
Richard Branson's Tips for Growing Your Small Business

August 27, 2012

URL: <http://www.entrepreneur.com/article/224252>

Over the years we've started many Virgin businesses out of frustration at the way things were done in established sectors. Whether it was airlines, mobile telephones or financial services, we've stood out by focusing on ways to improve people's lives through better service, innovation and value.

Sometimes a small detail, such as more transparent [pricing](#) or a friendlier staff, gave us our edge. Our humor and tone also helped attract and keep customers. I try to keep bureaucracy to a minimum and remind my teams that business, as well as life, should be fun.

When you're starting out with a small business and an enthusiastic team, it's relatively easy to keep the focus on details and [high-quality service](#), with a light touch. But how can you retain the passion and attention to detail after your business becomes established, successful and larger?

In past columns, I've mentioned how we grew our music businesses by splitting them, creating smaller units so we could maintain that vibe and hunger. By the time we sold to EMI, Virgin Records was made up of several small independent labels, which fostered healthy competition among them for new bands.

Related: Richard Branson on the Secret to Exceeding Customer Expectations

This approach wouldn't work with some of our other companies that require scale and size to compete against much larger rivals. So we've had to adapt our businesses to maintain Virgin's innovative spirit, especially when we have grown through acquisition or international expansion.

Virgin America is a good case. This upstart airline in the U.S. is renowned for its high-tech planes, quirky marketing and fabulous crew. This summer it will celebrate its fifth birthday. We have more than 2,500 staff members already, and there are no signs of growth slowing. We must work hard to keep the enthusiasm that marked our early development. To do it, David Cush, the CEO, embarks on an annual training program known as "Refresh." The point is to keep our teams up to date and connected, which prevents them from becoming complacent or settling for the status quo.

Related: Richard Branson on How to Avoid Common Startup Mistakes

Recently I hosted a conference with a number of fast-growing U.K. companies. One of the speakers was Richard Reed, a founder of Innocent, the British maker of smoothies and soft drinks. Richard founded the business with two friends, Adam Balon and Jon Wright, in 1998. Since then the business has grown to 200 million pounds (about \$315 million) in annual sales, and Coca-Cola has come in as a majority shareholder. Still, the founders have managed to retain that spirit of innovation and fun that marked their beginning.

It's fascinating how they managed to keep their magic formula after the big investment. I'll try to summarize what they did because I believe there are many lessons in their experience for entrepreneurs around the world.

Related: Richard Branson's 5 Rules for Good Business

First, know your mission. At Virgin this was often about shaking up the established markets and providing something of great value and service. In Innocent's case it was about creating great juices to help people lead healthier lives – and doing this in a fun way.

Second, make sure you get the basic structure right. Know what you are going to do. Many times partners can provide the back office, the infrastructure or the raw materials. By building strong relationships with such suppliers, you are free to scale the operations without heavy calls on your capital.

Third, get the right team at the top. It's hard to get this right first time. Many small businesses fail to grow because they don't identify team members who can no longer keep up. It's sometimes necessary to part company with senior managers who cannot develop the businesses, painful as that may be.

Fourth, a strong purpose and a sense of ethics give the company a solid foundation. In Innocent's case the focus was on leaving the planet a little better than they found it. This simple but effective message resonates with both staff and customers, whether they number 10 or 500 people.

Fifth, no matter how big you are, details count. Just as I remain obsessive about traveling on our planes and visiting our businesses with my notebooks to chat with staff and check the little touches that make our experience unique, Richard Reed and his partners do the same. They regularly check everything from the lids on their bottles – which ask customers to "enjoy by" and not "use by" a certain date – to the carpets in their offices, which are a distinctive Astroturf.

Finally, listen to your customers and act on what you hear. I've always asked our staff for their views and now I track our social media channels to see how our business and brand are doing. Innocent makes a virtue of asking their customers for their views. They use the feedback to inform growth and keep them connected.

Not one of these steps is hard to do on its own. The key to transitioning smoothly from a small business to a big one is stringing all six steps together to make it happen.

Copyright © 2013 Entrepreneur Media, Inc. All rights reserved.