Bisciotti, Stephen

Businessman and owner, Baltimore Ravens football team

Born: 1960; Philadelphia, Pennsylvania

Although Stephen Bisciotti had founded one of the world's largest employment-staffing agencies and was one of the wealthiest businessmen in the U.S., he was largely unknown outside his own circle. That changed in 2000, when his purchase of the Baltimore Ravens football franchise thrust him into the media spotlight.

Education and Early Career

The youngest of three children, Bisciotti was born on April 10, 1960 in Philadelphia, Pennsylvania. The family moved to Baltimore, Maryland, when he was an infant. When Bisciotti was eight years old, his father, Bernard, who often took the family to local sports events, died of leukemia, leaving his wife, Patricia, to raise the children. On the Ravens Web site Bisciotti wrote, "I wasn't much of a high school athlete, but played football, baseball, and basketball all the time when I was growing up."

Bisciotti attended Salisbury State University in Maryland, graduating with a B.A. in 1982. After college Bisciotti was hired at a staffing agency but was laid off after a year, so in 1983 he and his cousin, James C. Davis, founded their own staffing company, Aerotek, which specialized in matching qualified engineers and other candidates with temporary work in the aerospace and technology industries. The cousins initially ran Aerotek from a basement in Annapolis, furnished with desks from Goodwill, but within their first year they had recorded more than $1 million in revenues. Bisciotti and Davis kept a relatively low profile over the years, but the company continued to expand. Now renamed the Allegis Group, it is—per the *Forbes* magazine list of the 400 wealthiest individuals— the biggest global privately-held staffing firm, with an estimated annual revenue of $10 billion.

Later Career

A lifelong fan of his local sports teams, Bisciotti put in a bid to buy the National Football League (NFL) Baltimore Ravens, and on March 27, 2000 he was granted the right to buy 49 percent of the team, with the option of purchasing the remaining 51 percent after four years. The initial purchase cost him almost $300 million. His initial investment gave the team funds to secure free agents, and largely as a result, the Ravens trounced the New York Giants, 34–7, in the 2001 Super Bowl.

As part-owner, Bisciotti was content to stay in the background, learning the ropes from Art Modell, who had purchased the team in 1961 when they were known as the Cleveland Browns. In April 2004 Bisciotti, who is often described as low-key and humble, purchased the remaining percentage of the team for an additional $325 million, making him the second-youngest owner in the NFL.

In 2014 Ravens running back Ray Rice entered an elevator at an Atlantic City, New Jersey casino with his fiancée (now wife), Janay Palmer. Rice—unaware the elevator was equipped with a security camera—was filmed striking Palmer unconscious and then lifting her off the floor and dragging her out into the hallway. The image horrified the American public and set off an impassioned debate on violence in the NFL and the wider problem of domestic abuse in general. Rice initially received a simple two-game suspension and was docked three game checks ($529,000).

But, as Peter King wrote in the July 25, 2014 *Sports Illustrated*, the penalty was "certainly light when compared to, say, recreational drug use." The fact that "a physical confrontation with a woman in which the woman was knocked unconscious—in a league courting women as fans and consumers, and talking up the horrors of domestic violence" had merited such a token punishment added to public outrage.

"I think what we're seeing is that the league never elevated domestic violence to the platform that it should have been on, relative to some of these other offenses: bar fights, marijuana possessions, and things like that."

Bisciotti and the NFL as a whole were accused of covering up the incident: "the worst crisis in his 10 years as principal owner of the Ravens," Childs Walker wrote in the *Baltimore Sun* (September 23, 2014). "After a life defined by immense successes, Bisciotti…stands accused of willfully obscuring the severity of Rice's assault…At the very least, he and the team knew Rice knocked out the woman he has since married, yet waited to act." Subsequently, Rice's contract with the Ravens was terminated. Bisciotti—"an embattled owner," in the words of Rick Maese, writing in the *Washington Post* (September 22, 2014)— eventually expressed a measure of contrition: "I think what we're seeing is that the league never elevated domestic violence to the platform that it should have been on, relative to some of these other offenses: bar fights, marijuana possessions, and things like that." For many, though, it was too little, too late. Football's often brutal climate—on and off the field—can be expected to engender debate for some time to come.

Further Reading:

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Washington Post Sept. 22, 2014

Branson, Richard

Founder and chairman, Virgin Group, Ltd.

