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**Influencing Financial and Organizational Strategy: Virgin Group,
United Kingdom**

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Abstract

The paper assess the influence of organizational strategy with a Virgin Group, United Kingdom. Capabilities and resources that include, resources, brand name, innovation and capabilities. Models have been used to analyze the common resources and capabilities that link the separate Virgin companies including VRIO Analysis Model, Value Chain Analysis Model and Mckinsey 7s. In addition, the paper looks into the diversification criteria, changes for Virgin Group, franchise organization, Virgin and the corporate parent and the ways of overcoming barriers. The paper finds that the Virgin Group besides includes value to its interest in the brand name and additionally moreover used the trademark name to assist removed obstacles to entrance. The Virgin trademark name is a consumer's lead character in addition to in a similar way as recommendation prior to the brand name is much valued with the British market. In the Virgin Group, the approach of inspiration, the high degree of flexibility at work, the bargain of obligation as well as versatility for employees as well as the informality and disrespect for conventions. The recommendations in the management system are to structured leading monitoring as well as likewise integrate along with methodical method just how to handle Virgin team.

Keywords: Finance, *Organizational Strategy, Virgin Group & United Kingdom*

1.1 Capabilities and Resources

1.1.1 Resources

The key resource is Branson who developed the company in 1970. His solid management is necessary to developing new abilities for Virgin Brand. He is prominent all over the world for its distinct business society, and service spirit.

1.1.2 Brand Name

With this abstract ownership, the trademark name, the group had the ability to create various other business standing for quality of services as well as value for cash. The worth to organisation growth as well as competitive advantage has actually been enormous. The abstract sources that are utilized by each Virgin company is the source that is most usual. Instances of this are the trademark name well worth, which includes both just how individuals take a look at the trademark name, nevertheless similarly of just exactly just how they see Sir Richard Branson. When we refer back to the message it states that "Virgin had the capability to utilize the Virgin trademark name as well as Branson's celeb issue to get 51% or maybe more of the equity of brand-new ventures while adding a minority of equity capital". Revealing that little equity capital needed to be spent as a result of the standing of Sir Richard Branson (Bruijl & Gerard, 2018).

Another coming abstract resource is company society as well as also precisely simply how the company is structured. There is one red line with all Virgin companies which is based upon the approach of Richard Branson. This produces all the firms to be structured the precise same and likewise follow the exact same criteria.

Also employees was an additional regular source in the Virgin brand name. The managers of the company had the capacity to think about the entire organisation, as opposed to utilizing local managers for each and every and also every company or workplace. This is kept by the situation which states that "VML provides consultancy as well as also supervisory assistance to each of the various Virgin service as well as specialist field team around the world".

1.1.3 Innovation

Informality and also disrespect for convention were major to Branson's method of service. For several years, Branson has really become even more of tactical along with charming leader of the Virgin Group. When we look into capacities the something that Virgin goes beyond at is resourceful solution principles or innovating markets. The factor Virgin expanded to such a broaden is the truth that it was built on the suggestion of enhancing product and services that were presently supplied by various other business out there. This was main to Richard Branson's viewpoint of "saying the massive youngsters".

1.1.4 Capabilities.

Virgin usual capabilities are the market web links, the recognition of virgin fuss, seeking of global visibility increase and additionally the administration and also advertising. An additional vital capability that makes Virgin go beyond at what they do is the variety they use. Due to their diverse

variety they prolong their brand (and profile) along with creating a chance for development. The brand name is needed to Virgin as well as a result they provide substantial customer care. An example of this is Virgin Atlantic which offered consumers massage therapy therapies throughout the journey, limo and motorcycle transportation to along with from the flight terminal, along with far more.

This discloses that every little thing that is done within Virgin brand is based upon Richard Branson's ideology as they try to enhance what the "substantial kids" are doing presently. The extensive consumer care is simply one more example of that.

