



## The Importance of Being Richard Branson

Published : January 12, 2005 in [Knowledge@Wharton](http://knowledge.wharton.upenn.edu/article.cfm?articleid=1109)

Richard Branson recently was asked how much it helps him to be famous. The founder and owner of The Virgin Group - an empire of 350 companies that includes Virgin Atlantic airlines as well as ventures in telecommunications, trains, cosmetics, credit cards and several other industries - replied: "It helps to be a global personality. When you can pick up the phone and call the President of Nigeria, it cuts a lot of corners. You can get things done that you couldn't otherwise." Fame has its disadvantages, though. For example, during a trip to New Zealand, Branson was once approached by a male admirer who told him, "Richard, I love you. I wish you were gay - and that I were gay too!"



This is a single/personal use copy of Knowledge@Wharton. For multiple copies, custom reprints, e-prints, posters or plaques, please contact PARS International: [reprints@parsintl.com](mailto:reprints@parsintl.com) P. (212) 221-9595 x407.

That quirky interchange occurred on November 30 during a satellite telecast with Branson organized by Linkage, a Massachusetts-based organizational development firm, in collaboration with WHYY, a public television broadcaster in Philadelphia, as well as [Wharton School Publishing](#) and Knowledge@Wharton. Over 90 minutes, participants quizzed Branson on a wide range of topics from leadership to entrepreneurship to branding. Branson, who was visibly jet-lagged from a trip to India, was still articulate and good humored as he answered questions posed by phone, fax and email by participants around the world.

Branson's approach to building the Virgin brand figured several times during the discussion, particularly since he said his goal is to turn Virgin into "the most respected brand in the world." Branson's prowess in this regard also is responsible for his inclusion among the 25 most influential business leaders of the past 25 years, as listed in the recent book, *Lasting Leadership*, co-authored by Nightly Business Report and Knowledge@Wharton. The book notes that Branson's skill as a brand builder, a quality he shares with Oprah Winfrey and Lee Iacocca, is one of the reasons underlying his longevity as a business leader.

It is difficult to separate the success of the Virgin brand from the flamboyant man behind that brand. Branson says he wouldn't have it any other way. He travels the world weekly, reinforcing his good-natured, visible, jet-setting, billionaire reputation as a reflection of the companies he owns. "Generally speaking, I think being a high-profile person has its advantages," he says. "Advertising costs enormous amounts of money these days. I just announced in India that I was setting up a domestic airline, and we ended up getting on the front pages of the newspaper. The costs of that in advertising terms would have been considerable." Visibility is good, says Branson, "as long as you're not in the headlines for the wrong reasons."

### Early Leadership Lessons

As much as the Branson name is tied to the Virgin brand, it is also connected to the success of 350 very different operations. Who Branson is as a person is related to who he is as a leader and the identity of his companies. Branson believes that his leadership style has its origins in his upbringing, where his parents taught him to stand on his own two feet. At age six, his mother would shove him out of the car and tell him to try to find his own way home. At age 10, she put her son on a bike to ride 300 miles. These lessons built character as well as endurance, says Branson, and also leadership qualities.

Branson believes he learned leadership through trial and error, since founding his first company, *Student* magazine, at age 16. What is the most important quality of a good leader? "Having a personality of caring

about people is important," he says. "You can't be a good leader unless you generally like people. That is how you bring out the best in them." He reinforces that message with all his CEOs and top managers.

Beyond Branson's philosophy of leadership are the actual nuts and bolts. How does a man who owns 350 companies get it all done? Branson places enormous value on time management skills. As chairman of a large group of firms, Branson says he spends about a third of his time on trouble shooting, another third on new projects, both charitable and business, and the last third on promoting and talking about the businesses he has set up. He also makes time for family and vacation. How Branson allots his time relates closely to the values of his corporation. "I've had to create companies that I believe in 100%," says Branson. "These are companies I feel will make a genuine difference. Then I have to be willing to find the time myself to talk about them, promote them and market them. I don't want to spend my life doing something that I'm not proud of." Branson leverages that philosophy even further by using his business skills and those of his employees and managers to tackle social issues around the world.

