

THE ENTREPRENEURS

RICHARD BRANSON:

“My mother was determined to make us independent,” Richard Branson writes in his book *Losing My Virginity* (Times Books 1998). “When I was four, she stopped the car a few miles from our house and made me find my own way home across the fields.”

In his youth, Richard Branson was not an impressive student. He was dyslexic and near-sighted, but he could always make things happen. When he was seventeen, attending school at Stowe, Richard and a classmate started a school newspaper, *The Student*, which ran articles about prominent politicians, famous rock stars, and different celebrities of the day. Richard’s mother, Eve, helped keep the fledgling newspaper afloat by giving Richard pocket money and writing stories. The paper debuted in January of 1968.

Shortly thereafter, Richard convinced his parents to let him leave school in order to pursue the newspaper full-time. While running the Student from a basement in London, Richard noticed that stores were not discounting records. Richard began to run ads in the Student offering records at discount prices. The orders flooded in and record sales soon became more profitable than subscription sales. Richard quickly set up an office above an old shoe store and Virgin Records was born. Since then, Virgin has grown to be one of the most recognized brands in Britain. More than 200 companies carry the Virgin name (and Richard Branson claims no prior expertise in any of them). Branson started Virgin Atlantic Airways in 1984 with just a single plane and built the airline into an international business with annual sales of approximately 1.5 billion pounds. In 1992, Richard sold Virgin Records to Thorn EMI for \$1 billion and invested the profits into Virgin Atlantic. Branson has launched a variety of businesses ranging from cellular phones to soft drinks to bridal wear. It is estimated that the Virgin brand is now worth around \$5 billion.

In addition to his business ventures, Richard relishes adventure and has attempted to break a number of land and air speed and distance records. In 1986, he raced his boat, “Virgin Atlantic Challenger II” across the Atlantic Ocean, in the fastest time ever recorded. The following year, Branson’s hot air balloon, “Virgin Atlantic Flyer,” was the first hot air balloon to ever cross the Atlantic. In 1991, he crossed the Pacific Ocean, breaking all existing speed and distance records. He has since attempted to fly his balloon around the world, escaping two near fatal disasters.

“I was desperately keen that they never be shy,” Eve Branson remembers, “because shyness to me is being inverted and thinking of themselves. So I tried to make them extroverted. If you think of other people enough, you’re never going to be shy.”

In 1999, Richard Branson was awarded a knighthood for his services to entrepreneurship.

RUSSELL SIMMONS:

“My life has largely been about promoting the anger, style, aggression, and attitude of urban America to a worldwide audience,” Russell Simmons says in his book, *Life and Def: Sex, Drugs, Money + God* (Crown Publishing, 2002). “I’ve created a business that didn’t exist a generation ago.”

Russell Simmons was raised, along with his older brother, Danny, and younger brother, Joey, in Hollis, Queens, a middle class neighborhood which was beginning to show signs of deterioration. “Our neighborhood was ruined by drugs. My corner in Hollis, on 205th Street, was the drug trading capital of Queens.” Ironically, Russell’s first attempt at entrepreneurship would be selling marijuana on that same corner and later fake cocaine (which he made from crushing up coca leaf incense). But it didn’t take long for Russell to look for other, less dangerous ways to earn a living. “I was very lucky not to have had the same fate as most of my friends. My friends ended up in jail or dead. There came a time in my life where I saw, maybe, a bit of a different route. I think luck played a big part in my survival.”

In 1977, after attending a party at a small club where an MC was shouting out call-and -response rhymes over a break beat, Russell decided to promote parties featuring hip-hop artists. “All the street entrepreneurship I’d learned selling herb, hawking fake cocaine and staying out of jail, I decided to put into promoting music,” Russell explains in his book. He started renting out venues, negotiating with acts, and promoting. “I didn’t have any talent,” Russell says candidly, “so the only way to really be involved was to produce and promote...I loved the music. I was more passionate about the culture and the phenomenon that was developing in the community than I was in the actual business.” One of Russell’s earliest successful groups was that of his younger brother, Joey Simmons (a/k/a “Run” of the pioneering hip-hop group, Run-DMC).

In the early days, Russell would occasionally lose money on his events. After promoting a party in Harlem which no one attended, Russell found himself completely broke. “I remember sitting outside and my mother coming out. She gave me money...and it was enough to start me over again and give me another opportunity. It was a tremendous push, because it wasn’t the money, it was the investment in me. It was the belief in my future.”

