# Report on ‘Performance of Sir Richard Branson’

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## Introduction

Sir Richard Branson is a business tycoon and game because of the being founder of the Virgin Group, which has more than 400 companies. He has been ranked as the 4th most wealthy person in the UK. Richard Charles Nicholas Branson is the full name of Richard Branson, born on July 18, 1950, in Surrey, England (Successstory.com, 2018). Edward James Branson, his father, worked as a barrister. Eva Branson, his mother, was a flight attendant. Form the childhood Richard has a problem with Dyslexia due to which he was unable to concentrate on studies and dropped out from schools (Famous Entrepreneurs, 2018). The time that he reached 16, he dropped out again and started his youth culture magazine known as “Studen.”. The first edition of this magazine was launched in 1966. By 1969, he was living in a London commune surrounded by a drug scene and British music. While he was in between these, Branson had an idea to start a mail-order record company. This was his first step towards the expansion of his business. The company he started was named Virgin. The company performed well enough that Branson opened a recording studio in Oxford Shire, London (Branson, 1950).

## Virgin Records

With the help of Branson’s team, Mike Oldfield recorded his single “Tubular Bells” in 1973. The song was a big hit and stayed on the UK charts for almost 247 weeks. Branson took advantage of this big hit and signed other aspiring musical groups to the label, which included the famous Sex Pistols. Culture Club, Genesis Rolling Stones, and artists like these helped make Virgin Music become one of the top six music record companies in the world (Famous, 2018).

## Business Expansion

Branson expanded his business by including Voyager Group Travel Company (1980) and the Virgin Atlantic airline in 1984, along with high numbers of Virgin Megastores. The success of the company was not predictable, however, Company started struggling with low finances. Ultimately, it was sold for $1 million to Thorn EMI. Branson’s dreams were shattered, and it has been reported that he was

crying while signing the contract. However, his concentration was never out of sight. He remained focused on the music industry, which gave him huge success. Back in 193, Branson founded a small station, Virgin Radio, where he started a second music record company named V2. After the launch of this new company, Branson signed Tom Jones and Powder Finger. Virgin Group, within no time, crossed the country limits and reached out to 35 countries in the world with almost 70,000 employees handling the working affairs in the UK. Branson is also known for his sporting achievements. One of the most prominent achievements was notably the record-breaking Atlantic crossing in Virgin Atlantic Challenger II in 1986. Branson was knighted in 1999 for his contribution to entrepreneurship.

# Virgin Galactic, Voyages And Hotels

In recent years, the adventurous Branson shifted his focus toward space tourism ventures. He formed an alliance with the Scaled Composites to establish the Spaceship Company. With the test launch of spaceship two, it made impressive developments back in April 2013. After this successful test, Branson looked happy, and more than 500 people reserved tickets to have a ride on the Virgin Galactic Spaceship. Branson introduced a new cruise line named Virgin Voyages in 2015. The design of the ships is made in such a way that they can hold 2800 guests along with a crew of 1,150 remaining on track. Along with this venture, Branson moved towards the hotel business by founding Virgin Hotel in 2010. The latest acquisition was made in 2018 by taking over Hard Rock Hotel in Las Vegas. The company had a plan to maintain the Status Quo before going for renovation in 2019 (Ft.com).

# Theories Of Entrepreneurship

## Psychological Theories

These theories focus on the individual and the mental or emotional elements that drive entrepreneur individuals. This theory was put forward by David McClelland. The theory explains that people who have a high locus of internal control have the power to influence anyone. In the case of Richard, in their childhood, he was suffering from the power of Dyslexia, but this problem did not make him internally weak. This made him internally strong, which is one of the reasons he took a chance and established his own business. When his business was shattered because of not having enough financials to support his business, he did not panic but continuously strived for ways to establish his business again. These internally and mentally strong capabilities lead him to become what he is today.

### Sociological Theories

Sociologist theories have the center focus on the explanation of entrepreneurship with various

contexts that enable opportunities. This theory explains how social attitudes shape the perception of entrepreneurship and entrepreneur's behavior. In the case of Richard, when he was living in London, he was surrounded by drug dealers and musicians. Because of these, he had the idea of making a music record company. At that time, music was one of the leading businesses in the UK. He opened up a music record company in Oxford Shire, London. This company later found success after the first song was recorded in the studio. The song was a big hit in the market and continued on the charts of the UK for almost 234 straight weeks.