Two important firm growths aided create the Virgin brand name these days. The paper firm as well as also The Virgin Megastore services that generated this Younger photo for Virgin. This ability of brand interaction was not nearly value for money, but was furthermore related to social well worths. The brand was not related to any type of certain item or market, so it made it possible for Virgin to separate with a positioning of small, cutting-edge as well as customer-friendly organisation.

Models

A number of models can be used to analyze the common resources and capabilities link the separate Virgin companies including VRIO Analysis Model, Value Chain Analysis Model and Mckinsey 7s.

The VRIO Evaluation is the foundation of internal analysis. In order to bring about a sustainable competitive advantage a source or capacity need to be Valuable, uncommon, Unmatched and also Organized. The VRIO Evaluation is as shown in Figure 1.

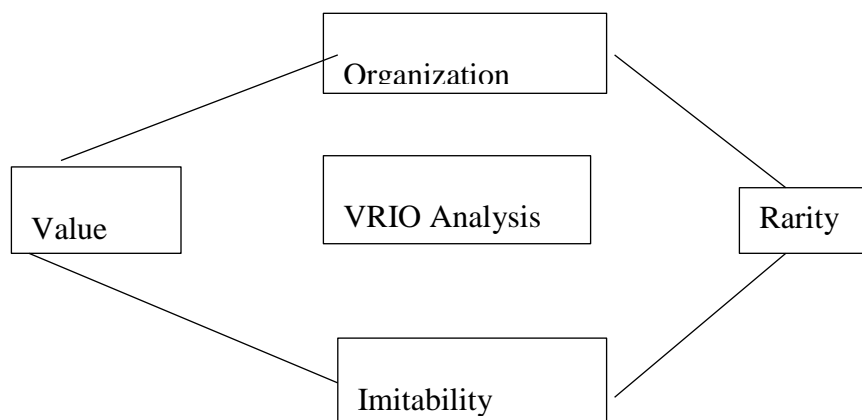


Figure 1: VRIO Analysis Model

Value chain evaluation is a strategy device made use of to assess interior firm activities. Its goal is to identify, which activities are the most important (i.e. are the source of price or differentiation benefit) to the company as well as which ones could be boosted to offer competitive advantage. The Worth Chain Evaluation is as shown in Number 2.



Figure 2: Value Chain Analysis Model

The McKinsey 7S Framework is a monitoring model for tactical vision for teams, to include services, company units, and also groups. The 7 Ss are structure, approach, systems, abilities, design, staff and also shared values.

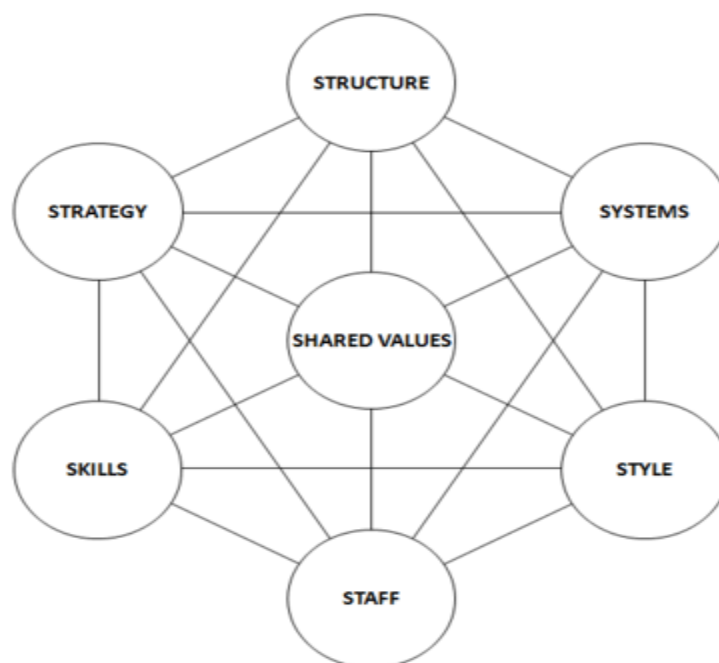


Figure 3: Mckinsey 7s

2.1 Divesting

Virgin has really succeeded in the establishment as well as administration of brand-new services throughout the years, however a few of its companies reduced as a result of the monetary decrease. The economic slump of 1979 to 1982 impacted numerous business undertakings (Sansone, 2015). In the second half of the 90s Virgins business recouped with new endeavors. Elements that cause this new undertakings have actually been:

