

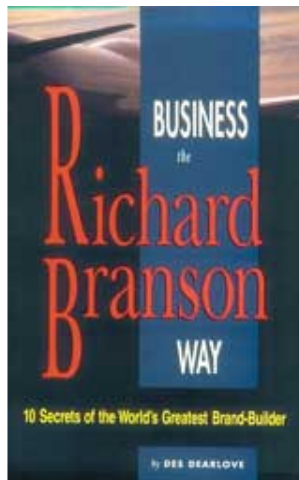
BusinessSummaries

WISDOM IN A NUTSHELL

PRESENTS
INSIDE THE GURU MIND SERIES

Richard Branson

10 Secrets of the World's Greatest Brand
Builder



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On March 30, 2000, Queen Elizabeth II honored Richard Branson with a knighthood at the New Year's Honours List for services to entrepreneurship. For the first time, Branson was seen decked out in a formal morning suit, in a complete antithesis to his usual attire of bright-colored sweaters. Branson is one of the most well known of British businessmen, his face appearing on the front pages of national publications and on television almost as often as the Royal Family. His instantly recognizable Virgin logo is emblazoned on a bewildering range of products from his famous airline to condoms. His personal net worth is estimated at \$ 1.8 billion. For all the high profile persona, Branson maintains his mystique with an ability to control public intrusions in his private life.

Born in 1950, the son of a barrister in the village of Shamley Green, Surrey, Branson showed how little inclined he was to academics, failing his elementary mathematics three times. But he showed an early precocity and lack of reverence for established authority, presaging his propensity later as an entrepreneur to take on the giants of industry. He once sent his headmasters a memo suggesting that sixth formers be allowed to drink two pints of beer a day.

One headmaster predicted that Branson would end up either a millionaire or behind bars. Branson never finished sixth form. He quit school and set up a business venture while in school with his childhood friend and business partner, Nick Powell. Their first business ventures involved breeding budgerigars and growing Christmas trees, both of which failed. Another business, a magazine called *Student*, launched when he was 16, and also failed.

Branson had better luck with the idea of a mail order record company. The idea came at the right time. It was 1969 and the music orders picked up. When a postal strike choked the mail order business, Branson opened his first store in Oxford in 1971. This first business brought Branson to his first brush with white-collar crime. He was arrested for taking advantage of a tax loophole that allowed him to send worthless old stock to Europe while selling new stock in the UK without paying tax. He was compelled to pay back the taxes he owed.

Branson branched out into record production, launching the highly successful album, *Tubular Bells*, by Mike Oldfield. This album stayed on the UK charts for the next ten years. The profits he earned from the album financed the Virgin empire.

Branson continued to ride on his ability to pick out bestsellers in the British music industry. In the 1980s, he launched the punk group, Sex Pistols, and discovered Boy George and the Culture Club. In 1984, he launched Virgin Atlantic Airways. Today the empire spans travel, holidays, clothing, record stores, soft drinks, radio and many other areas of business. How did he launch one of the most powerful brands in the world?

Business Strategy

Branson's secret for success is his defiance of the academic business axioms so dear to business schools. The airline business, cola market and financial services markets are precisely the areas where extreme competitiveness is the norm but it is in these areas where Branson has been phenomenally successful.

Core Competencies

Branson has referred to four competencies, which underlie his business strategy; these are the very ideas of Gary Hamel and D.K. Prahalad. These four core competencies are:

- The ability to identify appropriate growth opportunities.
- The ability to move quickly.
- The willingness to give day-to-day management control to relatively small operating teams (although Virgin Airways Atlantic has a staff of 6000).
- The ability to create and manage effective joint ventures.

Picking on Someone Bigger than You

One journalist once observed, "I got the impression that it was not the money but the prospect of taking on the mighty Coca Cola Corporation that really gave him his kicks."

Richard Branson's record as an entrepreneur is marked by the challenges he has hurled against the giants in the fields of music when he competed with EMI, in airlines when he went up against British Airways and in the cola drinks industry when he squared off with Coca Cola and Pepsi Co.

Branson points out that the big brand names have become synonymous with the product they market. Coca Cola is a soft drink. Virgin as a label has been used to give identity to a wide variety of products.