### Psychodynamic Model

According to Kete de Vries, those who have troubled children become successful in their lives. In a troubled childhood, children tend to have low self-esteem, security and confidence. Growing up in the environment, people do have repressed wishes. In the case of Richard, in his childhood, he had many troubles with reading and writing. He dropped out of school so many times. But now he is one of the top 5 billionaires in the UK. This shows that the way he coped with the childhood situation is remarkable. The strength to do it made him what he is today.

## Richard Branson Leadership

Richard has vibrant advertising ideas, creative spirit and innovative methods that helped him attract more and more customers and gave him fame like an Oscar award (Anon, 2018). Throughout his journey, Branson faced many failures, but he had this belief of "no taking as no for an answer." He did not panic and continued striving to produce the best results. He always got people's attention. In the ups and downs of establishing Virgin, one can easily see the leadership style that led him to what he is right now. According to him, it doesn't matter how many times you fail, it is just normal, failures should not make you weak but strengthen you to overcome your failure and look for the best. Branson looks at entrepreneurship as a business challenge, while others look at it as a way of just becoming successful. He is the prides in himself that he offered more customer value to many other companies operating in the UK. Customers already had a sense of feeling that they were treated fairly in the market when Virgin entered. The values given by Branson made a strong positive impact on the minds of customers (Forum, 2017).

Branson had a belief in taking out the best players in the market, while another looked at the bigger players of the market as powerful leaders. One of the biggest reasons for Branson's fame is his innovative style and positive attitude (William, 2017). In the 1960's, his affirmation of the hippies' movement shows how courageous and innovative he was. This is considered one of the biggest attributes of his business success. Because of this, it allowed Branson to make his brand as cool in the minds of customers. The excitement was considered as his challenge, though money is not always the measure of performance. The environment provided to the employees of the Virgin makes them stay loyal even in the case that they were getting paid less than the paid for the similar jobs offered in the

market. A major concern for organizations today is employee retention. It is quite terrifying that most organizations today do not address this issue, which results in low productivity and high costs. It has been said in one of the articles that most of the employees working in the USA change theirjobsb within 2 to 3 years span of time. The reason behind this is not getting enough attention from the top management of the company. “There are many things in the world that are not perfect, and I think students can make this world a much better place. If you are going to spend your life doing something, you should spend it doing something that’s going to make a positive difference in people’s lives” (Lsbf.org.uk).

For Branson, money was not just the only measure of performance, but the working environment and the culture of the company had important roles in the retention of employees. This stopped employees from switching to other companies because Branson took care of them and provided them with a challenging and exciting environment in the organization. Branson had this believe that business should be fun, it should not be taken as just performing duties and getting paid (Ollila et al., 2012). Employees should enjoy working in the organization this is better for both the employees and the organization. The success Branson has today is entirely dependent upon his beliefs. It is like in sports in which one has to enjoy and has to win as well. Branson inspires people by creating an exciting working culture that helped him motivate his employees andmakee them produce what they were intended to produce.

For instance, Branson inspired his employees of Virgin sales in such a way that it was not formally done in other companies operating in the market. He makes goals for every department and wants them to achieve them on time. The culture of Virgin is “Doing the impossible, possible.”. Because of the exciting working culture, people were motivated to join this organization so that they could grow with it.

The leadership style of Branson was transformational in a way that he focused on reputational branding instead of service branding (Niphadkar, 2017). Virgin brand is known for its attributes like creating value, reliability, return on investment, adventure and fun at work. Just like other companies, Virgin also faced ups and downs in its journey but it remained cool in its operations in the market and became the trendsetter across the globe. Marketing anywhere and everywhere is one of the strongest beliefs of Virgin Company.

From their journey from zero to the top 5 billionaires of the UK, one can observe that Branson did not let people follow him but gave them the sense to think and the freedom to create. Branson, in his leadership style, allowed his employees to make mistakes, but at the same time, he encouraged them to make an innovation by creating innovative ideas that would result in the expansion of the company. It is one of the strong qualities of a leader to motivate his team; Branson did exactly that by continuously becoming the motivator at all times.