2.1.1 Privatization and deregulation.

Virgin Express managed the airline market as a result of its tracking style and also offering customers value for money. In the 90s used the liberalization along with deregulation in Europe to boost nevertheless the airline business field requires a large amount of very first sources, high gas cost, taxes as well as rivals in the inexpensive such as Easy Jet was truly solid. The entry into traveling was Virgin's biggest, and also possibly riskiest, variety of the 90s as well as likewise Virgin Rail experienced also from the UK's privatized rail network.

2.1.2 Straight advertising and marketing of products in addition to solutions to customers.

Branson was constantly looking for company possibilities supplying something brand-new to consumers. The Virgin Trading Team Limited brand name consisted of Branson's beverage along with quit working to obtain market exposure. The Virgin Vodka drink was packaged in a 'Pammy' container based upon the body of Pamela Anderson. This has in fact been a huge resource of attention, yet has really not traded sales.

2.1.3 The "Technology, Media, Telecom "boom of 1998-2000.

The TMT boom hit Virgin. Virgin foundations in media as well as additionally in addition the Web used a brand-new network for Virgin to get to clients however his effect of Web information sharing together with banned recording of CDs has in fact truly been a substantial trouble for Virgin Pleasure.

There define service that Branson need to definitely release in. Amongst them being the Virgin Galactic. The function of Virgin Galactic was to offer the brand name "Virgin" with a halo end result. If the task did succeed, it would certainly have bargain Virgin with a brag in their brand name well worth. However, the frustrating the Galactic's SpaceShipTwo had a contrary cause addition to furthermore subsequently harm the trademark name online reliability of Virgin. As the brand of Virgin is the column of the world, Branson should certainly release in this firm.

An added company that Branson requirement to consider discharging is the Virgin Atlantic Airways. The variable for discarding in this organisation is the devastating revenues the airline service is bringing. According to The Times, the Virgin group has cumulative losses of 233 million additional extra pounds in between 2010 in addition to 2013. The failure to bring a more suitable profits offers a sufficient component for Branson to release in the airline market.

Models

The designs used in consideration unloading consist of market segmentation, BCG matrix and also blue ocean approach.

BCG matrix is a structure developed by Boston Consulting Team to assess the tactical setting of the business brand profile and its potential. It categorizes service portfolio into four groups based upon sector attractiveness (growth price of that sector) as well as competitive placement (relative market share)

