Hacker

If Gates agrees to invest:

1. Package
   1. Investment
   2. Stock
   3. Responsibility
   4. Royalty

If Gates not agree to invest:

1. Freedom: Marketing, R&D
   1. More Stock
   2. Chairman
2. Royalty: 10-15 percent

Hacker’s Interests

|  |  |  |
| --- | --- | --- |
| Priority | Interest | Action |
| 1 | Have more freedom on R&D | Sign an agreement with Stars that the company will support a number of new products Hacker invests |
| 2 | More support on Marketing | If Gates agree to invest:  Let Gates take control of marketing  If Gates does not invest:  Sign an agreement with Stars that the company will increase the advertisement on new products |
| 3 | Royalty | Don’t mind to share 10-15% of royalty to Stars if the first 2 items can be accomplished |

Star’s Interests

|  |  |
| --- | --- |
| Interest | Action |
| Earn money with minimal financial risk | If Gates agree to invest:  Stars can earn money with minimal risk and without devoting a lot of time  If Gates does not invest:  Hacker sacrifices 10-15% of the royalty in an exchange of more freedom on R&D and Marketing |
| Devote less time on the business |

BATNAs

* Give 50% of the royalty to Stars in an exchange of an agreement that Hacker will have more freedom and discretion on R&D.
* Actively seek new investors to invest in HackerStars (Probably Gates)

Strategy

* Tell Stars that he will be able to make more money without extra risk and time if he agrees Gates to invest in the company and take control of Marketing
* Tell Stars that Gates is very interested in investing HackerStars
* Be flexible about royalty since Hacker care more about R&D than money

Action Plan

1. Identify Stars’ interests (probably more money and less risk and time involvement)
2. Convince Stars to let Gates invests in the company
   1. Reasons:
      1. more possibility to have large financial gain
      2. Gates will be responsible for Marketing, and Hacker will concentrate on R&D. So Stars can spend less time on this business
3. If Stars agrees to let Gates join, come up with a package deal
4. If disagrees, try to make an agreement with Stars to increase Hacker’s freedom and discretion on R&D and Marketing
   1. Strategies:
      1. Tell Stars that Gates is very interested in investing HackerStars, so Hacker always has a backup plan
      2. Be flexible about royalty since Hacker care more about R&D than money