that failed. They totally missed his ability and passion for sports. They had no means to identify ambition, the fire inside that drives people to find a path to success that zigzags around the maze of standard doors that won't open. They never identified the most important talent of all. It's the ability to connect with people, mind to mind, soul to soul. It's that rare power to energize the ambitions of others so that they, too, rise to the level of their dreams.

Ironically, Richard Branson's talents began to show themselves during his adolescent school years. Frustrated with the rigidity of school rules and regulations, and seeing the energy of student activism in the late 60's, he decided to start his own student newspaper. This might not have been remarkable, except that this paper was intended to tie many schools together. It would be focused on the students and not the schools. It would sell advertising to major corporations. It would have articles by Ministers of Parliament, rock music stars, intellectuals and movie celebrities. It would be a commercial success. That was the business plan that 17 year old Richard Branson put together with his pal, Jonny Gems.

They had a little help. Richard's mother donated four pounds to help cover postage and telephone expenses. It was enough to start. They worked in his basement and scrimped on everything except the grand vision of the magazine. The first edition appeared with a cover picture of a student drawn by Peter Blake, who designed the Beatles' Sergeant Pepper album cover. He also agreed to give an interview. Student debuted in January, 1968. The headmaster of Stowe, where Richard and Jonny were students, wrote: "Congratulations, Branson. I predict that you will either go to prison or become a millionaire."

In 1970, the British government abolished the Retail Price Maintenance Agreement, but none of the stores elected to discount records. Richard Branson saw an opportunity for Student to offer records cheaply by running ads for mail order delivery. The student readers of Student spent a great deal of money on records even at full price. How would they respond to this opportunity?

It turned out that the orders so flooded in that they were more lucrative than magazine subscriptions. Richard rounded up the staff of Student and recruited them to spin off a discount music business. They found an empty shop above a shoe store and persuaded the owner to let them build shelves and move in a couple of old sofas for their first store. In lieu of rent, they promised that they'd bring so much traffic that the shoe store's business would pick up too. Now all they needed was a name.

The first candidate was "Slipped Disc." It had promise. It was catchy and appealed to a wider range of buyers than "Student." Then one of the group piped up "Virgin." Because, she said, "we're complete virgins at business." In retrospect, Richard says he's happy they went with the alternate name. Slipped Disc Airlines just wouldn't have the customer appeal of Virgin Airlines.

Virgin Airlines is very much a Richard Branson style company. Instead of getting caught in the downward spiral of chopping fares and cutting service, he's taken a stand of reasonable fares on transatlantic flights with amenities like in-flight massages, ice cream with movies and soon, private bedrooms, showers and exercise facilities. Far from failing, Virgin Airlines is a big money maker.

In fact all 150 companies make money and Richard Branson claims no prior expertise in any of them. He has no giant corporate office or staff. Few if any board meetings. Instead, he keeps each enterprise small and relies on his magic touch of empowering people's ideas to fuel success. When a flight attendant approached him with her vision of a wedding business, Richard told her to go do it. He even put on a wedding dress himself to help launch the publicity. His Virgin Cola is bigger than Pepsi in Europe and looking to take on Coke in the United States. Richard drove a tank up to the Coke Sign in Times Square and fired at it to launch that challenge. Flamboyant? Yes. Greedy? Well, certainly not in the sense we normally use that word. "I never went into business solely to make money," he says. Yet, over and over again, he's done just that.

If he is greedy, then it is a craving for turning possibilities, even unlikely ones, into raging successes. "It all comes down to people," he remarks in an interview with David Sheff of Forbes. "Nothing else even comes close." He writes them all, all 5,000 Virgin employees, a chatty letter once a month from his paper notebook, and invites them to write or call him with their problems, ideas and dreams. They do...and new Virgin successes are born.

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**Answer the following questions in your workbooks.**

**Use full-sentence answers!!!**

***(Exam practice makes perfect!)***

1. What are some personal hurdles that Richard Branson had to overcome?
2. Provide a brief outline of how 'Student' developed.
3. What caused Branson to turn his attention to records?
4. How did the business name 'Virgin' originate?
5. In what way did 'Virgin Airlines' offer a differentiated product to the market?
6. What qualities of Branson's business approach point to an 'organic' business structure?
7. With reference to this article and your own knowledge of Richard Branson, provide examples of his 'unique' approach to launching new business ventures.
8. What personal qualities do you feel have contributed to Richard Branson's success as an entrepreneur?