



Let us now change our role into that of a hedge fund manager. In this case, I'm left with a bit of quandary. We've seen the appearance of a product that might substitute the company's but there is no guarantee that it will. This means that I don't know which company to invest in for the future, it's a gamble. Also, if the CEO of the company being substituted is switched on then they might play a comeback with a second curve and a new product. Apple is one of those companies that has successfully played a second curve several times bringing us new products from the iPod to the iPhone to the iPad. A lot depends upon my confidence with the CEO and whether they have done this before. My tendency would be to hedge my bets here and closely monitor.

Here we have two distinct roles, that of CEO (and the options you might play) and that of the hedge fund manager. However, the desire of the founder CEO to create a future for their company can be easily