He learned early on to develop his delegation skills. "As much as you need a strong personality to build a business from scratch, you also must understand the art of delegation," says Branson. "I have to be good at helping people run the individual businesses, and I have to be willing to step back. The company must be set up so it can continue without me."

### **A Young, Fun Culture**

In order for this process to work, employees must be happy. Branson says his philosophy of "look for the best and you'll get the best" helped him build an empire recognized for its young, fun culture. "For the people who work for you or with you, you must lavish praise on them at all times," Branson says. "If a flower is watered, it flourishes. If not, it shrivels up and dies. It's much more fun looking for the best in people. People don't need to be told where they've slipped up or made a mess of something. They'll sort it out themselves." Branson feels strongly that if an employee is not excelling in one area of the company, he or she should be given the opportunity to do well in a different Virgin Group job. Firing is seldom an option.

Motivational strategies extend to innovative ideas. The key to encouraging innovation within the Virgin ranks, suggests Branson, is to listen to any and all ideas and to offer feedback. Employees often leave companies, he reasons, because they are frustrated by the fact that their ideas fall on deaf ears. Interaction between employees and managers is fundamental. For the companies in which he serves as both chief executive and chairman, Branson writes his staff "chitty-chatty" letters to tell them everything that is going on and to encourage them to write him with any ideas or suggestions. He gives them his home address and phone number. He responds with a letter personally, even if he doesn't follow up and deal with the details. Sometimes people come to him with personal problems, while others have suggestions for improvements in their companies. Either way, they get the chance to be heard.

And then, of course, there are occasions when the boss needs to connect with employees while leaning up against a bar. "Some 80% of your life is spent working," says Branson. "You want to have fun at home; why shouldn't you have fun at work? I think leaders have got to make a bigger effort to make sure the people who work for them are enjoying what they're doing. If a chairman of a company visits Seattle, that chairman should take all the staff out in the evening and have a few drinks together, talk together and party together and not be embarrassed about the staff seeing the weaker side of you. They don't lose respect for you because they see your human side. They actually gain more respect for you."

### **Building Trust**

Branson has developed a level of trust with his top managers by setting the direction and then stepping back to let them navigate. "I come up with the original idea, spend the first three months immersed in the business so I know the ins and outs and then give chief executives a stake in the company and ask them to run it as if it's their own," explains Branson. "I intervene as little as possible. Give them that, and they

will give everything back."

Trust in managers and employees is particularly important as Branson looks to build Virgin. Adding more companies to the cache makes it that much more difficult to be everywhere at once. Yet, for Branson, expansion is always a priority. "Virgin is an unusual brand," he notes, because it is a "way of life" brand, unlike Western brands like Coca-Cola or Nike that focus on one type of product. Virgin challenges big businesses in completely different sectors. "In Nigeria, we've been asked to set up a national airline," he explains. "In India, we're going to build a phone company. In South Africa, the financial services industry is still stuck 30 years back with incredibly high prices. We're looking at getting in there and shaking up the industry. In America, we're looking at space travel. Around the world we're looking at taking the brand into a number of different industries. Our criterion is, will it fulfill the Virgin yardstick of being good value for the money? Will it enhance the brand by bringing great quality? Will we have fun doing it and can we make it profitable? If those criteria work, then we'll seriously look at a new industry."

When asked what motivates him to grow now that he has money and fame, Branson says he sees his own life as the long university education he never had. "Every day I meet new people, challenging them and being challenged." Virgin is poised, he believes, to make a real difference. "Because I don't see Virgin as a company but as a way of life and I fully enjoy it, I don't think I'll ever retire," says Branson. "The world is a big place - and we're going into space, which is an even bigger place. In the next stage of my life I want to use our business skills to tackle social issues around the world. There are issues that rage that should never have gotten out of control. Malaria in Africa kills four million people a year. AIDS kills even more. There are numerous other problems, as well. That's something I plan to do. I don't want to waste this fabulous situation in which I've found myself."

---

This is a single/personal use copy of Knowledge@Wharton. For multiple copies, custom reprints, e-prints, posters or plaques, please contact PARS International: [reprints@parsintl.com](mailto:reprints@parsintl.com) P. (212) 221-9595 x407.