Richard the Crusader

By pitting himself against the corporate giants, Branson has managed to invest himself with some kind of crusading hero aura. In these battles with the giants, Branson acquires a moral ascendancy in the public eye at least. There is method to this madness. Branson offers the public an alternative to the big companies and appears to offer something they do not. He explains, "If you go for big, fat, lazy brand leaders, it's often easy to offer better value for money." This stance appears to put Branson on the side of the consumer. He was first successful in this strategy when the young people to whom he sold his records in the 1970s rebelled against the "straight" music industry and saw Branson as a champion of alternative culture. Others perceive Branson as a pirate to explain his lack of respect for figures of authority.

The Underdog

Branson has been known to portray Virgin as the underdog despite the fact that it is actually a large company. But he does take on much larger companies. This approach apparently strikes a chord with customers, especially those who feel that the bigger companies have taken advantage of them all these years. They are more likely to be drawn to the man who stands up to the bullies on their behalf.

Virgin employees too like to feel that they are part of that struggle. Branson himself seems to take a perverse pleasure in taking on the odds. But in the airline industry, Branson really believed that Virgin could provide something that was not yet there for the consumer.

Picking His Battles

While he seems to be giving the impression that Branson likes to challenge the giants simply for the sake of the challenge, both his airline and cola bids were in fact carefully thought out marketing campaigns.

He was approached by a company with a high quality cola product looking for a strong brand name. In the case of Virgin Atlantic, a lawyer, Randolph Fields, who had carried out the legwork for the launching of an airline, approached him for financial backing, Branson responded to these opportunities.

In the case of the financial services market, Branson saw that all the 600 companies in the market selling services charged the same prices. Branson says all Virgin was offering was a quality product at reasonable prices.

But Branson knew that once he had taken on the big companies they would hit him with everything they had. He picked his battles carefully but prepared a simple strategy: he would make a lot of noise to irritate the competitor then sit back and wait for him to make a mistake. Once this happened, Branson would hit him hard where it really hurt.

The Campaign Against British Airways

Branson used carefully timed sound bites in the media to annoy the BA management. In the US, he utilized the anti-trust laws to wage a battle against BA in the courts. In the UK however the UK competition laws were not as strong, Branson claimed to the press that BA was launching a dirty tricks campaign against Virgin, a claim that would be investigated by documentary maker in a programme called "Violating Virgin". When the BA management was asked to comment on Branson's allegations of dirty tricks, BA published a letter in its in-house newspaper and a letter from BA's Chairman, Lord King, to those who had written him about the documentary. In the letter, Lord King accused Branson of mounting a campaign for himself against BA.

Branson used these letters to issue a writ of libel against the BA Chairman. BA had to settle the libel action for £ 610,000 but the final bill including the legal costs, was probably over £ 5 million. Branson not only won a legal battle, he also gained a foothold in the public's sympathy, who saw him as a small guy in a face-off with a giant.

In another battle, Branson tried to bid for the UK Lottery and failed. He alleged though that Guy Snowden, Chairman of GTEch and a member of the UK lottery organizer, Camelot, had tried to bribe him to pull out of his bid. Snowden sued Branson for libel. Branson won the court case and Snowden left Camelot. Branson donated the £ 100,000 damages from the case to charity.

Pick on Someone Bigger than You

- Make business a crusade. This lends the Virgin brand moral authority.
- Hoist a pirate flag. Branson is seen as a buccaneer rather than crusader with a lack of respect for figure of authority combined with a sense of fun.
- Play the underdog.
- Pick your battles. Branson responds to specific business opportunities that present themselves.
- Hit them where it hurts.

Branson the hippy

Branson has been tagged a hippy capitalist and identified with the likes of Anita Roddick of the Body Shop as a "new age manager". He gave voice to the views of liberal reactionaries in his magazine, *Student*. But his hippy persona is basically a way of being in tune with the times and projecting the Virgin brand as an alternative to the conventional icons of British industry. Branson has no patience with the stuffiness and conventional thinking of business school graduates. He set out deliberately to produce alternatives to a business culture that he perceives to be "anti-competitive, cartel-based and patriarchal".

But Branson has had a finely tuned instinct for contemporary trends and appetites, as seen in his introduction of punk in the music industry through his launching of the Sex Pistols. He has been quick to ride on whatever is new, exciting and popular.

