
Lessons from Sir Richard Branson

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Richard Branson's success is a direct result of his mindset, passion, and strategies.

As an entrepreneur, what can *you* learn from Branson, one of the most successful entrepreneurs in the world?

In today's blog, I'll summarize the lessons that *every* entrepreneur can learn and emulate from 3 of Branson's core success strategies:

1. Being passionate and committed to fun
2. Experimentation
3. Risk mitigation

But first, you need to know a little about the man himself.

Let's dive in...

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SOME BACKGROUND ON BRANSON

Just about everything Sir Richard Branson does is *bold*.

Born on July 18, 1950, in Surrey, England, Branson struggled with dyslexia, nearly failed out of school, then dropped out at sixteen to start a youth-culture magazine called Student.

Run by students, for students, the publication was designed, as Richard says, "to give a voice to people like me who wanted to protest against the Vietnam War and the establishment."

A rebel from the get-go and completely undaunted by scale, Branson expanded the magazine nationally and then went looking for his next opportunity. So, he started a mail-order record company called Virgin.

Virgin signed a bevy of big acts—the Sex Pistols, Culture Club, the Rolling Stones (just to name a few)—and went on an epic ten-year run that ended with Virgin Music being

one of the biggest record companies in the world. At which point, of course, Branson saw his next opportunity.

Running a music company required a considerable amount of flying, and Branson had long been frustrated by the terrible quality of the airlines. Much to the dismay of his Virgin Music colleagues, that frustration launched Virgin Atlantic.

And what he was doing was not easy. At one point, to save his airline and avoid bankruptcy, he was forced to sell off his majority stake in Virgin Music, netting him the \$800 million he needed to keep himself and his airline afloat.

Despite such obstacles, Richard would build on his music business and his airline business, going on to start, invest in, and create over five hundred different companies.

He founded a global empire, diversifying into everything from mobile telecommunications to trains to undersea exploration, wine distribution, fitness centers, health care clinics and, in Virgin Galactic, commercial space flight.

According to the Forbes 2021 list of billionaires, Branson's personal worth is *over \$5 billion*.

Not bad for the guy who brought us Tubular Bells!

And if you're wondering how Branson got from Student to Tubular Bells to commercial space flight? "We're an unusual company," he says.

"We're a 'way of life' brand'—but if we weren't a way-of-life brand, we wouldn't be here today ... Almost every time we moved from one sector into another, the press would always say: 'Is this one step too far? Will Branson's balloon burst this time?'"

Thus, the question: Why *hasn't* Branson's balloon burst?

STRATEGY #1: PASSION & COMMITMENT TO FUN

Branson is a fun junkie. He has set world records in balloons. He has set world records in speedboats. He has set world records in outlandishness.

Exhibit A: When Virgin Atlantic archrival British Airways decided to back the erection of a 440-foot Ferris wheel in the heart of London and had construction delays, Branson wasted no time in flying an airship over the site trailing a giant banner that read: "BA can't get it up."

But what's often lost in this discussion is that fun-junkie-dom has helped Branson in two critical ways.

For starters: he's immensely passionate about everything he does. When he first told Virgin Music CEOs of his idea to use one-third of last year's profits to start Virgin Atlantic, his justification was that the risk was worth it because it was "fun."

"They weren't happy with the word fun," Branson recounted in his appropriately titled quasi-business/biography/philosophy book, *Screw It, Let's Do It*. "To them, business

was serious. It is. But to me, having fun matters more.”

Fun matters more because Branson employs it as strategy for thinking at scale—both as a fuel (i.e., a way of harnessing his passion) and as a first principle, assuming that if something is fun for him—like an airline that makes you say “Wow!”—then it’ll also be fun for everyone else.

STRATEGY #2: EXPERIMENTATION

And just to make sure he’s right (also because it’s fun), Branson always conducts an experiment.

This is the key point.

Branson’s balloon hasn’t burst because his fiery devotion to fun translates directly to his dedicated clientele and fervent fans. It’s become a business strategy based on experimental customer-centrism.

If Branson thinks a particular service might be beneficial to his customers (i.e., fun), he tries it out. This is why Virgin Atlantic was the first airline to offer free seat-back TVs, onboard massages, an onboard cocktail lounge, a glass-bottomed plane, and even stand-up comedians.

This methodology has allowed Branson to scale. By putting his customers’ needs first, Branson can triangulate vast distances, find industries that are stuck or broken, and apply his brand and experimentalism to take his shot.

But Branson also runs his empire like a competitive ecosystem—letting some companies live, letting others die, and *always*, ceaselessly, experimenting.

He is quick to rapidly iterate his ideas, and quicker to shut down a failure. In total, while Branson is known to have started some five hundred companies, he has also shut down the two hundred of them that didn’t work.

STRATEGY #3: RISK MANAGEMENT

He also gets that risk mitigation is critical.

“Superficially,” he says, “I think it looks like entrepreneurs have a high tolerance for risk. But, having said that, one of the most important phrases in my life is ‘protect the downside.’ It should be one of the most important phrases in any businessperson’s life.”

Virgin Galactic is a fantastic example.

In October 2004, when Burt Rutan demonstrated the success of the three-passenger SpaceShipOne vehicle, winning the \$10M Ansari XPRIZE, Branson and his team came in with a multi-hundred-million-dollar commitment to scale that design up to an eight-passenger vehicle able to make multiple flights per day and carry thousands into space per year.

But, as is Branson's style, in 2009, he was brilliantly able to offset that risk by bringing in Aabar, the Mideast investment fund, to purchase 32% of Virgin Galactic for \$280 million.¹⁹ Then, two years later, Aabar increased their stake by 6%, committing an additional \$110 million to fund small satellite launch capability.

So, sure, Branson bet a huge amount on Virgin Galactic, but he then protected that investment and brought in an extra \$390 million in working capital to ensure its success.

Branson, it seems, isn't just bold in his risk taking, he's also bold about his risk mitigation.

The end result, though, is the same.

FINAL THOUGHTS

Branson has built his life on his characteristic flair: fun, excitement, and boldness.

Yet, at the same time, he has carefully and methodically mitigated the downsides of his endless experimentation, improvisation, and risk-taking.

His legacy shows that business success and business failure are two sides of the same coin: as Branson would say, it's all part of the fun of being an entrepreneur.

So, how will you have fun in building *your* business? What experiments will you run? How will *you* take smart risks?

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