Born: 1950; Surrey, England

Since 1970 Sir Richard Branson has been expanding his tiny, discount mail-order music operation, Virgin Records, into a multinational, billion-dollar conglomerate of more than 200 diverse businesses, in such fields as travel, tourism, television, finance, and health. Through a process that Branson calls organic expansion, in which his Virgin Group, Ltd. grows by launching new companies based on the ideas spawned by the old ones rather than by acquiring existing businesses, Virgin has become one of the world's most recognized brands. In addition to his successful business ventures, Branson is known for his flamboyant personality and fondness for undertaking daredevil stunts in pursuit of free publicity.

Education and Early Career

One of the three children of Eve Branson, a former ballet instructor, glider pilot, and flight attendant, and Ted Branson, a lawyer, Richard Charles Nicholas Branson was born on July 18, 1950 in a suburb of London. "My parents brought me up with this philosophy," Branson has said, as quoted by Fred Goodman for *Vanity Fair* (May 1992): "'You must do things—you mustn't watch what other people are doing; you mustn't listen to what other people are doing.'" Taking that advice to heart, he spent much more time participating in sports than he did studying, until he was sidelined by a knee injury. "Having played sports since I was seven and never having looked at a book," he told Paul Mansfield for *Woman's Journal* (January 1985), "I realized I'd be hopeless at studying, so I quit to do something I knew I could do and which interested me." That something was *Student*, an "alternative culture" magazine that the 15-year-old Branson launched while he was at Stowe, an exclusive English boarding school. "I didn't like school, and I wanted to put the world right," he explained to Keith H. Hammonds for a *New York Times* (June 5, 1984) profile.

Branson's career as a journalist, however, was short-lived; he soon became immersed in the role of publisher, handling the day-to-day operations of the magazine and selling advertising space. "I never had any interest in being a businessman," he told a reporter for *BusinessWeek* (June 30, 1986). "I started out wanting to edit this magazine. But the business side became all-important, and I realized that if I didn't get all that sorted out I wouldn't be able to be an editor." With the combination of tenacity and informality that would become his trademark, Branson turned *Student* into a huge, albeit brief, success. From his makeshift office (a corner telephone booth), he sold $10,000 in advertising space for the first issue; persuaded the writers Jean-Paul Sartre, Alice Walker, and John le Carré to contribute articles; and landed interviews with the likes of the actress Vanessa Redgrave and the novelist and essayist James Baldwin. The first issue of *Student* reportedly sold 50,000 copies. Branson dropped out of Stowe when he was 16 to commit himself full-time to the magazine.

When *Student* began to lose money in the late 1960s, Branson devised a plan to raise capital by selling discount records by mail. Christening the operation Virgin Records in 1970, he caught the country's retail-record industry off-guard with the success of his business model, the first of its kind in Britain. *Student*, however, remained unprofitable, and later that year he was forced to cease publication. The following year, when a postal strike threatened the mail-order operation, Branson responded by opening the country's first discount record store; he also purchased a recording studio. Strapped for cash to keep his growing enterprises afloat, he devised a number of innovative money-saving schemes. One illegal scheme—selling tax-exempt export records on the domestic market—landed him in jail for a night on charges of tax fraud, an experience that had a profound effect on the young entrepreneur. After his parents mortgaged their home to post his bail, Branson pleaded guilty, eventually paying some $85,000 in fines. "In one sense I'd recommend that everyone go through that experience," he told Echo Montgomery Garrett for *Success* (November 1992). "One night in jail teaches you that sleeping well at night is the only thing that really matters. Every single decision since has been made completely by the book."

Later Career

In 1973 Branson and his cousin and new business partner Simon Draper produced the first original album under the Virgin Records name, launching what would become one of the biggest labels in the world. "Tubular Bells," a haunting instrumental album by the then-unknown artist Mike Oldfield, became one of the most popular records in Britain. It eventually sold more than 7 million copies worldwide, and its opening theme was used on the soundtrack of the hit movie *The Exorcist*. Branson capitalized on the unexpected success of "Tubular Bells" to hammer out lucrative worldwide distribution and marketing deals, earning the respect of many in the record business and attracting the attention of an apprehensive British financial community. "People thought that because we were twenty-one or twenty-two and had long hair, we were part of some grander ideal," Branson told Mick Brown for the *London Sunday Times* (June 8, 1986). "But it was always 99.5 percent business."