Although politicians have been quick to beat a path to Branson's door, Branson himself does not espouse any particular ideologies, showing a willingness to work with the government in power, despite his own mildly left-wing sympathies.

Money is not his Motivation

Branson has been known to travel the world without any cash on him. He does not flaunt his wealth or does he adopt the fabled lifestyles of the jet set. Money is not the object of his pursuits. It seems to be merely a way of measuring and achieving his objectives.

In fact, many of his employees work for less than the going market rates because they feel a vicarious enjoyment in the excitement of Virgin's enterprises. Branson seems to be able to harness his people's talents despite little or even no financial rewards, although he has made some of his long-term managers millionaires by giving them a stake in the business.

Branson's Power Dressing

Known for his aversion to suits and other forms of formal wear, Branson once strolled into Coutts, one of the oldest and most conservative British banks, in jeans and a T-shirt. When someone asked if he should not be wearing a suit, he replied, "If I suddenly turned up at the bank wearing a suit and tie, they will know we're in trouble." He asked for an overdraft to bankroll the rapid expansion of the business. Coutts agreed to the request.

This indifference to power dressing not only adds to Branson's reputation as unconventional, it also provides Virgin with a distinct, unique image of its own.

Power to the People

There is no doubt that Branson is indeed a child of the Sixties in the manner that he treats people, both customers and employees. He is known for his equal treatment of employees and respectful attitude to customers. Employees call him by his first name and he encourages employees to call him at home if they have any bright ideas or complaints. He shared with all employees – at £ 166 per head – the damages from the BA court case victory. He also managed to avoid redundancies during the recession in the airline business brought on by the Gulf War in 1990s. He has been willing to cut back on profit to prevent lay-offs. He says, "It's like a family. When the people use the word family with regard to companies it is often extremely misused. But if the going was tough, I would never throw my children out. Everyone just shares a bit less. It should be exactly the same with a company."

Drugs and the Company Parties

Virgin employees are treated to weekend parties at country hotels at company expense during which they play sports, eat, drink, take drugs and generally enjoy themselves, with Branson getting dunked in the pool. The work atmosphere at Branson's companies, from his early venture the publication *Student*, to his mail order company, allows pot sessions, all in keeping with the free atmosphere of Branson's companies.

Shaking up the Establishment

Branson has been known to invade a particular industry that cries out for innovation particularly in the area of responsiveness to the needs of customers. This was how Branson got involved in the British financial services market.

Rowan Gormley, who sifted through hundreds of business proposals a year for the company approached Branson with the idea of bringing Virgin into the business of offering pensions and life insurance. Gormley pointed out to Branson that a huge portion of people's payments went to the charges for handling the money. Gormley also proposed an investment scheme in which investors could play the stock market while avoiding the high commissions of brokers and fund manager. The two schemes appealed to Branson because they showed a glaring need in both the pension and investment market that Virgin could meet. The Virgin PEP (personal Equity Plan) became a fat-selling product in the financial market, selling £ 400 million of PEPs to 75,000 investors in its first year. Branson had shaken the financial market to its core. When Virgin Direct, the company dealing in PEPs, was launched, Branson said, "I can't walk past a fat and complacent business sector without wanting to shake it up a bit,"

Do the Hippy, Hippy Shake

- Don't be a bread head. Branson is not materialistic and persuades others that money is not the most important thing.
- Dress down. Branson's informal dress sense works to his advantage.
- Put people first. Branson is a great believer in people power.
- Everybody must get stoned. The Virgin philosophy is work hard, play hard.
- Don't imitate, innovate. Branson shakes up the markets he enters. The sectors where Virgin is set up its stall are rarely ever the same again.

Haggle - Everything's Negotiable

One of the secrets of Branson's success is a razor-sharp talent for negotiating, masked by an easy affability that disarms his competitors across the negotiating table. He is notorious for his sheer love of haggling and he is able to put in significantly lower offers. He is also skilled at arguing every deal point and hiding behind others when it comes to expressing objections about a proposal.

