

# SUMMARY

## THE VIRGIN WAY

RICHARD BRANSON



# **Summary of “The Virgin Way” by Richard Branson**

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Learn how a high school dropout became one of the most successful business leaders of today.



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# Introduction

You may have heard of Richard Branson, the multibillionaire who founded the Virgin Group. Many people may not know, however, that Branson dropped out of school at the age of 16 and suffers from dyslexia, yet despite these challenges, he's built a multibillion-dollar brand. So how did he do it? Over forty years, Branson has never backed away from taking on big competitors like British Airways and Coca-Cola. Some competitions were won while others were lost, but no matter the outcome, Branson has learned plenty about business both from his successes and his failures. Over the years, Branson has done things his way, "The Virgin Way," and emphasizes the importance of fun, family, passion, and the dying art of listening. In fact, Branson argues that "if it's not fun, it's not worth doing."

Find out the key principles Branson lives by and learn the secrets to building a successful business "The Virgin Way."

# The Dying Art of Listening

The first step to becoming a great leader is simple: listen. Some of the greatest leaders in history were impeccable listeners, including former U.S. presidents Jimmy Carter and John F. Kennedy. While they gave great speeches in their time, their success can be attributed to much more than their speaking skills. In fact, great leaders are active listeners first and foremost.

Listening effectively has become somewhat of a dying art in the business world. If you were to observe a place of business today, you'd likely find people who listen too little and talk far too much. However, over four decades ago Branson began a habit of listening intently to what people had to say by taking notes. Due to his dyslexia, Branson always kept written notebooks of every conversation and every idea that he had. Not only did this practice enable him to listen better, but it also gave him an advantage in getting people to honor their commitments.

Of course, Branson isn't the only successful person who practices the habit of taking notes. In the 1990s, Branson remembers giving a speech in Greece about business. One young man stood out to him because of his ability to ask great questions. After asking a question, he would ask an even better follow-up question and write down Branson's answers in his notebook. Back then, that young man was merely the son of a wealthy shipping magnate. Today, he is Sir Stelios Haji-Ioannou, founder of one of the UK's most successful airlines, Easyjet. This encounter showed Branson that effective listening and note-taking can take you to some incredible places.

Nobody has ever learned anything by listening to themselves speak. In fact, the more you listen, the smarter you sound. If a customer gives you a complaint, think about how you view that feedback. Are you irritated that someone criticized something or are you receptive to the valuable feedback you are getting? At Virgin, Branson believes all feedback, complaints or endorsements, are *pure gold*. He views them as a way to see your company

as others see it, in other words, it's a reality check. Branson advises that to get a proper view of what is going on in your company, "get your extra ears strapped on, get out there and take note, literally, of what your people will be anxious and excited to discuss with you."

# Keep It Simple

In addition to listening, Branson also advises the importance of keeping things simple. Whether you are giving a speech, crafting a mission statement, or establishing a company culture, you should always keep it simple.

Because of Branson's dyslexia, he keeps his speeches short and simple. In fact, he prefers question-and-answer sessions over giving long-winded speeches which is why he established a "no-speech speech." By implementing a twenty-five minute Q&A session, the audience can learn much more than simply listening to a speech of roughly the same length. Additionally, you should focus on speaking the way you'd like to be spoken to. Be direct, get to the point quickly, make it clear where you stand, and even ask questions yourself. You might amaze yourself at what you can learn from others.

When it comes to speeches, remember the K-I-S-S acronym which stands for "Keep it simple, stupid." Believed to have originated in the US Navy in the sixties, K-I-S-S now stands for Keep it simple (stupid) and keep it short. Branson believes that "if you can rigorously adhere to the K-I-S-S-S principle in all your communications, you will not only have much better informed and more engaged employees, shareholders and customers but you will also save yourself and your company a lot of heartaches."