Virgin Records experienced phenomenal growth over the next several years, as Branson earned a reputation for taking chances with unknown artists and developing raw talent. In 1977, for example, he signed the punk-rock group the Sex Pistols, whose controversial BBC appearance had alarmed other record companies. The gamble paid off, and the Sex Pistols made two successful records on Virgin, firmly establishing the company's position as a hot new independent label. After a lull during the late 1970s and early 1980s, Virgin reemerged in 1982, when Branson signed Boy George and Culture Club, a band unknown outside the London nightclub scene. The group became a major sensation on both sides of the Atlantic, selling millions of records. As Virgin Records' coffers bulged and its roster grew to include such artists as the Human League, UB40, and Phil Collins, Branson again looked to expand his empire.

In 1984 the California-based lawyer and businessman Randolph Fields contacted Branson to request financial backing for his planned airline, British Atlantic. Fields, who was having trouble persuading the British government to approve his proposed all-business-class London-to-New York route, asked Branson to finance the venture in return for a 75 percent stake in the operation. Uneasy at the prospect of deviating from Virgin's successful strategy of expanding into related fields, Branson's advisers opposed the plan, fearing their fledgling empire could be destroyed by head-to-head competition with British Airways (BA), the most traveled international airline in the world. Branson, however, agreed to the deal, reasoning that the volatile airline business was, in fact, closer in spirit to the entertainment industry than conventional wisdom allowed. "Obviously you've got to make sure you've got somebody running it who can safely get your airplane from A to B," Branson explained to Fred Goodman. "But once you've sorted that out, the airline business has everything to do with entertainment."

Industry observers, who criticized Branson's lack of experience in the field, and Britain's financial community, which felt he was spreading his empire too thin, predicted the quick demise of what many insiders referred to derisively as "the airline Boy George built." Branson's initial plan for the airline, renamed Virgin Atlantic Airways, was modest: to build the type of carrier that he would like to fly on and to offer an alternative to the high fares and burdensome restrictions imposed by the major airlines. Launched in less than four months, Virgin Atlantic initially consisted of a single leased Boeing 747 flying round-trip daily between Gatwick Airport, just south of London, and Newark International Airport in New Jersey. Branson distinguished his airline by offering perks that would be uneconomical for large carriers, including more leg room and a seat-back video screen for each passenger.

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Lacking an advertising budget comparable to those of the large international carriers, Branson found himself in the unfamiliar position of serving as Virgin Atlantic's spokesperson. "Up until four or five months ago, I wouldn't do interviews," he told Paul Mansfield. "I wanted a completely private personal life. It was only when I decided to do the airline that I realized finally that we just had to go out there and sell it." To distance his airline from the often stodgy image of his larger competitors, Branson staged outrageous daredevil stunts to gain media coverage. In his first such foray, in 1985, he attempted to break the transatlantic speed record for powerboats; on schedule to surpass the record, his craft crashed and sank just 150 miles short of his goal. Undeterred, he attempted the stunt again the following year, and on that occasion he succeeded in setting a world record.

Branson made headlines again in 1987, when he and the Swedish aeronaut Per Lindstrand became the first people to cross the Atlantic in a hot-air balloon. (It had been done in a helium balloon.) Although the 3,400-mile voyage nearly ended in disaster when the pair crash-landed in the Irish Sea, the record-setting flight proved to be a major public-relations success. In 1991 Branson and Lindstrand attempted a Pacific crossing, from Japan to California, in a record-size, 196-foot-tall balloon. Although they accomplished their goal of crossing the Pacific Ocean, they missed their destination by some 1,800 miles and landed instead on a frozen lake in the desolate Northwest Territories of arctic Canada, where they were stranded for six hours before rescue helicopters arrived. "It's a tremendous personal challenge and a wonderful distraction from running an empire," Branson said of his attention-getting exploits in an interview with Marc Frons for *BusinessWeek* (June 30, 1986). "And it gives us millions of dollars of free publicity."

Encouraged by the phenomenal growth of the Virgin Group (as he had dubbed his empire), which had quadrupled in size in just four years, Branson set out in 1986 to expand his record label into the United States. To finance the venture, he decided to go public with Virgin's record-label and retail holdings. Although the sale was a success, several unforeseen events—including the October 1987 stock-market crash and a lack of institutional support for Branson's brash style—took their toll on Virgin stock, prompting Branson to take his companies private again within two years, with a vow to never again put himself at the mercy of "shortsighted" investors.