Talk Softly and Carry a Big Stick

Branson can have a ruthless side, which rarely manifests itself in public. Despite his likeability, Branson is capable of brutally self-serving tactics. This has enabled him to retain 60% of his equity. When Randolph Fields brought him the idea of Virgin Atlantic Airways, Branson forced him to accept only a 25% share despite an earlier agreement for a 50-50 scheme between them. Later, Fields was forced to step down as chairman and Branson later bought him out for £ 1 million.

Listening to Good Advice

Branson reminds people that he failed his elementary maths. However, he surrounds himself with people who can do the sums for him. He relies on good advisers. Two of his most trusted advisers are Virgin Group CEO David Abbott, an accountant, and Don V. Cruikshank, who prepared Virgin for privatization and became head of Oftel, the UK telecommunications regulatory board. Branson

relies so greatly on this “impenetrable inner sanctum at the center of the Virgin empire” that he has renegotiated terms based on their advice.

Covering the Upside

Branson does not just try to cover the downside risk in his negotiations he also covers the upside. When he first decided to buy a slightly used 747 for Virgin Atlantic, he went through a complicated deal with Boeing, which reduced the cost of the aircraft from \$ 100 million to only \$ 27.8 million, with Boeing offering to buy back the 747 at \$ 25 million after a year if Virgin wished to sell. Branson insisted that if the aircraft prices should rise, he would sell the 747 at the market price.

Haggle Everything’s Negotiable

- Nice guys finish first. Branson’s negotiating skills are accentuated by his charm, which disarms his competitors.
- Never take no for an answer. “No”, “never” and “impossible” are not words in the Branson business dictionary.
- Talk softly and carry a big stick.
- Get good professional advice.
- Always cover the upside. When it comes to set up costs, most canny entrepreneurs seek to cover the downside risk. Branson wants to cover the upside too.

Make Work Fun

Branson has never invented a product. He does not pay people high salaries. And yet his phenomenal success in business points to his ability to inspire people. He is capable of motivating them and pushing them to accomplish things they never thought they could. This enables him to get people to work for him despite the less than attractive financial packages he offers them.

Playing Hard

Branson says, “I get the best people, ask other questions then I say: ‘Let’s have fun’.” Virgin employees not only work hard, they also play hard. They do not appear to mind working the long hours demanded by their boss because they are busy having fun at work. Much of this carnival atmosphere can be traced to Virgin’s boss himself. Branson thinks of outlandish practical jokes to play on his staff, who have also been known to turn the tables on their boss.

Branson once pushed takeover tycoon Sir James Goldsmith into the pool at a formal party and was promptly asked to leave. He also dangled Ivana Trump, former wife of American billionaire businessman Donald Trump, over a pool in front of hundreds of guests.

Letting Them Loose

Branson seems to have enormous faith in his own people. He has been known to hire young people with little experience or formal training but with a real love for their work. Simon Draper, Branson’s cousin, had no formal training or experience, only an enthusiasm for music. It was Draper who was responsible for

Virgin signing on Mike Oldfield, Tangerine Dream and the Culture Club. Branson has given Draper the freedom to sign on those artists that bankrolled the entire Virgin empire.

Branson's looseness extends to the physical work environment. His offices are in big houses rather than office blocks. He also encourages employees to work in small entrepreneurial groups independently of each other and with little interference or meddling from senior Virgin executives excluding Branson himself.

Call him Richard

Employees at Virgin refer to Branson as Richard. Branson is courteous to his staff and generous with praise for them. He insists on being approachable to them. All of this earns him the adoration of the employees who see him as a different business leader, one who is prepared to stand up for a certain set of values. This image tends to balance the frivolity associated with his partying and propensity for pranks.

Challenging the Employees

The playful atmosphere at Virgin conceals the Branson approach of inspiring his staff to meet exceptional challenges. Instead of hiring new people to meet those challenges, Branson promotes staff from within, thereby inspiring them to give their best. Branson expects his staff not only to deliver their best but also help him achieve the impossible.

The Magical Mystery Tour

Branson loves to learn and has said that if ever Virgin went bankrupt, he would take his family on another adventure to South Africa. "It would be fun," he says. For Branson his exploits have the irresistible appeal of adventure. This sense of excitement is the same call he sends out to his employees. He wants them along for the ride. Increasingly though, he has paid more and more thought to where the ride is headed. In his speeches he shows an awareness of the need for direction, for his place in history and for the future of Virgin.

