

RICHARD
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Like A Virgin

Secrets They Won't Teach
You at Business School



Contents

Foreword	1
Five Secrets To Starting A Business	9
People Power	14
Nice Guys Can Finish First	18
The Weakest Link	22
Business Philosophy	26
Screw You, Goliath!	30
The Importance Of Not Being Earnest	34
The Perfect Pitch	39
The Opportunity Of Risk	44
Private Space	48
They Say	52
A Perfect 10	56
If You Never Make Mistakes	60
The Customer's Always Right	63
Brand Awareness	67
Steve Jobs	71
First Impressions Are Huge	75
To Win The War On Drugs	79

Science: The Last Frontier	84
Chocks Away	89
Like A Fine Wine	93
What's In A Name?	98
So, You Want To Be Ceo?	102
The Chinese Plate Trick	106
How To Bake An Entrepreneur	111
Change Is In The Air	115
Don't Like The Second Opinion?	120
Breaking Up	124
If I Could Do It All Over Again	128
More Walking And Talking	133
Accidents Happen	137
Reach For The Skies	141
Sustainable Energy	145
New Ventures	149
Get Big	153
Selling Customers Is Easy	157
What Is Success?	162
When Going Walkabout	166
Surviving A Downturn	169
Rising Above It All	173
Living The Branson Life	178
Early Endeavours	183
Change Is Good	188

Sharing Life's Lessons	297
Power To The People	301
Watching Your Waistline	306
What's Better Than A Handout?	310
Home And/Or Office	314
Kick-Start The Economy	318
Rules Of The Road	323
School Of Hard Knocks	327
Acknowledgements	331
Index	333

FIVE SECRETS TO STARTING A BUSINESS

And making it work

There are two questions I get asked all the time. The most popular is 'How did you come to name the business Virgin?' A close second is 'What's your secret to successfully building businesses?'

The first is easy to answer but the second one always takes some thinking about. The fact is that there's no one thing that characterises Virgin's many successful ventures or, for that matter, what went wrong when we didn't get it right. Reflecting across forty years, however, I have come up with five secrets for improving the chances of a new business surviving and with luck – something we all need – flourishing.

1. If you don't enjoy it don't do it

Starting a business takes huge amounts of hard work and time so you had better enjoy doing it. When I started Virgin from a

basement in west London, there was no great plan or strategy. I didn't set out to build a business empire. I simply wanted to create something people would enjoy using, have fun doing it and at the end of the day prayed that it would make enough to pay the bills.

For me, building a business is all about doing something to be proud of, bringing talented people together and creating something that's going to make a real difference to other people's lives.

Business people are not unlike artists. What you have when you start a company is a blank canvas; you have to fill it. Just as a good artist has to get every single detail right on that canvas, a businessman or woman has to get every single little thing right when first setting up in business in order to succeed. However, unlike a work of art, the business is never finished. It constantly evolves and it's also not that easy to paint over your mistakes!

If a businessperson sets out to make a real difference and achieves that objective, he or she will be able to pay the bills and have a successful business to boot.

2. Be innovative – create something different

Whether you have a product, a service or a brand, it is not easy to start a company and to survive and thrive in the modern world. In fact, you've got to do something radically different to make your mark today.

Look at the most successful businesses of the past twenty years. Microsoft, Google, Apple and Facebook all shook up the

world we live in by doing things that had never been done before and then by continually innovating. They are now among the dominant forces.

Not everyone can aspire to such levels; however, should you decide to enter an already crowded segment you had better be ready to offer customer service that blows the competition away.

When we started Virgin Atlantic the positive buzz that we created focused on the simple fact that our crews were really nice to our passengers. Go figure – what a breakthrough idea for an airline!

3. Pride of association works wonders

Businesses are nothing more than a group of people, and they are by far and away your biggest assets. In fact in probably the majority of businesses your people are your product.

For me there is nothing sadder than hearing someone being apologetic about the place where they are working. When people are proud to be associated with their company it generates a special level of advocacy and dedication that is a huge differentiator in a world full of mediocrity and indifference.

4. Lead by listening

To be a good leader you have to be a great listener. Sure, you need to know your own mind, but there is no point in imposing your views on others without some debate and a degree of consensus. No one has a monopoly on good ideas or good advice.

Get out there, listen to people, draw people out and learn from them. As a leader you've also got to be extremely good at lavishing praise. Never openly criticise people; never lose your temper, and always be quick to applaud a job well done.

People flourish on praise. Usually they don't need to be told when they've done wrong because most of the time they know it.

5. Be visible

A good leader doesn't get stuck behind a desk. I've never worked in an office – I've always worked from home – but I am constantly out and about, meeting people. It seems I am travelling all the time but I always have a notebook handy to jot down questions, concerns or good ideas.

If I'm on any of the Virgin airlines I always try hard to meet as many of the cabin crew and passengers as possible, and will usually come away with a dozen or more good suggestions or ideas. If I didn't write them down I might remember only a few, but putting them in the infamous notebook means I remember them all. Talk to your staff and customers at every opportunity, listen to what they tell you, good and bad, and act on it.

Some might say, 'Well, all that's easy when you have a small business', but at Virgin we strive to appoint company heads who have the same philosophy. That way we can run a large group of companies in the same way a small business owner runs a family business – keeping it proactive, responsive and friendly.

