Losing Money to Become a Tycoon: Starting with Games

Chapter 523: President Pei Has More Than One Side

Chen Kangtuo still hesitated.

Anyone with a discerning eye could tell that this was far more than just "a small token of appreciation."

If the Fright Hostel project became a success, the profits from selling merchandise and souvenirs would undoubtedly be substantial.

At present, most amusement parks in China were still in the early stages of developing derivative products and other revenue streams.

Ticket sales accounted for the overwhelming majority of their income.

However, if one looked at the revenue structure of internationally renowned theme parks, a mature operation typically divided its income into roughly three equal parts:

Ticket sales, merchandise and retail, and other sources of revenue

The "other" category included food and beverage sales, lodging, commercial leasing within the park, sponsorships for festivals and events, tourism-related real estate development, and similar businesses.

Now, President Li and the other investors were offering half of all future profits from Fright Hostel merchandise sales to Tengda Group.

It was, in truth, an extraordinarily generous concession.

Seeing Chen Kangtuo's hesitation, President Li smiled.

"Brother Chen, there's no need to be so modest."

"The Fright Hostel was President Pei's idea to begin with."

"Given Tengda Group's financial strength, President Pei could easily have kept every bit of the surrounding business opportunities for himself."

"But he didn't."

"Instead, he generously gave us a considerable share of the profits."

"That alone was an act of great generosity."

"Now that everyone's interests are tied together, we all prosper together, and we all suffer together."

"There shouldn't be any sense of 'us' versus 'them.'"

"The marketplace is being funded jointly by all of us investors as our way of returning President Pei's generosity."

"If you still feel uncomfortable accepting it, then simply make the Fright Hostel even better and even more successful."

"That will be the best way to repay our goodwill."

After thinking for a long while, Chen Kangtuo saw how sincere and determined President Li was.

Unable to refuse any longer, he quietly nodded.

"Alright."

"Then, on behalf of President Pei, I'll thank all of you."

President Li smiled again.

"I've already prepared the contract."

"Take a look. If everything seems fine, let's finalize the design plans and begin construction as soon as possible."

"Time waits for no one."

After leaving Chen Kangtuo's office, President Li felt remarkably refreshed.

At last, he felt much more at ease.

Recently, he had been supervising the renovation of his restaurant near the Fright Hostel.

Everything was progressing smoothly.

And yet, for some reason, he had never been able to shake a lingering sense of unease.

That feeling had haunted him for quite some time.

Only after carefully reviewing all of his previous business dealings with President Pei did he suddenly realize where that uneasiness came from.

The investors' alliance with President Pei still wasn't secure enough.

In other words, there was still a chance they could be left behind.

Thinking back to the investment in Shared Top Student, President Pei had first shaken everyone's confidence, causing many investors to withdraw voluntarily.

Then, through a clever maneuver, he had quietly eliminated all the remaining shareholders, allowing Tengda Group to enjoy the lion's share of the benefits.

Only afterward, when President Li analyzed the entire episode, did he realize the true reason.

They simply hadn't stayed close enough to President Pei.

In business, President Pei always placed Tengda Group's interests above everything else.

In President Li's view, President Pei's attitude toward outside investors had always been the same:

"If you'd like to follow along and have a bowl of soup, you're welcome to."

"But don't expect any of the meat."

"All the meat in the pot belongs to Tengda Group."

If everyone were to leave the dining table one by one, Tengda Group would undoubtedly be the last one still eating.

Therefore, President Li's conclusion was simple.

He had to bind President Pei as tightly as possible to their shared interests.

Only then could he avoid being inexplicably thrown off the wagon halfway through the journey.

The profit-sharing proposal he had made today was the result of careful consideration.

On the surface, it looked like an act of extraordinary generosity.

In reality, however, it was also a rather shrewd move.

After all, the restaurants, inns, and other businesses operated by President Li and the other investors were supporting facilities surrounding the Fright Hostel.

Although they would likely earn less than ticket sales themselves, they would provide a steady and reliable source of long-term income.

Given President Pei's extraordinary foresight, his goal was undoubtedly to turn the Fright Hostel into one of the finest theme parks in China—or even the world.

If that happened, its eventual revenue structure would naturally resemble that of world-class theme parks, with income divided roughly equally among ticket sales, merchandise and retail, and other sources of revenue

Under that arrangement, the ticket revenue would belong entirely to Tengda Group.

The "other" revenue would be shared between Tengda Group and the investors.

That left only one major piece of the pie whose ownership had not yet been clearly defined:

Merchandise sales.

Once the Fright Hostel officially opened, there were really only two possibilities.

The first was the way most Chinese amusement parks currently operated:

The tickets made money, while merchandise barely earned anything.

The second was that both ticket sales and merchandise would become highly profitable.

If the first scenario occurred, then merchandise wouldn't make much money anyway.

In that case, what did it matter if Tengda Group received fifty percent?

But if the second scenario came true, then everyone would profit together.

Since Tengda Group would receive substantial income from merchandise sales, it would naturally have every incentive to make that side of the business even better.

That was why President Li and the other investors had discussed the matter and ultimately decided on this profit-sharing arrangement.

By voluntarily giving up part of their profits, they could bind President Pei firmly to their shared interests.

Everyone would move forward together.