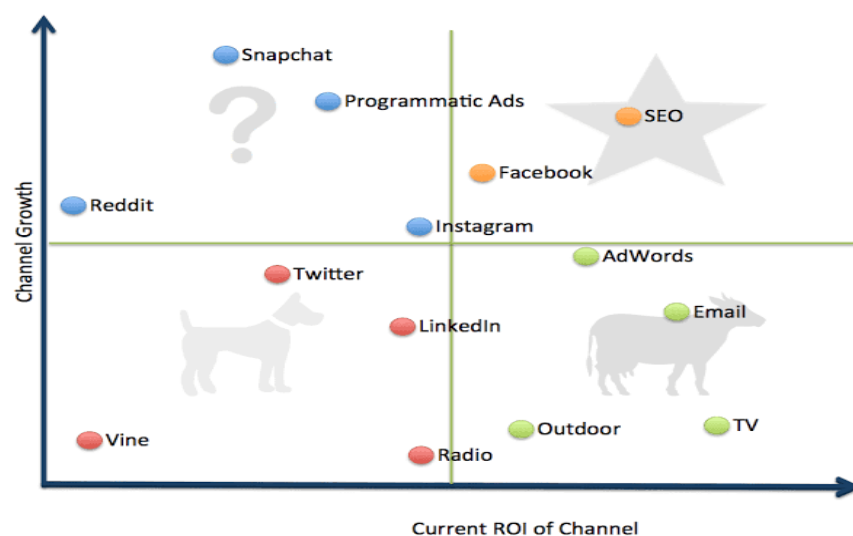
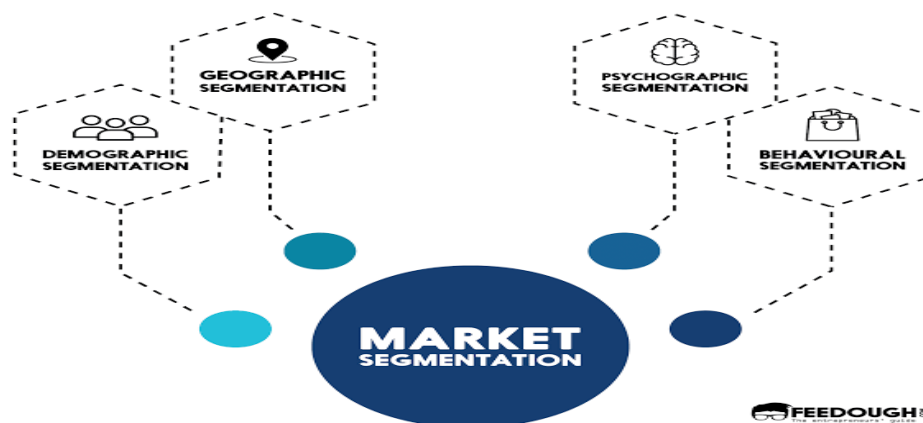


Figure 4: BCG Matrix

Market segmentation is the procedure of splitting a market of prospective consumers right into teams, or segments, based on various features. The sections produced are composed of consumers who will respond in a similar way to marketing techniques and also who share traits such as similar interests, requirements, or places.



Blue ocean strategy is the synchronised pursuit of differentiation and low cost to open a new market space as well as produce new demand. It is about developing and also catching uncontested market space, thereby making the competitors irrelevant. It is based on the view that market borders and also sector framework are not a given and can be reconstructed by the actions as well as beliefs of market players.

3.1 Diversification Criteria

Secret factors Branson need to think about for the diversity are the marketplace good looks, the advancement, the brand name expansion, the internal labour markets, core resources and also abilities that they have and also will be needed for the diverse task, the parenting advantage and also Virgin's appearance to companions. Virgin team is too undistinct, they could leave firms that do not fit their image due to the fact that quitting working firm will influence all the others. The most significant competitive advantage Virgin's possess is their brand name and so they have to attempt to prevent dissolution as well as not to increase on those sections that can risk it's brand and likewise the firm as a whole (Bruijl & Gerard, 2018). The innovation of the Virgin team has been adhering to comparable pattern as Branson generation: popular song in the 1970s, international taking a trip in the 1980s, pension plan funds as well as investment products in the 1990s. The various other vital demand is industry beauty: Virgin needs to go into solutions that have the architectural top qualities for good revenue margins. What kind of companies might fit these requirements - health clubs, medical services through private clinics and hospitals?

Better, when making a decision to broaden or otherwise, it is suggested to use the Porter's Essential Tests to evaluate. Porter's Essential Test has three criteria in which the diversification can be evaluated. The first standards is the appeal evaluation. This test asks the inquiry whether the selected market for variety is structurally attractive or can being made attractive. Being sufficient on this needs alone wants to validate branching off, nevertheless with the mix of the Cost-of-Entry Examination, it can be further required. The cost-of-entry evaluation whether the price of entrance will definitely make use of all the future profits. If the expense of joining the brand-new market is pricey, Branson needs to avoid the marketplace.