Make Work Fun

- It pays to play. Branson wants his employees to feel that work at Virgin is not drudgery.
- Let employees loose. Branson gives his talented employees the freedom to be creative, an approach, which has yielded dazzling results.
- Encourage informality.
- Enthusiasm is infectious.
- Make business an adventure.

Do Right By Your Brand

Branson flouts the conventional thinking that putting the Virgin name on a wide variety of products and services risks diluting its name. Branson thinks however

that the Virgin name is infinitely elastic, as long its integrity is not compromised. This was confirmed by a 1997 survey in which 96% of British consumers admitted to having heard of Virgin and could correctly name Richard Branson as its founder.

Branson has carried this infinite elasticity quite far, launching numerous products almost everyday. He has also broadened Virgin's market from a younger to an older generation especially with his pensions venture.

In fact, Branson is critical of the traditional approach that a brand's name should be associated only with one product. He expresses agreement with the Japanese companies' attitude of putting their names on such widely different products as motorbikes to pianos. Virgin's ability to cross the barriers between products is rooted in its credibility.

For this reason, Branson treasures the Virgin brand's reputation. Will Whitehorn, director of corporate affairs at Virgin management, says, "At Virgin, we know what the brand name means and when we put our brand name on something, we're making a promise ... Virgin sticks to its principles and keeps its promises."

This "all-or-nothing" approach means that if the Virgin name is placed on a bad product then the reputation of the entire Virgin empire is placed in jeopardy.

Branson believes Virgin's reputation is built on five key factors: value for money, quality, reliability, innovation and, of course, a sense of fun.

He insists that a new product or service should have five features:

- It must be of the best quality.
- It must be innovative.
- It must be good value for money.
- It must add a sense of fun or cheekiness.

Branson has not allowed a little thing like lack of experience in the market get in the way of his forays into certain industries. He believes though that one should never enter an industry for the sole purpose of making money. His paramount motivation is to make a difference, to "turn it on its head, to make sure it will never be the same again." He conveniently downplays the unfortunate venture of Virgin into the railways industry, which disappointed Virgin supporters. In Branson's view, this setback does not detract from the solid reputation that Virgin has built over the years.

Being Risque

Branson thinks a sense of fun has become an intrinsic element of the Virgin name, beginning with the name Virgin, which the Patent Office refused to register for three years because it was felt to "rude." This sense of cheekiness extends to

advertising campaigns, which often feature Branson himself in his dreadful jumpers.

Do Right by your Brand

- A good brand travels.
- Brand elasticity is infinite.
- Love, honor and cherish your brand.
- Rules are for breaking. If you've got a great brand and can see a market opportunity, you shouldn't let a little thing like whether you have any experience of that market get in the way.
- A pinch of salt adds flavor. Whatever Virgin does, it adds a sense of fun or cheekiness. It simply has a sense of humor.

Smile for the Cameras

What Ronald McDonald is to McDonald's, Richard Branson is for Virgin. Branson has demonstrated a genius for turning his own public image and his often bizarre exploits into instant advertising for Virgin, a gift that no other prominent businessman has ever accomplished or dared to do.

Deciding to be a walking advertisement for Virgin is also backed by a sound business sense. The free media coverage given to his exploits translates into free advertising for Virgin. Branson decided to make a well-publicized effort to break the record for the fastest Atlantic crossing when he realized that he could not afford the New York TV advertising rates to promote Virgin Atlantic.

While other big companies spend thousands of dollars on advertising, Branson obtains free publicity. He demonstrates an unerring instinct for what the media loves to see. He once arrived at the launching of Virgin airlines wearing a Biggles type of helmet, which the newspapers published. Branson did not even need to advertise his first flights. When he launched Virgin Cola, he drove a tank down a busy New York City street to crash a wall of cola cans. Yet, beneath the showmanship and the flair for publicity there lurks a certain surprising diffidence. Branson admits he has to force himself to perform his media blitzes. He admits to a dislike for interviews. He confides that when he realized he would be up against the multimillion-dollar advertising budgets of the big companies he decided that he would create his own publicity. He also has an actor's ability to introduce a certain appealing naturalness, even awkwardness, in his PR spiels. This tends to boost his credibility.