When asked about how his mother, Evelyn Simmons, had an impact on his business success, Russell responds, “My mother was the independent one, and had the spirit that allowed me to be an entrepreneur...when no one else believed, she believed.”

Today, Russell Simmons is known as the “Godfather of Hip Hop” and has brought hip-hop music, along with the urban culture it represents, to the American mainstream. Russell, along with partner Rick Rubin, built their record label, Def Jam, into a leading force in the record industry before Russell sold his share of the company to Universal Music for \$120 million in 1999. Russell also created and produced Def Comedy Jam, a stand-up comedy series which aired on HBO and, along with his older brother, Danny Simmons, created Def Poetry Jam, a poetry reading series now airing on HBO. Russell is currently in charge of Rush Communications, a conglomerate which houses his various business ventures, including Phat Fashions, which had \$263 million in sales in 2002. Phat Fashions includes Phat Farm clothing and footwear, as well as Baby Phat, a line created by Russell’s wife, Kimora Lee Simmons. Russell has also launched his own soft drink, DefCon3, which is sold by 7Eleven, as well as a pre-paid debit card called, appropriately, the Rush Card, which gives individuals without bank accounts, an alternative to the pricey check-cashing agencies.

Although Russell is focused on success in the business world, he is also concerned with giving back in order to help the less fortunate and to improve urban communities. He started the Rush Philanthropic Arts Foundation in 1995, which provides disadvantaged youth with access to the arts. He also founded the Hip-Hop Summit Action Network in 2001, an organization that mixes political rallies with music concerts in order to register young voters.

ARTHUR BLANK:

The Home Depot started with two words on an ordinary day in the spring of 1978: “You’re fired!” Arthur Blank and Bernie Marcus were unceremoniously fired from their positions at Handy Dan, a chain of home improvement stores, notwithstanding the fact that the two had built up Handy Dan to over \$155 million in sales. “Bernie and I picked ourselves up, we mapped out Home Depot on a napkin in our favorite coffee shop. We had almost no capital,” recalls Arthur.

Twenty-five years later, The Home Depot has grown to more than 1500 stores and over \$50 billion in sales. “We created a company where employees matter and where people could be free to make mistakes,” Arthur explains in his book, *Built From Scratch* (Times Books, 1999). “We learned as we went along. We went from hard drinking cowboys of retail to instilling a quilt of families in our company.”

Arthur credits his parents with giving him a strong drive to succeed. Arthur grew up in Queens, New York, in a small one-bedroom apartment with his parents, Max and Molly, along with his older brother, Michael. Max Blank, a pharmacist, had started a small mail order pharmaceutical business, Sherry Pharmaceutical. Unfortunately, Max passed away only a few years after the company’s creation. Arthur was only 15 years old at the time. It was then that Arthur’s mother, Molly, decided to take over the family business. Arthur remembers, “She was a housewife with no business

experience, but she marched right into Sherry determined to make a go of it and she ran it the best she could. It was a very small business at the time, but she built it from the ground up. She did very well and built Sherry into a multi-million dollar business.”

Arthur went to Babson College where he began show his entrepreneurial spirit. In addition to being president of the senior class, Arthur launched his own landscaping company, a laundry business, and even found time to baby sit on the side. “I think I first realized I was an entrepreneur, or self-starter, back in the days when I was playing ball. I was playing in the outfield, but I wanted to catch. The reason I wanted to catch was that I wanted to be involved in every play. I wanted to be in the middle of the action.”

After graduating from Babson, Arthur worked for a large accounting firm for several years before joining his mother and older brother in the family business. Sherry Pharmaceutical was later purchased by Daylin, Inc. Arthur became vice-president of finance at Handy Dan, a Daylin division, working with Bernie Marcus. But it was the termination of their positions at Handy Dan that made The Home Depot possible, and they’ve bled orange ever since.

“Bleeding orange,” Arthur explains in his book, “means investing in employees...being present and accounted for in your community...giving back to those less fortunate...knowing that we are not that smart and listening to those that are...and not standing on the sidelines.”

Arthur Blank served as CEO of The Home Depot for 23 years and is the owner of the Atlanta Falcons and Atlanta United FC. Arthur, along with his family, oversees the Arthur M. Blank Family Foundation, which has donated over a \$425 million dollars to various charities.