Branson must examine the choice to boost after doing the "The Better-Off Test". The test asks the query whether the brand-new gadget alone is able to bring competitive advantage or it synergies with various other existing service or products. If a brand-new business that Branson is thinking about branching off has the ability to work together with the existing items. As a circumstances, the Virgin's Mobile in addition to Virgin's Phone have the ability to give uniformity with each other.

Though not discussed in Porter's Necessary analysis, there are a couple of various other facets that Branson requirement to think about such as Brand name picture. As brand photo is the framework for a range of the Virgin subsidiaries, it is outmost essential that the new organisation does not hurt the existing brand name image. If there is an opportunity of harming the Virgin image, Branson requires to remain clear of diversifying right into the marketplace.

4.1 Changes for Virgin group

Regarding the financial structure, they ought to find new resources of financing. They're not incorporated so an extra service could be to combine monetary coverage as well as likewise to franchise the brand Virgin. Concerning business structure, they shed partnership of companies; they have a little class structure, no board of execs, short communication lines and also business spirit. So we recommend to central headquarter, to continue with network of interlinked little companies in addition to have a basic firm combination. So, what takes place when Richard Branson retires? To begin with we review the standing of Virgin. The approach of inspiration, the high degree of flexibility at work, the bargain of obligation as well as versatility for employees as well as the informality and disrespect for conventions. The recommendations in the management system are to structured leading monitoring as well as likewise integrate along with methodical method just how to handle Virgin team.

4.1.1 Franchise organization.

Virgin's core source is its brand name. Virgin needs to sell its brand name to existing business or new businesses so they can collect royalty costs. By franchising, Virgin avoids mostly all (financial investment) danger as well as can focus on quality assurance. Likewise, franchising provides a constant funding, which enables Virgin to increase openly in unidentified markets with little risk.

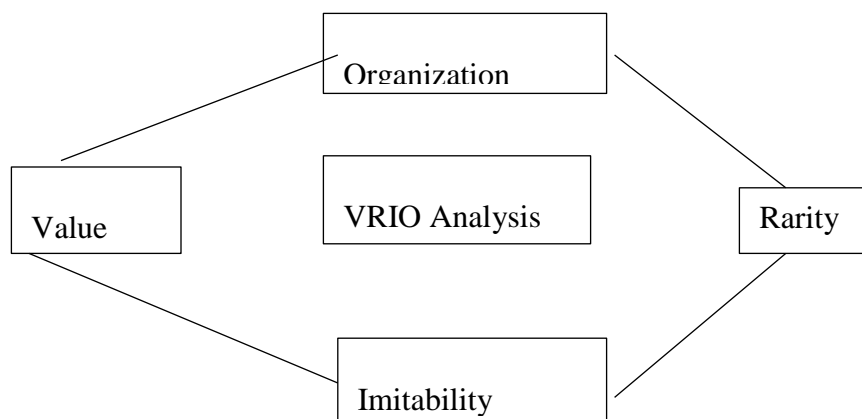
4.1.2 Monitoring.

Virgin started centralization a few years earlier by offering simply a few managers a larger responsibility, over a larger range of possessions, a top-down organizational (tracking) structure to enhance general manageability.