One of the great decisions made by Branson was when the company Virgin reached a certain level; he gave full control of the company to the manager of the company. This policy of promoting employees

gives them a sense that they are taken care of and have the opportunity provided by the owner so that they can innovate new ideas and shine on the organization. A strong attribute of Branson's leadership was he took all the responsibility for any loss that had been incurred because of employees so that they would never feel demotivated and exhausted. Along with that, if a company makes a good profit in the market, he just does not take all of the credit, but to encourage his employees, he gives that credit to his employees all the time. Branson takes the first step towards the expansion of business, and his employees follow them to achieve the target. He had this influential attribute present inside his leadership that he could motivate employees and get them to achieve what he wanted them to achieve. He was playing the role of a captain who just leads the team and intervenes only when it is necessary (Lerner et al., 2018).

# Measure Of Success

Branson's set of beliefs made him a successful entrepreneur. His belief in not taking no for an answer is the strongest attribute he had. Throughout his journey, he faced many failures but continually strived to get back up. This positive attitude led him to where he is right now. When Virgin was sold in the initial phase, he was shattered and even cried while signing the contract but this failure did not break him but gave him the courage to get back up and rise again. He was not just focused on one business but always looked for other opportunities and moved quickly along with them. Credo of Branson is "If you know one business, you know every business". He added, "If you run a record company, you can run an airline. If you can run an airline, you can run a bank. If you can run a bank, you can run a soft drink company." (Johnson et al., 2017)

Finding the right people at the right people is another factor in his success. He was not focused on the people who were experts in their fields, but he focused on people who were good at communication (Leadersmag.com, 2018). According to him," What makes somebody good is how good they are at dealing with people.". Branson said," If you can find people who are good at motivating others and getting the best out of people, they are the ones you want. There are plenty of so-called experts, but not as many as many great motivators of people" (Rifkin, 1998).

Employee retention is another aspect of Branson's success. Nowadays, organizations do not pay attention to employee retention. As mentioned previously in the paper, employee changes their jobs within a 2 to 3 years span of time, mainly because of the working environment and having no attention from the management of the company. The working environment and the culture of the company play important roles in the retention of employees. This stopped employees from switching to other companies because Branson took care of them and provided them with a challenging and exciting environment in the organization. "Screw Business as usual" is one of the famous sayings on different occasions (Keynote, 2018). Branson had this believe that business should be fun, it should not be taken as just performing duties and getting paid. Employees should enjoy working in the organization this is better for both the employees and the organization. The opportunistic nature of Branson is one of the key factors that helped him in his success. A person is said to be opportunistic

and sees the opportunity and avails of it as soon as possible. In the case of Branson, every opportunity that he sees throughout his journey, he makes quick moves in capturing that opportunity. He had this belief that if you can run one company you can run another company.

# Financial Performance

The above picture shows a snapshot of Virgin Group in the UK (2017). From the snapshot, one can clearly see the group remained focused on providing their customers with great value and quality products. The group made significant improvements in the delivery network across different areas of business in 2017. Now, many people recommend Virgin Money to their family and friends. The net promoting score rose from 29 in 2016 to 40 in 2017. The strength of the business lies in the customer-focused strategy. The overall performance of the company is astonishing, and it made profits on a continuous basis. Snapshot of 2017 also depicts its strong financial performance in the market (Uk.virginmoney.com).

# Conclusion

There are 200 companies in the Virgin Company, but it is not quite realistic that one gets his hands on the leader of every single company. Branson always strikes first whenever he sees an opportunity. His approach to the opportunity is very fast and quick, he makes full use of the opportunity. For every company, it usually takes 2 to 3 years to make an idea and move its operations into the market. In the case of Branson, it took five months for both Virgin Atlantic and Virgin Airways when ideas were floated in the market. The success of Branson is based on the fact that he did not just let every manager of his company know or be convinced about the idea he had for expansion. He makes the decision, implements the decision, and then collaborates with his employees and gets them on the road to achieving the target. Somehow Branson always saw to be the man of the moment.

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