Oh yes: I still have to answer that first question as to the origin of the Virgin name. Sadly there's no great sexy story to it as it was thought up on the fly. One night, I was chatting with a group of sixteen year old girls over a few drinks about a name for the record store. A bunch of ideas were bounced around, then, as we were all new to business, someone suggested Virgin. It smacked of new and fresh and at the time the word was still slightly risqué, so, thinking it would be an attention-grabber, we went with it.

But no matter how good the concept and/or brand name, even the best of them can fail at the first attempt. For example, in the early sixties, another group with a catchy name, the Beatles, were turned away by no fewer than seven record labels before they found one willing to take them on.

So, if you don't survive, just remember that the majority of new businesses don't make it and that some of the best lessons are usually learned from failure. And like the old song says, 'Just pick yourself up, dust yourself off and start all over again'.

BUSINESS PHILOSOPHY

Five quick questions

I thought it would be helpful to answer a few more of the interesting questions I am asked on my travels.

1. What is the best advice you ever got?

Three gems come to mind. First, an enduring one from my mother, Eve, who always taught me never to look back in regret but to move on to the next thing. The amount of time people waste dwelling on failures rather than putting that energy into another project always amazes me. My mother also told me not to openly criticise other people. If she heard me speaking ill of someone, she would make me stand in front of the mirror for five minutes and stare at myself. Her reasoning? All my critical talk was a poor reflection on my own character.

In the 1980s Sir Freddie Laker, the British airline tycoon, gave me a great piece of advice on setting up my own airline. He told me two key things: 'You'll never have the advertising

power to outmarket British Airways. You are going to have to get out there and sell yourself. Make a fool of yourself, whatever it takes. Otherwise you won't survive.' He also wisely said: 'Make sure you appear on the front page and not the back pages.' I've followed that advice ever since. I've been very visible and made a fool of myself on more than a couple of occasions!

2. And the worst advice?

I'd never embarrass the person who gave it by revealing that, but they know who they are! Look, advice comes in many forms. I believe in never asking just one person but in getting as much feedback as possible. Opinions always vary. By asking several people what they think, you get many angles and can weigh them all. This way, you are never considering just one person's opinion, so no one piece of advice is ever truly bad.

3. What advice would you give to young entrepreneurs on how best to start?

To remember that it is impossible to run a business without taking risks. Virgin would not be the company it is today if we had not taken risks along the way. You really do have to believe in what you are doing. Devote yourself to it 100 per cent and be prepared to take a few hits along the way. If you go into something expecting it to fail, nine times out of ten it will.

Above all, remember to have fun with it. That keeps you and your colleagues enthusiastic and motivated. One of my

favourite sayings (which happens, I believe, to be one of my own!) sums this up: 'The brave may not live forever – but the cautious do not live at all!'

4. In your career you've had lots of successes, but you have failed in some businesses. What have you learned from those?

One of the first times I strapped on a pair of skis the instructor told me, 'If you're not prepared to fall a lot you'll never learn to be a very good skier.' As an entrepreneur the same rule applies. You have to learn very quickly that there's no such thing as a total failure.

Looking back on Virgin's history, our ability to adapt quickly to changes has helped mitigate reverses. You must be quick to accept that something is not going well and either change tack or close the business. We run our companies lean and small with very little red tape and certainly no bureaucracy. Using our mantra 'Screw it, let's do it' we invariably make and implement decisions quickly – usually before our competitors have held their fifth meeting on the same issue.

Though I believe in taking risks, I also firmly believe in 'protecting the downside'. This means working out in advance all the things that could go wrong and making sure you have all those eventualities covered. We have come close to failure many times and most true entrepreneurs skirt close to it. We almost failed when Virgin was in its infancy and again in the early 1980s. Similarly I have nearly killed myself more than once while failing to achieve world records for boating or

ballooning. But through a combination of luck and planning, both Virgin and I are still here.

5. Do you have any regrets?

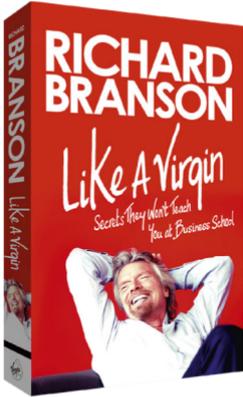
There are always things in life that you might regret, and there are probably a lot of business decisions I regret – but I try not to dwell on them. I move on to more positive things.

The one missed opportunity that does rankle still was our failure to land the rights to operate the United Kingdom's national lottery. Our proposal was to run a not-for-profit game, with 100 per cent of the money going to good causes. Although we were granted the licence, the incumbent Camelot cleverly resorted to the courts to delay the process and the Commission handed the keys back to them, rather than face the prospect of no lottery at all for the few weeks it would have taken the courts to sort it out.

We have since moved on and set up Virgin Unite, our foundation, to act as a catalyst to helping others and to galvanise our companies into action. Unite has been crucial in helping us establish the Elders and the Carbon War Room, initiatives aimed at solving conflict and helping to combat climate change.

And, finally, I am often asked: are you a man of habits?

Well, yes, there are a few, but I am certainly not going to put them in writing. I guess, however, being a serial entrepreneur could be described as a pretty big habit!



This extract was taken from Richard Branson's latest book, *Like a Virgin*. From his top tips on succeeding in business to some hard-hitting opinions on the global finance crisis, this book brings together his best advice on all things business.

It's business school, the Branson way.

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