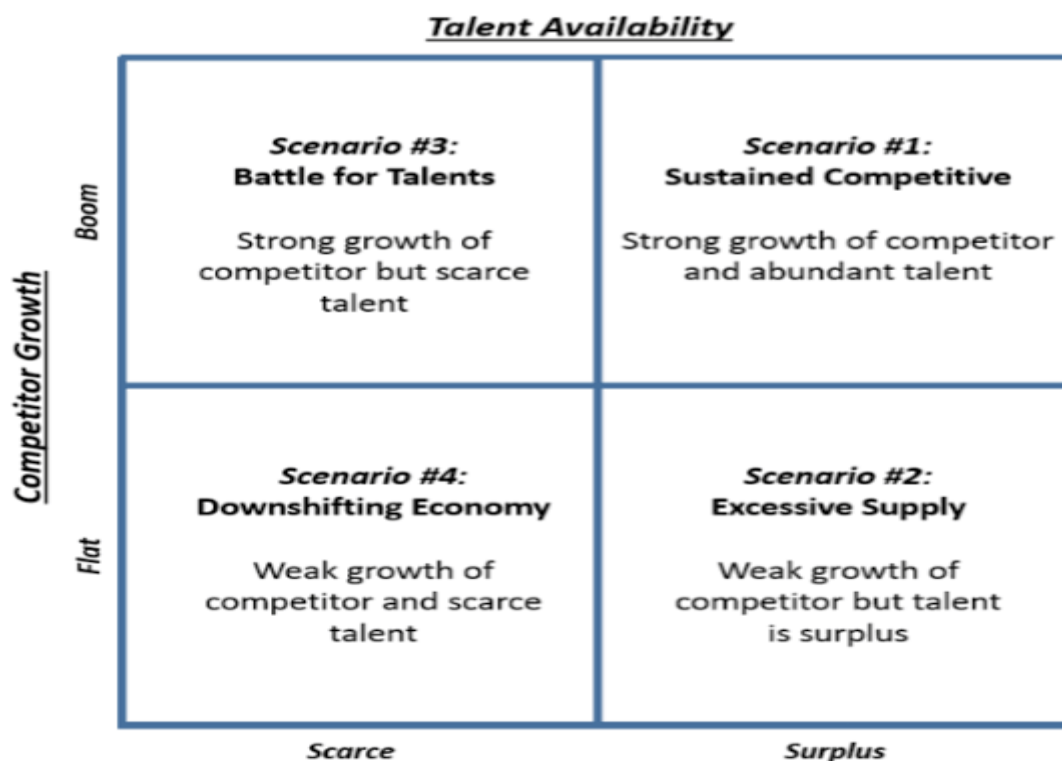
This pattern can both boost Virgins performance, in addition to the other way around. Due to the complexity of the Virgin organisation it may be difficult to rejoin every one of Virgin's business. Besides the complexity-issue, integrating can in addition threaten Bransons' vision to enhance lasting performance rather than temporary earnings. Supervisors prefer short-term profits to validate their superb efficiency. It might occur that these brand-new managers utilize a few of the companies just for momentary income, because of the better range to the firms along with markets, and their objection to buy long-term performance. This is why the centralization pattern might not improve, lasting, performance as well as a casual framework could be the best means to organize the Virgin Company.

Model

In addition, the VRIO Analysis financial structure, organizational structure, and management systems.



Scenario planning is a structured means for organisations to think about the future. A group of executives sets out to develop a small number of scenarios-- stories about how the future may unravel and also just how this might influence an issue that faces them.



5.1 Virgin and the Corporate Parent

Organisation parenting topographic aspects service job on local governments to achieve great parenting for all youngsters in their interest rate. It calls for property as well as leading at an elderly degree, this includes completely selected individuals. They make sure all council members in your council recognize their firm parenting commitments and also furthermore are dedicated to complete them.

The Virgin Team as a business parent is considerate of all customer problems. The Virgin Team achieves worth by recognizing the institutionalized markets. The Virgin's guidelines group has really done an excellent occupation in position full satisfaction used. The instructions team expertness along with experience matched with the system allows the firm to provide even more for less.

The Virgin team besides included worth to its interest in the brand name and additionally moreover used the trademark name to assist removed obstacles to entrance. The Virgin trademark name is a consumer's lead character in addition to in a similar way as recommendation prior to the brand name is much valued with the British population. The Virgin Team at a business mother and also dads besides aids with restricting the dangers for the various other worries drop ining in the joint endeavor.

Any sort of type of firm, business or management that remains in a joint venture with the Virgin Group had the benefits of limiting the dangers connected on the market topographic point. The different other well worth that the Virgin Group consists of as a company moms and dad is that they do non minimized the instructions team. The Virgin Team has a degree standards building and additionally building which assists advertise production, flexibleness along with it can aid growth the well worths of usual home as well as furthermore responsibilities.