Mission statements have been part of the business world for many years, so let's take a look at some of the most noteworthy ones. For instance, Enron Corporation's mission was "Respect, Integrity, Communication, and Excellence." Of course, Enron didn't quite abide by that statement. Yahoo's statement is "Yahoo powers and delights our communities of users, advertisers, and publishers - all of us united in creating indispensable experiences, and fueled by trust." While this sounds great in theory, the overall message is a bit confusing.

Instead of focusing on what the mission statement says, you should focus on statements that also serve as an extremely simple business plan. For instance, Virgin Active, Virgin's international chain of health and fitness clubs implemented a mission statement that encapsulates what the Virgin brand stands for: "We want to create the first global comprehensive consumer-led health and fitness facility - readily accessible to a wide socio-demographic group at a price consumers are willing and able to pay." This kind of mission statement is both simple and challenges employees to live up to it every day.

At the end of the day, Branson urges that if you must have a mission statement, then keep it real, keep it unique, and make it individual to your company.



# Learn and Create Your Own Luck

Never stop learning for the rest of your life, you will never know everything and there will always be more to learn. The best way to continue learning is by getting your hands dirty with new experiences, businesses, people, and cultures. But did you know that the more you learn, the more luck you have? An ancient Roman philosopher once said, “Luck is what happens when preparation meets opportunity.” Simply put, luck happens when you are prepared to greet any opportunity that comes your way.

In the early days of Virgin, Branson went by the name of “Dr. Yes” because of his constant “yes” attitude. However, saying “yes” to opportunity also means that you need to look forward and think ahead. For instance, Virgin Megastores launched in 1971 and was the company’s only business at the time. Beginning with vinyl record albums and CDs, the company failed to look forward and completely missed the digital revolution. Once they realized this grave mistake, they tried to create their own MP3 player and a new service called Virgin Digital, but the iPod had already taken off and usurped the market. Branson recognizes that he failed to create his own luck when it came to the Virgin Megastores, but changed his luck around with Virgin Records.

The first album to ever be released by Virgin Records was Mike Oldfield’s Tubular Bells. While the album was a hit in the UK, the head of Atlantic Records, Ahmet Ertegun, believed the record would be unpopular among American audiences. Branson never gave up though, and one day Ertegun decided to give the album another listen. During which, film director William Friedkin walked into his office and immediately asked about the music being played. In no time at all, Friedkin decided the music would be perfect for his upcoming movie. That movie turned out to be one of the top horror films to date, The Exorcist.

Atlantic Records then purchased the album and received worldwide fame due to the popularity of the film. While it was pure luck that Friedkin

walked into Ertegun's office at the exact moment he was listening to the album, it was Branson's persistence that created that luck and encouraged Ertegun to give the album another chance.

When it comes to luck, don't be afraid to go against the mold. Take risks and have the courage to do something different. For instance, when Virgin Atlantic first started flying, Branson disliked the old-style rubber tube headsets that all the airlines used at the time. Instead, he asked what it would cost to use electronic headsets *and* what it would cost to let customers keep them at the end of the flight. People who handled numbers found it was marginally cheaper to give away electronic headsets versus recycling the old headsets. So Virgin Atlantic did something no other airline was doing, and it worked.

# Make Hiring a Priority

While Donald Trump enjoyed the pleasure of telling people, “You’re fired!” Branson has derived great pleasure out of doing the complete opposite. Nothing gives him more happiness than telling a hard-working person, “You’re hired!” In fact, Branson makes hiring his number one priority. He says that “...letting people go has never made me anything but extremely sad. I almost always feel that firings are much more an indictment on the company’s failure than that of the employee - no matter what the circumstances behind it might be.”

Of course, there is only so much you can learn about someone through a piece of paper; therefore, it’s important to put candidates in situations where they can shine. Perhaps try putting candidates in impromptu role-plays around situations they may face in the future and see how they respond. It’s also a good idea to have the people they will potentially work with sit in on job interviews as well. Not only will this allow them to get to know the candidates, but it will also allow them to test out the chemistry of future relationships.

