RICHARD BRANSON
LOSING MY VIRGINITY

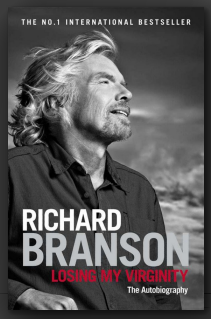
The Autobiography

Virgin Books ebook, 2009 · text © 1998, 2002, 2005, 2007 (runs to May 2007) · first published 1998

"Screw it. Let's do it."

— THE PROLOGUE'S TITLE, LATER A BOOK OF ITS OWN

His real rule, under the bravado: *"three key things: finding the right people, the positive use of the Virgin brand name, and protection of the downside."* The book tells how a dyslexic schoolboy's magazine became an airline, a train company and some 200 companies, and what each near-collapse taught him.



FROM A SCHOOL MAGAZINE TO A JUMBO JET

1968 First issue of *Student*; ads sold from a call box

1971 Postal strike: first shop opens in days

1973 *Tubular Bells*: the label's first fortune

1984 Virgin Atlantic: one leased 747, *Maiden Voyager*

1986–88 Floats for £30m, buys it back at 140p

1991 Gulf War: Lloyds limit £20m, Virgin at £50m

1992 Music sold for $1bn to save the airline

1993 BA apologises in the High Court

2001 Virgin Blue, an AUS$10m start-up, is no. 2

2007 Pendolino crash in Cumbria

1 Say yes, then cap the loss

Virgin Atlantic, February–June 1984

Lawyer Randolph Fields pitched a Gatwick–New York airline. Branson decided in a weekend; his market research was People Express's line, engaged all Saturday. Simon Draper: *"you go ahead with this over my dead body."* The exit won the argument:

THE BOEING DEAL

1. One second-hand jumbo, returnable to Boeing after a year for at least its original cost; any rise in value is Virgin's.
2. Everything capped at one year: staff contracts, lease, currency exposure, plus cover against a falling pound.
3. Worst case £2 million, under a third of the year's profits, kept apart from Virgin Music.

"If I could lease the plane for one year and then have the chance to return the plane, we would have a clear escape route if it all failed." Boeing's negotiator, after two months: *"It's easier to sell a fleet of jumbos to an American airline than just one to Virgin."*

2 Cash first: banks pull the plug

Survival is the job

JUNE 1984 A bird strike blew an engine on the CAA test flight; no licence yet, so no insurance: £600,000. Coutts threatened to bounce cheques over the £3m group limit, with a £6m cheque days away. Overseas cash saved the week; Virgin changed banks.

1991–92 Gulf War: Lloyds pulled its loans from Air Europe and Dan Air. He sold Virgin Music, his best company, rather than let banks take the airline as they took Laker's. *"Survival is the key priority."*

3 Staff first, then customers

The order is the strategy

CONVENTION	VIRGIN
shareholders, then customers, then staff	staff, then customers, then shareholders

"For us, our employees matter most." Happy staff make happy customers; profits follow. He shared his £500,000 BA libel damages (1993) among all Virgin Atlantic staff, who had taken pay and bonus cuts in the fight.

Ask the front line. He pushed a trolley down a jumbo's aisle and hit everyone; the crew's fix, waitress-style service, freed Upper Class room for longer seats. His school notebook logs every suggestion: *"I don't mind where the ideas come from as long as they make a difference."*

4 One big brand, many small firms

Why the name stretches

> ***"Virgin is not a big group – it's a big brand made up of lots of small companies."***

- **Split, don't swell.** When a unit grows, its deputies become the bosses of a new one. By 1992: some fifty record companies, none over sixty staff.
- **A name as an adjective.** Even *Student* was meant to front travel, accommodation and more.
- **Brand test.** Cola fitted: fizz, fun and freedom. Build from scratch: buying WH Allen was a mistake.

5 Go where giants overcharge

And fight back in public

"If there is a market that is just served by two giant corporations, it appears to me that there's room for some healthy competition." Freddie Laker's warning about BA: *"My mistake was that I never complained loudly enough."*

BA set up a unit to discredit him, blocked slots and got into his booking data. He sued; on 11 January 1993 BA apologised and paid £610,000, then a record. Virgin Money cut commissions; Virgin Blue refused a US$250m buyout days before its rival Ansett went bust.

6 Let the crisis teach you

Three that changed him

1971 Caught selling records he had falsely declared as exports, he spent a night in a Dover cell. *"That night was one of the best things that has ever happened to me."* He vowed never again to do a deal that could embarrass him, and paid £60,000 over three years.

1988 Going public cost him speed. He bought the shares back at the 140p float price, not the 70p market price, so no small investor lost money: *"Our reputation would stay intact."*

2007 A Virgin Pendolino crashed in Cumbria (track failure at the points). He went to the scene to apologise, though lawyers always advise against it. The plan: *"fast, efficient and honest communications from the word go."* Every stranded passenger was home by taxi by 1 a.m.; the BBC made it a case study.

Use it Monday

- Carry a notebook all week. Write down every idea from staff and customers; act on one by Friday.
- Before the next commitment, write the exit and the worst-case loss as a share of yearly profit.
- Spend an hour doing a front-line job yourself, and ask the people who do it what to change.
- Check cash against every bank limit; open a second banking line before you need it.
- Ask of every new offer: would my family buy this?

Read with care

- It is his own account. BA's apology backs him on the dirty tricks; most other quarrels are told from one side.
- He decides in thirty seconds on gut feeling and distrusts numbers.
- Rule-bending is told as charm (free calls from a call box, staged phone calls for journalists).
- Figures and plans stop in 2007; the text says nothing of later events.

HOW THIS PAGE WAS MADE. Virgin Books 2009 ebook (text © 1998–2007), from a PDF. Too long to read whole in one pass: the Prologue and chs 1–3, 13–14 and 29 were read in full; key passages of chs 4–5, 16–17, 22, 26, 28, 30 and 32; the rest (record years, ballooning, powerboats, most of 30–32) only searched by keyword. Every quote checked word for word against the text by script. Cover: page 1 of the same PDF.