KAY KOPLOVITZ:

Kay Koplovitz grew up in a working class neighborhood of Milwaukee, Wisconsin and according to her mother, Jane Smith, was a go-getter from day one. At the age of five, when her family moved into a house they had built in South Milwaukee halfway through the school year, Kay convinced her parents to let her take the city bus to her old school every morning so that she could finish out the school year with her kindergarten class.

“So I said to my father, it’s very nice that we have a new home, but I really can’t move there because I have to stay in this school,” Kay explains. “He told me, well you’re moving and that’s that. I said okay, but then I have to take the bus to my school and I have to have an increased allowance so I can pay for the bus fare. His face was just like, you’ve got to be kidding me, but he allowed me to do it.”

Kay believes that the confidence her parents had in her helped her become independent at a young age. "I think trusting a child with decisions is really a good way for a child to gain and have confidence in themselves."

Kay graduated from South Milwaukee High School, as valedictorian of the senior class and voted "Most Likely to Succeed." She then attended the University of Wisconsin, where, in addition to taking part in the civil rights movement and protesting the war, Kay attended a lecture by the famous science-fiction writer, Arthur C. Clarke, discovering the world of geosynchronous orbiting satellites. "It so compelled me, the story about the power of satellites and how they could change communication. It empowered me to think that we could have more than three television networks, that we could have more sources of information, that people in despotic governments could know what was going on in other countries and the knowledge could set them free." While attending graduate school at Michigan State University, Kay wrote her Master's thesis on satellite technology. "I was a television producer working my way through college, and I really saw the structure of television as it was then and could imagine what it could be if you could open up the access to programming. I had the opportunity to do this in the seventies...and my opportunity came in sports."

In 1977, Kay, along with partner Bob Rosencrans, launched the Madison Square Garden Sports Network. At the time, professional sports were only televised locally and on the weekends. Koplovitz changed that by acquiring the rights to sporting events at Madison Square Garden. She negotiated the first contracts with Major League Baseball, the NBA and the NHL. By 1980, Koplovitz had begun to introduce other non-sports programming to the network, and changed the network title to USA Network. Kay Koplovitz, the first female network president in television history, led USA Network into the #1 ranking in primetime viewership among cable networks. The company held that position for 13 of her 14 years at the helm. Kay launched the Sci-Fi channel in 1992 and USA Network International in 1994. "I am very proud of Kay," Jane says, "she works very hard and she is a very good daughter."

TOM SCOTT:

Tom Scott grew up in Chevy Chase, Maryland, a kid who was always up to something, according to his mother, Jane Scott. "When Tom was 12, he ordered a motor from a Sears catalog and built a moped out of his bike. I didn't know he was tooling around on this moped until he was stopped by the police on Connecticut Avenue in Washington, DC," she recalls. Besides a wonderfully mischievous streak, Tom also demonstrated a strong work ethic. "I noticed at a young age, he could make things happen," Jane says. In 1976, during the gas crisis, Tom, nine years old, demonstrated his

entrepreneurial spirit when he and a friend started a service selling juice, coffee, muffins, and newspapers to the drivers waiting in lines for the gas pumps.

But Tom's success did not come effortlessly. While attending Brown University, he became intimidated by the number of outstanding students in his class. Tom became increasingly nervous when speaking in public and had frequent panic attacks. "I decided I had no alternative but to confront my fears head-on," Tom says, "I left Brown for NOLS (National Outdoor Leadership School), an outdoor leadership course which changed my life."

Tom returned to Brown and started Allserve the following summer on Cape Cod. Of the early days, Jane says, "Allserve started in 1987 servicing boats in the harbor off Nantucket. They would do anything. They would clean solid waste, they'd do your laundry, they would baby-sit, they'd get lobsters at 5pm if that's what you needed. The newspaper, ice you name it. Those guys would do it." After graduating from Brown, Tom returned to the Cape to continue Allserve, and with his college roommate Tom First, the duo launched a juice business, Nantucket Nectars. In 2002, Cadbury Schweppes PLC acquired Nantucket Nectars for an undisclosed sum. (Industry analysts suggest the acquisition price was approximately \$100 million).