But the biggest question remains: what should you look for in potential employees? When it comes to Virgin, the company values capability over expertise. They try to hire candidates that will serve many roles throughout the company rather than specialists. While qualifications are certainly a plus, having the right experience, attitude and personality can help the company in more ways than being qualified. Branson advises trusting your instincts when interviewing people. While some may seem like oddballs at first glance, they may surprise you and turn out to be indispensable employees. These are typically people who see opportunity when others see nothing but problems. These people help you take chances and energize the entire group.

The key to recruiting is to cast a wide net. Employees look to be valued and want to feel as if they can grow with the company. So while you should

certainly look outside when hiring, you should look internally as well. You never know which current employees might have what it takes, so keep them engaged, make them feel valued, empowered, and trusted. By fostering a good community, people will want to step up to the plate when needed and show you that they can do better.

# Cultivate Culture and Laugh

If you ask any CEO what the most important part of a company is, you'll likely hear the word "culture." The people you lead are always going to be more committed, more passionate, and more hardworking if they're having fun while they work. Branson states, "No matter how visionary, brilliant, and far-reaching a leader's strategy might be, it can, and frequently does, all go for naught if it is not fully supported by a healthy and spirited corporate culture."

When you cultivate a vibrant culture that others can buy into, you begin to attract like-minded people. This is important for breathing passion and life in the workplace. For instance, passion is unquestionably the "secret sauce" of every one of Virgin's scores of highly diverse business. However, passion cannot be something that leaders and employees only meet halfway, instead, you are either one hundred percent behind the quest one hundred percent of the time, or you aren't a team player. You must be fully committed every time.

The best part of having passionate leaders is that they can identify raw passion in others and can recognize employees and future hires who have the right attitude, even if they don't have the right qualifications. In other words, passion knows passion. Another advantage of passion is that it allows leaders to think outside the box (a phrase Branson despises) and come up with unconventional ideas. Unconventional ideas are met with support, not skepticism, if you have a passionate team behind you. Passion allows you to go against the grain and prove the naysayers wrong.

For instance, when the first Virgin Megastore was launched in New York City, Branson chose Times Square as the location. In 1996, Times Square was not what you see today in 2019, it was scary and New Yorkers would never go to that part of town. As you can imagine, those naysayers were wrong. The Virgin Megastore quickly began making sales of \$1 million a

week and its presence helped jumpstart the redevelopment of the entire Times Square area.

As you can see, passion brings innovation and allows corporations to change the rules of the game. When people work in a culture that revolves around passion and fun, they are likely to cultivate an environment in which people support one another's ideas and do their best to bring them to life, no matter how crazy! As Branson says, "If the workplace, where most adults spend almost half their waking hours, cannot be an environment in which to enjoy some spontaneous good times, then what's the point at all?"

# Lead Future Generations

Cultivating passion is important, but an even more important job is putting resources into nurturing your next generation of leaders. You see, as a leader, you cannot achieve lasting success if you don't spend the time training and creating a generation of future business leaders within your organization. You probably want to retire at some point, right? So tapping into the younger generations and learning from one another is essential for lasting success.

For example, you might find that younger employees in your organization have a lot to teach you. Younger employees have grown up with digital technologies all their lives so they are incredibly skilled at exploring their entrepreneurial passions with social collaborations. Younger employees also have an infectious energy and optimism that makes them ideal candidates for future leaders, so how can you teach them to tap into their full potential? By providing the resources needed for future entrepreneurs.

As you may remember, Branson dropped out of school at the young age of 16. The average education hardly prepares students for futures as entrepreneurs so it's important to begin putting your resources towards education. Branson dropped out of school because he believed that teachers were limiting his freedom of thought as well as pressuring him to adhere to the status quo. Going with the grain is not how entrepreneurs think, they instead need to go against the grain, think outside the box, deal with failure, and be unafraid to challenge convention. So how can schools cater to the molding of future entrepreneurs?