Eager to generate cash for a planned expansion of Virgin Atlantic, Branson focused on creating joint ventures and outside partnerships. Although the entire company had been valued at $440 million, within months of the stock buy-back he sold a 25- percent stake in the record label to the Fujisankei Communications Group of Japan for $170 million. A year later he sold a 10-percent share in the airline to another Japanese company, Seibu Saison International, for $60 million. The deals with Japanese companies not only supplied Virgin with cash but also helped open the door to profitable Asian markets. By 1989 Branson had created about 20 major partnerships and had sold outright several small chunks of his empire, fueling speculation that Virgin was in financial straits. Branson insisted that, on the contrary, he was restructuring his empire to shift his attention almost exclusively to the airline.

With Virgin Atlantic's London-Newark and London-Miami routes operating at an industry-leading 80-percent capacity, Branson's first step in the planned expansion was to continue to compete on BA's most profitable routes. By 1991 he was well on his way to realizing his goal of flying to the world's 12 largest cities. The British government strengthened Virgin's competitive position by awarding the airline highly coveted spots at London's Heathrow Airport, approving new flights to New York's Kennedy Airport, and granting permission for a lucrative London-Tokyo route. By 1992 Virgin Atlantic had also gained routes to Singapore, Hong Kong, and Sydney, as well as to Los Angeles and other American cities. Virgin's biggest coup came later that same year, when the government awarded its airline a London-Johannesburg route, the world's most lucrative, ending British Airways' and South African Airways' long-held monopoly.

On the retail front, the enterprise that had begun in 1971 as an extension of Branson's discount record mail-order operation had matured into the Virgin Retail Group, which oversaw Virgin Megastores: huge home-entertainment emporiums packed with music recordings, videotapes, and computer games. Intended to fuse shopping with entertainment, the megastores contained listening and viewing booths, condom-vending machines, supervised play areas for children, and cafes, and they extended shopping hours beyond those typical of retail outlets. By 1992 there were more than 30 megastores in Britain, on the European continent, and in Australia and Japan, many of which were funded by local partners. The Virgin retail operation entered the U.S. market in 1992, with the opening of a 30,000-square-foot megastore on Hollywood's Sunset Boulevard. The Hollywood outlet was modeled after the huge Virgin Megastore on the Champs- Élysées in Paris, which attracted more people each year (7 million) than the Eiffel Tower and which, with $130 million in annual sales, had the highest revenue of any record store in the world.

While the Virgin Megastores exhibited tremendous growth, in 1992 Branson's Virgin Atlantic fleet still consisted of only eight planes, compared to BA's 240. Nevertheless, Virgin Atlantic's successful blend of quality customer service and publicity-driven trendiness steadily lured hundreds of customers away from BA. With its popular Upper Class service, which featured first-class perks for business-class fares, Virgin was costing BA an estimated $250 million a year in profits. For about half the price of BA's first-class service, Upper Class passengers were treated to comfortable sleeper seats, on-board stand-up lounges, free neck massages and manicures, personal video screens, menus prepared by some of London's finest chefs, free standby transatlantic coach tickets, and, on certain routes, limousine service to and from the airport. The astounding success of its Upper Class service enabled Virgin Atlantic to offer competitive economy service as well. Troubled by its dwindling market share, British Airways accused Virgin Atlantic of unfair business practices, citing its strategy of muscling in on BA's prime routes. Branson, on the other hand, regularly cited what he regarded as BA's monopoly as an example of why small carriers had difficulty surviving. As the feud between the two airlines escalated, Branson responded with legal action. In his complaints to the European

Commission and the Civil Aviation Authority, Branson contended that BA had waged an all-out “dirty-tricks campaign” to force Virgin Atlantic out of business. Among other things, he accused BA of instituting unfair pricing policies, flooding the market with discount tickets, overcharging Virgin Atlantic for maintenance services, and gaining access to its computerized booking system in a concerted effort to steal Upper Class customers. Claiming that BA had hired private detectives and a public-relations firm whose task was not only to discredit Virgin but to defame him personally, Branson also filed a libel suit against the carrier.

Although BA initially dismissed Branson’s allegations as a publicity stunt, the High Court ruled in his favor, awarding Virgin Atlantic nearly $1 million in damages as well as compensation for legal fees. Still not satisfied, Branson used the threat of further litigation—including an antitrust suit in the United States and action under the Data Protection Act—as leverage in his attempts to gain a formal public apology, a substantial cash settlement as compensation for commercial damage, prime takeoff and landing slots at Heathrow Airport, and assurances that BA would not again engage in unfair practices. Although BA formally apologized and offered Virgin Atlantic a large sum of money to prevent further litigation, it balked at any other concessions and tried to persuade Branson to drop the subject forever. Unwilling to accept such an agreement, Branson initiated another round of lawsuits.