"I never questioned that he would be a success," states Jane, "He's always had this integrity and he's always shared with his siblings, and he shares his life with people." Jane remembers a special Halloween when Tom was five and his older brother, Billy, was six. "Billy had gotten into trouble and had to stay home. Tommy came back with this big bag of candy. He poured it out onto the living room rug and said to Billy, 'you get half.'"

Though Tom Scott has grown into a successful entrepreneur and new parent, along with his wife Emily Scott (who is the co-founder of J. Crew), he candidly points out, "My mother is still my mother. She tells me that I have to sleep more, that I shouldn't fly, that I shouldn't be traveling so much. But I love my mother for always being fair, for doing the right thing, and for creating an environment where anything is possible."

BILLY STARR:

Billy Starr grew up in Newton, Massachusetts and had what he describes as an ideal childhood. "I was a good athlete, okay enough student and had proficient enough social graces as to get by," Billy recalls, "it all seemed pretty easy until the day in which my mother became ill." Billy had just graduated from college and was about to embark on a hiking trip to Nepal when his mother, Betty Starr, was diagnosed with cancer. Suddenly, the world was no longer Billy's oyster. He stayed home and visited his mother in the hospital three times a day.

After Billy's mother died, Billy took odd jobs driving a truck, working at a newspaper, working in sales, but nothing seemed to be a calling until Billy gathered several friends together to ride across Massachusetts to raise money for cancer research.

"My goal in starting the Pan-Mass Challenge was to bring people together... to give back and raise money for cancer. I never had a career plan, and even when I created the PMC, it was more something I needed to do, to help me feel better and evoke my mother's memory."

Since the first ride in 1980, the Pan-Mass Challenge has grown from 36 cyclists to 3,600, raising over \$100 million for the Dana-Farber Cancer Institute. Today the PMC raises more money than any other athletic charity event in the country.

The PMC's success in fundraising is due, in part, to Billy Starr's innovative technique of guaranteed donations backed by a credit card. "When I first started the Pan-Mass Challenge, it was to be a form of event programming, it was a bike-a-thon and the idea was to put the focus on raising money. There really wasn't a prototype for this type of fundraising. The kind of fundraising that existed back then was black tie and bingo night. Event programming was not on the map in 1980."

When asked about how his mother might have viewed his success, Billy says, "She would be proud that I used my skills, my assets, and my energy to create something of worth and she would have totally endorsed, participated in, and encouraged it's growth and development."

KELLY REINHART:

Kelly Reinhart may be a fifth grader at Atkinson Elementary School in North Andover, Massachusetts, but she is not your ordinary fifth grader. With the help of her parents, she turned a simple idea into a million dollar business.

It all started on a rainy weekend, five years ago. "When I was eight," explains Kelly, "my five brothers and sisters and I were all inside on a rainy day. We were driving my parents crazy, so my dad sat us down and had us all draw an invention. He said that the best idea would get a prototype made." Sparked by a western television show her dad had been watching, Kelly came up with the idea for the T-Pak, a small thigh pack that looks like a holster, designed to carry a cell phone, camera, or keys.

Kelly's dad selected Kelly's idea as the winner. After having a seamstress sew the initial design and the prototype made in China, Kelly took all her allowance money and purchased 100 T-Paks. "I was really nervous," Kelly remembers. At a fair at her middle school, Kelly sold all 100 packs. She then

used the sale proceeds to invest in another 500 T-Paks. “My dad and I went to a trade show and those sold out, too. Then someone ordered a container load of 100,000 pieces at a show in Vegas.” It was at this point that Kelly’s father, Bob, decided to quit his day job and work for Kelly on a full-time basis.

The success Kelly has had at such a young age has not caused her to lose touch with her peers. She started a foundation to help other kids bring their inventions to market and is currently working with her brother, Adam, on a product he invented. Kelly’s eagerness to help others is directly influenced by her mother’s kindness. “I see my mom walk for hunger and cancer...helping people. When I get older I want to be Senator or President, so I can really help people.”

Kelly’s mother, Lori, finds her daughter’s outward nature fascinating because she herself was very shy as a child. “As a kid I was very shy. I mean, you’ve never seen a case of the shy worse than my case. But, because I was such a shy, quiet kid, I was determined that my children would have their own minds and be able to think and speak for themselves. I am so proud that Kelly is not shy. She is a not a follower. She is a leader.”