## CASE STUDY—Sir Richard Branson

**Sir Richard Branson: Development of an Entrepreneur**

Virgin is one of the most respected brands in Great Britain and is rapidly becoming an important global brand as well. The Virgin brand was started in the 1970s with a small mail order record company that grew out of a student magazine. Since then Richard Branson has developed the Virgin brand into a veritable entrepreneurial empire, with businesses in travel and tourism (*e.g.*, Virgin Atlantic Airways, Virgin Trains, Virgin Balloon Flights, Virgin Galactic, and Virgin Holidays, among others); leisure and pleasure (*e.g.*, Virgin Games, V2 Music, and Virgin Comics); social and environmental (*e.g.*, Virgin Fuels and Virgin Earth); shopping (*e.g.*, Virgin Books, Virgin Megastore, and Virgin Wines); media and telecommunications (*e.g.*, Virgin Media, Virgin Mobile, and Virgin Radio); finance and money (Virgin Money); and health (Virgin Active and Virgin Health Bank).

#### **Branson: The Background of a Developing Entrepreneur**

In the first chapter of his autobiography, Richard Branson reminisces about some of his childhood experiences ⎯ ones that would have a profound effect on his development as an adult and an entrepreneur. Branson writes that his parents, especially his mother, continually set challenges for him and his sisters, Vanessa and Lindi, in order to make them independent. These challenges were physical in nature rather than academic. According to Branson, he and his sisters were soon setting physical challenges for themselves.

A loving family played an important role in Branson’s development. “We were a family that would have killed for each other ⎯ and we still are,” says Branson. Teamwork was also a hallmark of the family. Branson’s parents treated him and his two sisters as equals. They valued their children’s opinions and only provided advice when the children asked for it. Branson’s mother was very entrepreneurial, as was his Aunt Clare. Each developed several different ways of making money.

Despite his enormous entrepreneurial success, Branson still lacks a high school diploma. In school, Branson was a pitiful student but a superb athlete. Although he was dyslexic and had vision problems, his inability to read, write, and spell, and his poor performance on tests were blamed, nonetheless, on stupidity or laziness. In commenting on Branson’s academic miseries as a child in relation to his athletic and future entrepreneurial successes, one observer noted: “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.”

A passion for sports, adventure, family, and entrepreneurship define Sir Richard’s life. Branson has broken several air and land speed and distance records while racing boats and hot air balloons in his pursuit of adventure. He structures his work schedule so that he has ample time to spend with his family and friends. Indeed, Branson’s efforts to synthesize work, play, and life seem to be the hallmark of his business model and business success.

#### **Branson: The Entrepreneur**

Branson began building his entrepreneurial empire in his teenage years. At the age of 17, Branson became frustrated with the rules and regulations of schools. Brimming with activism, Branson and a friend, Jonny Gems, started a magazine called *Student*. The magazine tied many schools together and focused on the students themselves rather than the schools. After publishing the first issue of *Student*, Branson received a note from the headmaster of the school that he and Gems attended. The headmaster wrote: “Congratulations, Branson. I predict that you will either go to prison or become a millionaire.”

Branson dropped out of school and continued to pursue his entrepreneurial interests. His next venture was a discount music business called Virgin Records. Then entrepreneurial venture after entrepreneurial venture developed, and as the saying goes: “The rest is history!” Sir Richard ⎯ knighted by the Queen of England in 2000 ⎯ has mostly majority stakes in over 200 companies that constitute his multi-billion dollar entrepreneurial empire. Global revenues were approximately US$20 billion in 2006.

Branson is not a conventional businessperson ⎯ and he never intended to be one. In fact, Sir Richard is about as far-removed from the stereotypic CEO as one can possibly imagine. “He continues to be a corporate iconoclast, defying conventional wisdom, pushing the envelope, poking fun at the big guys, saying exactly what he thinks and doing exactly what he wants.” Branson has irreverence for authority that he claims to have inherited from both parents.

Branson relishes becoming involved in “industries that charge too much (music) or hold consumers hostage (cellular) or treat them badly and bore them to tears (airlines).” His aim is to upset the status quo in these types of industries.

Branson also relishes teamwork and brings it into play in his entrepreneurial ventures. He has an “advisory team, whose job it is to capture his entrepreneurial ideas and wrestle them into some kind of corporate structure that is both attractive to investors and palatable to him.” Branson also gives others opportunities to develop their ideas into business ventures that he backs.

Sir Richard’s entrepreneurial ventures and work pique his intellectual curiosity and provide the education he was never able to get in school. “What really sets him apart from other CEOs is that he doesn’t mind surprises. He thrives on them. Startup problems don’t bother him at all. Neither do unforeseen battles.”

**Discussion Questions**

1. Using the various personality characteristics discussed in this chapter, how would you describe Sir Richard Branson’s personality?
2. What perceptions have you formed of Richard Branson? How do you think your perceptions are affected by characteristics of you as the perceiver and Branson as the perceptual target? To what extent have the barriers to social perception influenced your view of Branson?
3. How do attributions factor into understanding the background of Branson’s entrepreneurial development?