

THE FOURTH NLU DELHI – HSF  
INTERNATIONAL NEGOTIATION  
COMPETITION

NEGOTIATION PLAN

IT'S ALL IN THE DRIVING SEAT

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FOR HAPPY TAXI

TEAM CODE: 10



### **NEED:**

- To sell Happy Singh's stakes and interests in his entrepreneurial ventures in exchange for the aspired compensation to an acquirer whose business values and ideals are strategically aligned with his own business practices in order to pursue his prospective investment plans.

### **INTERESTS:**

- To formulate a satisfactorily structured scheme of payment of compensation in order to pursue the post retirement investment strategy in the automobile spares segment.
- To receive a composite deal for both Happy Taxi and GoTaxi or arrange for an exclusive collaboration that secures the growth momentum of both the ventures.
- To ensure the continuance of social conviction and compliance of the CSR regime.
- To ensure time limit compliances in the conduct of various phases of the deal.

### **STRATEGIC STRONG POINTS:**

- Happy Taxi is a well-established and immensely successful taxi service company/business based in New Delhi, India and operates in several important Indian cities, having a commendable and trustworthy reputation in the market along with a strong brand presence.
- The commitments and contributions to the CSR dedicated to Environment Protection has resulted in Happy Taxi being cherished within the Corporate Sector due to which they have acquired major Corporate Houses as their Clients.
- Happy Taxi has a stringent screening process for registration of its drivers which involves a thorough due diligence into their competence.
- Happy Taxi's subsidiary GoTaxi deals in the business of Car Servicing which would increase their profits due to a surge in demand in the Car Servicing industry after the recent government regulations mandating the taxi business to have low carbon emissions.

### **STRATEGIC WEAK POINTS:**

- Need for consideration value to be paid in Cash.
- Time limitation for completion of sale of Happy Taxi and GoTaxi.
- Change of Control Clauses in the Services Contracts entered by Happy Taxi with its Corporate Customers.
- Requirement of Continued strong Commitment to its Revenue biting CSR Activities.
- Reasonable threat to the customer base and reputation of Happy Taxi subsequent to acquisition by RideOn.

### **GOALS AND OBJECTIVES:**

- To sell shareholding in both the Happy Taxi as well as GoTaxi, however, if the same is not feasible then to sell Happy Taxi alone by carving out GoTaxi but subject to RideOn assuring to encourage taxi drivers on its network to use GoTaxi Servicing.
- Time bound takeover of Happy Singh's shareholding in both Happy Taxi as well as its subsidiary GoTaxi for a consideration value of not less than \$US190 million by end of 2017.

- To insist on payment of entire consideration value upfront in cash. Alternatively, to insist upfront payment of minimum \$US100 million and payment of balance consideration in staggered payments.
- To secure assurance from RideOn for the continuance of Happy Taxi as well as GoTaxi on the same business principles and ethics with promotion of good reputation, High Credibility and the Strong brand value of Happy Taxi and GoTaxi within the International Taxi Service Market.
- To secure commitment from RideOn with respect to continuance of Happy Taxi's CSR Projects pursuant to the acquisition of the Happy Taxi as well as GoTaxi.

**VIABLE/CONCILIATORY OPTIONS:**

- To accommodate the interests of both the companies by compromising on the estimated value for the purchase of Happy Taxi.
- Restructuring of the CSR activities to reach a viable option for the comfort of RideOn.
- To plan a discounted consideration provided that \$US100 million is paid by December, 2017.
- To appoint Happy Singh as the consultant to ensure a smooth transition of the ownership of the company.
- To leave at the discretion of RideOn to pay a reasonable amount by December 2017, and further negotiate for a staggered payment with applicability of agreed interest rates.

**BATNA:**

- To approach RideOn's competitors in the international arena or investors inclined to diversifying and expanding into the public Conveyance sector.
- If GoTaxi and Happy Taxi's businesses cannot be transferred together, GoTaxi would look forward to having a merger with an automobile spare parts company which would ensure that Happy Singh acquires a passive stake in the automobile spare parts company. Thereby, Happy Singh's immediate requirement for cash would be considerably reduced and he shall be able to leverage his secured position in conducting further negotiations for his stake in Happy Taxi.
- Forming a joint venture with domestic players in respective cities wherein Happy Taxi would divulge its managerial and operational interests in their favor in exchange for US\$100 million before December 2017, with a proportionate passive stake.

**WATNA:**

- To sell off the stakes of Happy Taxi to any prospective Domestic buyer in the most favorable deal without having any extraneous consideration.
- To initiate an extensive human resource expansion in terms of corporate management to transform the company into an organized business and eventually launch an initial public offering ("IPO"). The IPO shall ensure that Happy Singh's stake in the company is reduced to a minority which would result in a change in the Company's management. Thus his role would be reduced to Happy's passive engagement by

proposing his participation as a consultant to the Company, with the grant of preferential opinion to ensure favorable decision making for the benefit of the Company.