Branson's daring adventures have the spice of danger, adding to their media appeal. His attempt to circumnavigate the globe by hot air balloon was a failure. The balloon began to lose altitude at 2000 feet per minute, putting the lives of the crew including Branson in danger. Alex Ritchie, one of his engineers, made a heroic climb to the balloon to release additional weight, thus saving the crew. The attempt may have failed but this event was high drama, another priceless media moment, for Virgin and Branson.

Branson has also shown a shameless willingness to dress and undress for maximum publicity effect. He once wore a stewardess's uniform when he launched his airline and performed a tabletop striptease at an employee party in a restaurant. But instead of damaging his company, these stories tend to be welcomed as part of Virgin's cheeky image.

Branson the Superhero

Branson is certainly not shy about using his heroic side for publicity advantages. He offered Prime Minister John Major to have a Virgin aircraft on standby to help bring home hostages during the Gulf War. When singer Boy George's heroin addiction became public knowledge, Branson had Boy George checked into a rehabilitation facility.

Philanthropy

Branson has been involved in many community projects. At age 18, he founded the Student Advisory Centre to help young people with their problems. His unsuccessful bid to run the National Lottery would have channeled profits to a charitable foundation. He was involved in a government project to help unemployed young people and clean up the litter from Britain's streets. But in his charitable projects, despite the real time and effort he spends on them, he has shown less flair for handling publicity. This time, the media has showed itself to be less willing to be charmed by the Branson sincerity and expressed cynicism over his intentions.

Disappearances

While capable of holding the media in thrall with his antics, Branson has shown a deft skill for dropping out of sight when it suits him and for keeping his failures out of the media. He has kept Virgin's interests registered in offshore trusts to keep it out of prying outsiders' eyes. He and his wife Joan have also managed to keep their family out of the media's hungry spotlight.

Smile for the Cameras

- Understand what the media wants and give it to them.
- Think in pictures. Branson is especially good at creating stories with visual impact.
- Stand up and be counted. Branson has a knack of popping at moments of public drama.
- Branson has been involved in community activities. Although these are generally separate from his business empire, they also generate publicity for the Virgin group.
- Know when to duck. Branson knows when to avoid negative publicity.

Don't Lead Sheep, Herd Cats

Branson understands that leadership is an art. He prefers to inspire people to perform their best for him rather than dictate to them. But his style of leadership

involves managing the companies by allowing his staff to get on with their work. Managers enjoy a high degree of autonomy and do not waste time filing endless reports to management, of which there are only 25 including Branson himself. Branson's role as a leader of all his companies is to support them and promote all of the companies as a group.

Unlike Bill Gates or Intel's Andy Grove, Branson does not predict future trends for business opportunities. Instead, he is always on the lookout for new business ventures, sifting through about 50 proposals a week. But once he discerns an opportunity in one of them, he will take a look at it and do everything to make it happen. Virgin is in fact structured around Branson's gift for being a catalyzer, for starting up new businesses and for inspiring others to make the businesses a success with their enthusiasm and hard work.

Branson's supreme talent as a manager is his instinct for finding the right people and for letting them work. His staff, he says, are entrepreneurs in their own right. Branson's personal reputation has acted as a magnet for people who have approached him to offer their services. In fact, the most successful ventures in the company have been those that were suggested by managers who wished to run the business themselves.

The atmosphere of his companies is hardly quiet, organized or tidy. The employees seem to thrive in an atmosphere of chaos and independence.

Move Faster than a Speeding Bullet

One of Branson's greatest feats is eliminating the lethargy and slowness that hamper large corporations. Relying on his instinct as well as analysis, Branson moves with lightning speed to seize business opportunities before anyone else has even thought about them. Virgin Atlantic Airways started their flights only five months after Branson first discussed the idea. Virgin Direct, the financial services arm, was in operation after only five months. During a visit to the French arm of a German recording company, a competitor, Branson found out that they would sign up Julius Clerc. He called his French staff, found out that Clerc was bankable, then had Clerc tracked down and signed him on to Virgin, outflanking the German competitor.

Virgin's speed in seizing business opportunities is based Branson's reliance on instinct rather than market research. However, Branson exhibits signs of being a control freak with joint ventures. He insists on keeping a controlling stake. This allows him to withdraw the company's name if he is not happy with the other company. At the same time he expands through joint ventures, letting them put up the cash.