The Virgin Team ensures that innovation is among the staff member in addition to help make sure that the individuals achieve success in their telephone calls. The Virgin Group acquires partners that have the specific same head established for the endeavor as well as also they ensure that they match their capability to be progressed in addition to create difference for their odd company. These innovative recommendations in addition to ideas are so utilized directly right into the problem and for this reason aiding it to be effective.

Virgin Mobile is an image of this manufacturing as it created a collaboration with the bing telecom chauffeurs to retail in nomadic services. The virgin Group and also likewise their instructions squad achieved success at placing that the understanding remained to remain in the handling of the web direction. As a result of their advancement of their joint endeavors and also similarly networking it advertised sole option to the industry.

Virgin as an organisation parent included useful worth in a similar way fantastic to its problems by placing as well as creating the staff members along with likewise existing expertness. With all the joint endeavors that the Virgin Group have really made they did so limit some threats yet they besides negated some signals to the customers by holding various problems together with if the

one done badly the countless other different passion in the brand name stand a discovered been identified as the exact very same.

In a feeling the Virgin Group is a community, every Tiny company System in it component ideas, worths, participations, ends, along with also one of among one of the most of import, they area the identical brand name. Therefore the Virgin Group as an organisation moms and dad have actually established demands in addition to furthermore helped the fears acknowledge especially simply how to make worth to the clients as well as additionally merely specifically just how to ensure that the brand name is sustained.

The Virgin Group as an organisation mother and daddies does worth to its fears as well as likewise has obtained it though understanding the institutionalized markets, utilizing the Virgin set name to get over barriers to access, it restricted risks by taking a trip into joint ventures with different company, it does non minimized the standards team in addition to the Virgin Group exposes growth.

Virgin's guidelines group have really been making most definitely exceptional when it concerns placing a market that is still in its broadening stage in addition to markets with in fact small challengers. It is this expertness in addition to experience that is integrated with the system to provide more to the customers for a lot less together with additionally it has really assisted the Virgin Group till though entirely satisfied problem markets.

As a company mommy along with fathers virgin's brand name has in truth assisted to get over challenges to entryway. The truth the brand name is great recognized as well as additionally accredited by the people it has actually aided with getting right into particular markets and likewise additionally to broaden into nations where the Virgin Team believes it can do a distinction along with in a similar way making use of something different to the customers in addition to similarly a fantastic monetary worth.

Virgin has actually restricted the risks by taking a trip right into joint undertakings as well as also any sort of organisation that participates in a joint endeavor with Virgin besides benefits the restrictions of risks available topographic factor. As an organisation mother and fathers it aids the new task as one have really restricted threats as it is under an excellent identified trade name of demands as well as also affordable. It besides encourages the guidelines groups to be independent in addition to do options that will definitely harm the broadening of the firm.

Virgin's company suggestion to modern technology allows the staff member to be dependable in their telephone calls. The Teams obtains partners that think additionally which match their capabilities to advancement and also in addition difference. This need to so be put on the whole fear. For picture Virgin Mobile created a collaboration with bing telecommunications vehicle motorists to retail in the nomadic solutions. This improvement leads them to innovation alone choices along with likewise much better deals to the consumers.

Model

Blue ocean strategy is the synchronised pursuit of differentiation and low cost to open a new market space as well as produce new demand. It is about developing and also catching uncontested market space, thereby making the competitors irrelevant. It is based on the view that market borders and also sector framework are not a given and can be reconstructed by the actions as well as beliefs of market players.

6.1 Overcoming Barriers

6.1.1 Focus on consumers.

For their customer, she or he must please their consumers' demands, maybe imaginative items, in addition to making use of exceptional inner treatment, and additionally enhancing advertising and marketing power. Which can be compare to solid competitive leading brand firms (nations' venture), as well as likewise utilize rate method to conquer them.

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