

5th YEAR – BUSINESS

ENTERPRISE PROJECT

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SECTION A

THE ENTREPRENEUR

Sir Richard Branson



Personal Background:

Sir Richard Branson, an English entrepreneur, was born on the 18th of July 1950. He was born in the Blackheath area of South London, the son of Edward and Eve Branson, and his grandfather was a judge of the High Court of Justice. Branson had a poor academic record as a student but by the age of fifteen had already set up two separate business ventures. One growing Christmas trees and the other raising budgerigars, both eventually failed.

At the age of seventeen, Branson left school and moved to London, where he began his first successful business, "Student" magazine.

Early Years In Business:

Branson started his first record business after he had travelled across the English Channel and purchased crates of records from a record discounter. He sold these records out of the boot of his car to retail outlets throughout London. He continued to sell records through a mail order business in the 1970's and sold records for considerably less than better-known 'High Street' retailers. Branson eventually opened a record store on Oxford Street in London, and while he and colleagues were discussing names for the business one suggested 'Virgin' because they were all virgins to the business

Businesses Set Up:

Branson is best known for his “Virgin” brand of over 360 companies. When he was just sixteen years old, he set up his first successful business venture, a magazine called “Student”. He set up an audio record-mail order service in 1970, and in 1972 opened the “Virgin Records” chain of music stores, later re-named “Virgin Megastores”.



With his flamboyant and competitive style, the Virgin brand expanded rapidly throughout the 1980's and Branson later set up Virgin Airways and expanded the Virgin Records music label.

Branson formed Virgin Atlantic Airways in 1984, launched Virgin mobile in 1999 and Virgin Blue in Australia in the year 2000.

In 1997, Branson took possibly his riskiest venture by expanding his Virgin brand into the railway business. Virgin Trains was launched amidst huge fanfare and expectation, with promises of new high-tech trains and enhanced levels of service. However, the business faltered as it struggled to keep its trains running on time and awaited the modernisation of existing rail-lines.

Branson has also developed a Virgin Cola brand of soft drinks and even launched Virgin Vodka, which hasn't proved to be very successful.

Main Achievements In Business:

Branson's main achievement in business, and what he is best known for, is the expansion of his 'Virgin' brand which now has over 360 companies such as Virgin Megastores, Virgin Media, Virgin Airways and so on. In 1999, Branson received his knighthood for 'services to entrepreneurship' and according to The Sunday Times has amassed a fortune of stg£3.065 billion and also appears at no. 85 on the list of '100 Greatest Britons' which was a BBC sponsored public vote in 2002, as well as being listed in Time Magazines '100 Most Influential People In The World' in 2007.

Personal Characteristics:

“My interest in life comes from setting myself huge, apparently unachievable challenges and trying to rise above them...from the perspective of wanting to live life to the full, I felt that I had to attempt it” – Sir Richard Branson.

Branson is a flamboyant and competitive character, with most of his business ventures being launched amidst huge fanfare and ambitious promises. He is a very ambitious and innovative entrepreneur, with his businesses spanning from airlines (Virgin Airlines) to broadband (Virgin Media) and everything in between. He usually takes a spectator style of management once he has established his business in the market, in that he usually steps back and employs other managers or a CEO to run the business for him only checking in every so often.

Branson has also attempted to break several world records. In 1985, he attempted to cross the Atlantic only for the boat to capsize, and again in 1986, when he was successful and broke the record by two hours. A year later, his was the first hot-air balloon to cross the Atlantic. He also made attempts to circumnavigate the globe in a hot-air balloon, but was unsuccessful. Branson also holds the record for the fastest crossing of the English Channel in an amphibious car, a feat made famous by a failed attempt to beat this record by the presenters of Top Gear.

Future Plans:

Branson’s next venture for the Virgin group is said to be ‘Virgin Fuels’, which will respond to global warming by providing a revolutionary, cheaper fuel for cars, and later, planes.

Why Did I Choose This Entrepreneur?

I chose Richard Branson as an entrepreneur due to the variety of companies and products that he has started over the years. As well as that, Branson wasn’t the best student at school yet has still gone on to amass a huge fortune, and also serves as a humanitarian. Branson also started his first successful venture at the age of just sixteen, which shows that all you need is an idea and a business plan to get started.

SECTION B

MY BUSINESS IDEA

Product Description:

For my business, I have decided to focus my idea on a business that could actually be opened in Castlebar, rather than a money-making idea for students.

The service that my business would provide is as follows:

- It is a service similar to that of a taxi in that, if you have been out drinking and are worried about driving home, you would call my office.
- One of my employees will then make their way out to you on their fold away bicycles, (I had planned to use mopeds instead, but have been unable to find a model that will serve this unique function).
- There is an online retailer named 'Catch 22' which provides these for around stg£230 each.



- When they reach the customer's vehicle, they simply fold away the bicycle into the back of the car and the customer is then driven home in their own car.
- I believe that this business idea, while still having a few problems to iron out, such as insurance etc. could work given the proper time and effort.

Location:

This business could be run out of any appropriately sized office space, really only requiring a phone operator and a suitable rota of drivers to make sure every call is seen to as quickly as possible.

Target Market:

There would be a wide target market for this business as many people enjoy going out to socialise at the weekend and large amounts of these people end up driving home over the limit. Using this service, however, people can enjoy their night out and still be able to drive to work again in the morning without having to go out and collect their car again.

Pricing & Profitability:

I believe that until word of mouth got around, I would have to charge a price significantly lower than that of taxi drivers, which may affect profitability at the beginning. However, I don't believe that there would be a large amount of capital needed to get the business up and running, the mopeds/bikes being used would last for a long time and therefore would only be a once of purchase, and in the case of the bikes, very little maintenance would be required.

Competition:

The major competition for this service would obviously be taxis etc. However, I believe that this service has advantages over a taxi. For example, if you took a taxi home after a night out, you would then need another taxi back to the car again in the morning, which would end up with the cost of two taxis while my service would cost less than just the one.

Another problem is that with the designated driver programme and so on, a lot of people would not bring their cars with them in the first place.