Branson's speed is related to his instinct for the right timing. BA's mistake in accusing Branson of using publicity against BA to create publicity for his airline gave Branson the perfect opportunity to file a libel writ against BA.

Branson is also adept at getting partners who already know the business and the market. Norwich Union, a leading British insurance company, provided the expertise that helped to launch Virgin Direct. Branson relies then on the background of the experienced partner.

Virgin's Sample of One

Branson moves so quickly that some of hare-brained schemes (dubbed Virgin's Sample of One), have failed spectacularly. These failures include his magazine, *Event*, and Vanson, a property business that cost him £ 12 million in bad investments. One advertising executives estimates that Branson has killed off over 100 companies. Branson is philosophical about his failures, saying "One should just get on with it and learn from mistakes. I love what I do because every single day I'm learning something new."

Move faster than a speeding bullet

- Avoid paralysis by analysis.
- Leap before you look. Branson prefers his instinctive feel for what consumers want rather than market research.
- Get plenty of help. Branson is good at persuading others to get involved in his projects.
- Don't be afraid of making mistakes, it's the only way to learn.

Keeping Things Small

Branson is no Pacman. He does not build empires by gobbling up smaller companies. "Setting up companies is my skill," he says. He prefers to keep operations small. However, because of Virgin's reputation, reputable companies have approached it themselves with business proposals. Virgin has shown much skill in creating and managing joint ventures. With the help of their expertise Branson has been able to cut corners and cut down the time to put up new businesses, often in just a few months. Once he has set up a business, he backs off, attending to it again only once or twice a year and delegating management to the managers. The one exception is Virgin Atlantic over which Branson still pours his full attention.

Keeping It Simple

Branson likes to keep his life and his businesses simple. He keeps his appointments in a diary and scribbles ideas and notes in a notebook. His taste in food and drink is also simple. He swears he does not spend more than £ 15 on a bottle of wine. His clothes look like they were picked out in the dark and his shoes look second-hand. Personal extravagance is foreign to his nature.

This simplicity is applied to Virgin's businesses, each of which is set up as a stand-alone business venture, even though cash from one venture may be used to boost another. Branson likens his network of companies to the Japanese *keiretsu* or family of companies, each loosely connected with each other. The

Virgin group is organized into clusters. The travel cluster runs two airlines, an aviation services business and travel company. The entertainment cluster includes cinemas, music “megastores”, a record label and film interests. Big is anathema. Once a business gets too big then it is broken up. Branson says, “Usually there are no more than 60 people in any one building.

Branson does not even house his businesses in office tower blocks, preferring to locate them in houses in Holland Park. This practice allows the different management teams to run their own show.

New Ideas

Branson and his advisers encourage suggestions for new ideas even though they do reject up to 95% of proposals. He encourages entrepreneurial thinking and behavior. In so doing he also fosters among employees a sense of belonging and of family.

Size Does Matter

- Grow your own. Branson does not create his empire by gobbling up smaller empires but by building his own.
- Keep it simple.
- Break it up into management molecules. Each Virgin venture is intended to be a stand-alone business.
- Keep headquarters to a minimum. Branson spurns the idea of large corporate headquarters.
- Ensure the sum of the parts is greater than the whole. Branson makes it known that the company will look at business proposals from would-be partners.

The Common Touch

Branson’s famous approachability helps him see things from the consumer’s point of view. He is able to talk to anybody. He has been known to introduce himself to passengers flying Virgin and, with notepad and pen in hand, ask them what they think of the airline’s services. Despite his privileged background, wealth and clout, Branson manages to make people think he is one of them. In May 1993, a survey indicated that Branson was the role model most young people in Britain wanted most to emulate. People identified themselves with him, seeing in his accomplishments the achievements they would have liked to make.

The Little Things that Matter

Branson has made it a point to show that it is in little things that Virgin can make the difference. He also shows that he is in tune with the way people feel. Although ably assisted by a battery of advisers, there is no doubt that Branson’s own feel for what the public wants and needs has been his guide in his decision-making. His ability to speak to his customers is not a mere PR exercise; it is also a genuine attempt to learn how customers feel about his products.

Despite the many facets to his personality, Branson is many things to many people. In Boy George's words, he is a Karma Chameleon.