

Branson answers your questions on business

Sir Richard Branson answered the top three business questions sent in by readers in the run-up to the release of The Big Issue's special edition on entrepreneurship [issue #181], guest edited by Branson and produced in partnership with Virgin Unite.

Alex Pino: What opportunities do serious global financial recessions, like the one we experienced in 2008/2009, hold for entrepreneurs?

Branson: Global financial recessions make it tough for most businesses but at the same time they also create opportunities for entrepreneurs and dynamic companies.

The dislocation caused by recessions often create gaps in the market for new players to exploit - as established companies spend time focused on their existing businesses and fixing problems. This leaves less time and money to fight off new competition.

Recessions are also good times to hire people - as there is usually a deeper pool of talent looking for jobs - and it is a time to negotiate hard for supplies, property or services. You can usually cut keener deals as companies are keen for business.

Over the last 40 years we have expanded Virgin through recessions. In the 1970s we grew our recording and music retail business, while in the early 1990s we used the lull to expand Virgin Atlantic and grow the number of routes the airline flew. More recently, we used the downturn of 2008/9 to expand our health club business, Virgin Active, in Italy and South Africa.

The disruption of a downturn creates the opportunities, however the entrepreneur must remain focused, disciplined, inventive and brave to prosper at this time. If you do, the reward can be great.

Fernando Tolosana: Wealthy guys who give their money away seem to favour micro-lending companies. Can you think of a human enterprise they should rather support which is not geared towards money specifically, but to other endeavours that would lift people from all kinds of poverty?

Branson: Microcredit has its role as a tool for economic development as it gives everyday people the chance to establish a sustainable means of income. Although lending money is not the only way we can help assist in lifting people out of poverty. At the Branson Centre for Entrepreneurship, aspiring entrepreneurs tell us they also need practical business skills, access to markets and mentors. These skills can range from writing a business plan for the bank or knowing how to create a digital presence to hiring people or marketing their businesses.

Mentorship can be an incredible way to help growing businesses and I think this kind of giving works on all sides. The mentor gets a lot from this relationship, as does the person being mentored. You may have some skills or contacts that could prove invaluable to a new or growing business. We have seen the benefits at the Centre of mentoring workshops and one-to-one sessions from successful business leaders and both local and global entrepreneurs. In February, Lesego Malatsi of Manzi Design Emporium, who attended the Branson Centre, showcased his wedding collection at the Fashion Kapitool. He was very much guided by his mentor Nina Quiros, a fashion retailer in the US. Her insights into the world of fashion from a global perspective has encouraged Lesego to think further afield in regards to selling his African-inspired designs globally. In fact just recently, Musa, one of our guys who runs one of the businesses in South Africa called Gaming Zone, just managed to get a fellowship at Harvard. It's amazing what happens when you unlock potential and this belief in someone is a great way of giving.

Marc Mason: Are you planning on boarding a spaceship and watching the earth burn? Or are you really doing something about the state of the earth and, if so, what can other entrepreneurs do to move forward while balancing nature, man and business on a global scale?

Branson: Whilst I am very much looking forward to my trip into space, I shall not be trading in my home here on earth.

This April saw the 50th anniversary of human spaceflight. It's a good moment to pause and ask where we go from here. How do we re-inspire a new generation and make real the experience of space flight, not just for the lucky few but also for all?

With Virgin Galactic we are doing our bit to ensure that space exploration and everything that comes in its wake thrives in the 21st century. We owe it to ourselves, we owe to the first human in space -Yuri Gagarin - and we owe to our kids and future generations.

Virgin Galactic's future astronauts and our non-profit foundation, Virgin Unite, have teamed up to create the initiative Galactic Unite, which is aimed at inspiring students to seek answers to global challenges through advancing education in science, technology, engineering, math and business entrepreneurship. This is a new community for social action. We are working with The New Mexico Space Grant Consortium of New Mexico State University (NMSU) to collaborate on projects with students from colleges, high schools, and middle schools throughout New Mexico. The Student Launch Program is a competition in which students design experiments that use the environment of suborbital space to answer scientific and engineering questions.

In regards to the planet, natural systems have been 38 billion years in the making and are what sustains life on earth - we have lots to learn from them and we need to start valuing them in a whole new way. These systems are rapidly depleting and it is our responsibility to ensure that we re-balance the world and start to protect our natural assets, and in turn our very existence on this planet.

Each one of us can make a difference to protecting these natural assets in our personal and work lives.

Entrepreneurs embrace challenges and there is a way for business, governments and the social sector to come together and have a bigger impact on protecting our planet by working together to seek solutions. I urge business leaders and entrepreneurs to get in touch and see how they can join our growing community to combine our resources and act as a force for good. © The Big Issue South Africa / www.bigissue.org.za