As the turf battle between the two airlines dragged on, Branson solidified his commitment to Virgin Atlantic in March 1992 by selling the Virgin Music Group to Thorn EMI for $980 million. The deal was considered a major coup for Branson. After the sale, which left him with nearly $700 million to reinvest into his airline, he made it clear that Virgin Atlantic intended to become a major player in international air travel. With plans to increase his fleet to 16 planes by the end of 1995, Branson finally had the resources to set up several new routes and the ability to compete with BA on more equal terms. (During the Persian Gulf war, Branson donated the services of his Virgin Atlantic fleet to aid refugees.)

The sale of the Virgin Music Group did not, however, signify Branson’s abandonment of the entertainment industries. In June 1995 Virgin, which had sold its film distribution and production arm, Virgin Vision, several years earlier, reentered the film industry with the purchase of the 116-theater MGM United Kingdom cinema chain.

Branson’s Virgin Group continued to expand into other markets. In 1996, for example, the company launched Virgin Brides, a wedding-apparel business. For the event, Branson shaved his beard and donned a wedding dress. (Virgin Brides was sold in 2008.) Virgin also teamed up with the bus and rail company Stagecoach to create Virgin Trains. In 1997 Virgin Trains won the franchises for the West Coast Main Line and Cross Country sectors of British Rail.

Virgin founded nine new companies in 2000 alone, including a financial-services concern (Virgin Money), an online wine merchant (Virgin Wines), and a low-cost Australian airline (Virgin Blue). The year 2004 marked the founding of Virgin Galactic, which sought to produce privately funded spaceships that would allow commercial passengers to take trips into space. Virgin Galactic commissioned the famed aerospace designer Burt Rutan to build the vessels needed: the mother ship, dubbed *WhiteKnightTwo*, and the spacecraft, *SpaceShipTwo*.

Branson announced the Virgin Earth Challenge in February 2007. He pledged a $25-million prize to the first scientist who could develop technology to extract harmful greenhouse gases from the atmosphere. Later that year Branson and the musician Peter Gabriel formed the Elders, a group of former world leaders that pool their combined wisdom to resolve global problems. Members of the Elders included the late Nelson Mandela, former UN secretary-general Kofi Annan, and Jimmy Carter.

In August 2007 the Virgin Group launched Virgin America, an airline based in California. Despite the airline's limited routes, it was lavishly praised by the travel press and industry insiders. In his spare time Branson continued to attempt feats of daring. In June 2004 he set a new record (one hour, 40 minutes, and six seconds) for the fastest crossing of the English Channel in an amphibious vehicle. The previous record, held since the 1960s, had been six hours. Four years later, in September 2008, Branson and his two children attempted to beat the record for the fastest crossing of the Atlantic Ocean in a single-hulled sailboat. Starting just south of New York City and sailing toward England's Lizard Point, the trip was abandoned after two days when 40-foot waves damaged the vessel.

Branson has authored many books, including his best-selling 1998 autobiography *Losing My Virginity: How I've Survived, Had Fun, and Made a Fortune Doing Business My Way*; *Screw It, Let's Do It: Lessons in Life* (2006); *Business Stripped Bare: Adventures of a Global Entrepreneur* (2008), *Screw Business As Usual* (2011), and *The Virgin Way: Everything I Know About Leadership* (2014). He has also made cameo appearances on several television series, including the popular sitcom *Friends*, as well as such films as *Around the World in 80 Days* (2004), *Superman Returns* (2006), and *Casino Royale* (2006). Queen Elizabeth II knighted Branson in 1999 for his services to entrepreneurship.

Virgin Galactic suffered a horrific setback when SpaceShipTwo crashed into California's Mojave Desert on October 31, 2014. According to Joel Glenn Brenner in the November 4, 2014 Washington Post, "video from the cockpit of SpaceShipTwo shows co-pilot Mike Alsbury"—who was killed— "making a fatal error in the first 10 seconds of the flight, prematurely unlocking a critical mechanism that reconfigures the ship's wings to provide drag."

Following a divorce from his first wife, Kristen Tomassi, in 1976, Branson married his current wife, Joan Templeman, in 1989. They have two grown children. Branson, who owns homes in Oxford and London, also owns Necker Island, a private, 74-acre property in the British Virgin Islands.

Further Reading:

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