Schools need to be getting current successful entrepreneurs into the classrooms to talk to young people about their work. Students need to have their eyes open to the endless possibilities that are in front of them, they don't need to simply go to school and work a career for the next fifty years, they can choose whichever path they choose.

Not only does Branson try to inspire young people in school, but he also supports young entrepreneurs by incorporating their products into existing supply chains. By giving them preferential supplier access, countless start-ups can be seeded and even encouraged to grow. For instance, Virgin Atlantic does this by offering healthy snacks on its flights that are supplied by passionate entrepreneurs who are just getting started in the business. When established corporations support and invest in growing businesses, they cultivate future business leaders and allow them to grow and prosper.

Branson believes that “Businesses have a major role to play in tackling the world’s toughest challenges so to my mind it makes perfect sense to tap into the energy of the legions of up and coming young business leaders who are not afraid to start companies, challenge the status quo and see how their products and services can make a difference in the world.”



# **Do Good, Don't Just Make Money**

Major corporations play a big role in the economy and have the potential to be a force for good in the world. A business shouldn't simply be about winning so others can lose, instead, when business is done properly, everybody has the opportunity to gain something. Companies should be looking for ways to put the people and the planet alongside their growth. As you may know, corporations control sizable supply chains which give them more clout in making positive things happen, and many companies should learn how to take advantage of that clout.

For example, in 2008, Wal-Mart executives realized that if they replaced their conventional incandescent in-store lighting with new energy-efficient compact fluorescent or CFL lights, they would save \$6 million a year on their electric bill. Instead of simply taking advantage of the savings, they took another step as well. They asked, "If we can save that much, how would the economy benefit if we were to sell just one CFL bulb to each of our 100 million customers in the coming year?" Executives found that the energy saved would be enough to power a city of 1.5 million people for a year, the equivalent in greenhouse savings of taking around 1.3 million cars off the road. So what did Wal-Mart do? They teamed up with General Electric to create a program that advertised the significance of switching to CFL lights.

Of course, both companies knew the success of this program would lower their future sales of light bulbs, but the result would be better for the customer and the environment. The importance of the environment and energy savings far outweighed their loss in sales. This example shows exactly how large corporations can use their influence for good through the law of large numbers. When large corporations get involved, one small action is then multiplied by tens or hundreds of millions of customers which can generate astounding results. At the end of the day, companies invariably find doing good for the planet is good for business as well.

Similar to Wal-Mart and General Electric, the Virgin Group does their best to do good. For instance, Virgin has set up a “Carbon War Room” dedicated to identifying and scaling up market-based solutions to climate change. They have also set up a not-for-profit initiative called “The B Team” which aims to help businesses develop a Plan B dedicated to encouraging businesses to pursue profit in a way that helps society and the environment.

Branson states, “If you aren’t making a positive difference to other people’s lives, then you shouldn’t be in business. Companies have a responsibility to make a difference in the world, for their staff, their customers - everyone. The amazing part is that doing good is also good for business, so what are you waiting for?”

# Final Summary

Finding success as an entrepreneur isn't easy, but with Branson's advice, it can be easier. If you begin by listening to the needs and wants of others, you can cultivate a culture that makes both employees and customers happy. Listen to customers and employees, give everyone a voice before making final decisions. Next, keep it simple. Don't complicate things with long speeches, emails, or mission statements. Instead, keep everything you do short and simple and you'll find success when people understand their expectations. Be prepared and say 'yes' to opportunity. When you are prepared for opportunity, you open the door for success by creating your own luck. Many successful companies find luck through sparking conversations with strangers and widening their network. Lastly, be a good business. Whether you are leading future generations of entrepreneurs or protecting the planet, your success is all for naught when you don't give back. So go against the status quo, challenge convention, find success, and overall, do good.



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