With a direct financial stake in merchandise sales, President Pei would certainly devote even more attention to developing that business, which would ultimately benefit the entire Fright Hostel project.

At present, although every investor trusted President Pei completely, no one could say for certain whether the Fright Hostel would ultimately succeed.

All they could do was continue raising the stakes—betting once again that President Pei's business genius would create another miracle.

After leaving Chen Kangtuo's office, President Li intended to inspect the progress of his restaurant renovation one more time before driving back to his own office.

Just then, however, his phone rang.

It was an unfamiliar number.

"Hello, President Li. This is Wu Bin from Tengda Group's Human Resources Department."

"I'm currently collecting material related to President Pei."

"I was wondering whether you'd have a little time to share some of your experiences."

President Li paused in surprise.

The call had caught him completely off guard.

Still, since the caller represented President Pei, he was more than willing to do him a favor.

Besides, he was curious about exactly what kind of material they were gathering.

"Certainly."

"Let's meet at the Moyu Internet Café near Handong University."

. . .

Inside the Moyu Internet Café...

President Li, Wu Bin, and Cui Geng each ordered a cup of coffee.

Wu Bin had already explained the purpose of his visit.

The section concerning the Tengda Group Spirit immediately piqued President Li's interest.

Everyone knew that President Pei was an exceptional leader.

Throughout the entire Tengda Group, every employee was capable of taking charge independently.

At the same time, they all obeyed President Pei's orders without hesitation.

Whether at Moyu Internet Café, Dream Fulfillment Ventures, or the Fright Hostel, every time President Li interacted with President Pei's subordinates, he could clearly sense the unique admiration they all held for him.

So what exactly was this Tengda Group Spirit?

How did it work?

And if he could learn it, would the employees of Fu Hui Capital also become as capable and dependable as those of Tengda Group?

For any entrepreneur, mastering such a powerful organizational philosophy would be invaluable.

Taking a sip of his coffee, President Li smiled.

"No problem."

"Ask me anything you'd like."

"I only have one request."

"When your handbook explaining the Tengda Group Spirit is finished, I'd like a copy."

Wu Bin hesitated.

After all, the Tengda Group Spirit was considered something of an unwritten secret even within the Tengda Group itself.

It circulated privately among employees and was never posted on the company's internal forums or anywhere online.

Likewise, the annotated handbook they were compiling was obviously not something that could simply be handed to anyone.

Seeing Wu Bin's hesitation, President Li smiled knowingly.

"Don't worry."

"I absolutely won't share it with anyone else."

"A treasure like that is naturally more valuable the fewer people know about it."

"Besides, Fu Hui Capital has no conflict of interest with Tengda Group."

"We've always been close business partners."

Wu Bin thought about it for a moment.

It did seem to make sense.

The Tengda Group Spirit was essentially a summary of the company's philosophy rather than a business secret.

The reason it was kept confidential wasn't because it contained proprietary information, but mainly to ensure that just anyone couldn't easily pass the Tengda Spirit Compatibility Test, and to encourage employees to continue studying and reflecting on the Tengda Group Spirit instead of becoming complacent.

Just as President Li had said, he had absolutely no reason to spread it around.

Since President Li would be making a significant contribution to the completed annotated version of the Tengda Group Spirit—and since giving him a copy wouldn't compromise its confidentiality—it didn't seem like a problem.

With that thought, Wu Bin nodded.

"Alright then, President Li."

"Let's work together to complete this annotated edition of the Tengda Group Spirit."

"I'd like to begin by asking..."

"What impression do you have of President Pei?"

"It's obvious that President Pei presents two different sides of himself—one internally and one externally."

"As employees, we've only ever seen one side of him."

"But as his business partner, you've seen another."

"And I believe that's crucial to understanding the Tengda Group Spirit."

President Li took a sip of coffee and pondered the question for a moment before answering.

"From my perspective..."

"The first impression President Pei gives is that he is extraordinarily calm."

"In fact, I'd even describe him as cold."

"That composure allows him to think with complete objectivity and rationality under any circumstances."

"It enables him to make the correct decision every single time."

"When you combine that with his extraordinary business acumen, the result can be summed up in two words: master strategist."

"When handling business matters, he always places Tengda Group's interests above everything else."

"If any company threatens Tengda Group's interests, President Pei acts decisively and leaves them with a crushing defeat."

"And even when working with partners, President Pei is always prepared to throw anyone off the wagon if doing so benefits Tengda Group."

"Of course, he never resorts to underhanded schemes."

"Everything he does is accomplished through open and legitimate business methods."

"That's one of the things I admire most about him."

"But from another perspective..."

"President Pei is also an extraordinarily tolerant and benevolent person."

"He has a very unique philosophy regarding partnerships."

"He only works with people who trust him completely."

"Before entering into a partnership, he'll deliberately devise various tests, trying to discourage those whose determination isn't strong enough."

"But for those who remain until the very end, or who even voluntarily sacrifice part of their own interests..."

"President Pei has always been exceptionally generous."

"These two qualities seem contradictory at first."

"But somehow they coexist perfectly within him."

"At the same time, I see the cunning of an old fox and the idealism of a young man."

"It's truly remarkable."

"Perhaps someone like President Pei—a business genius of his caliber—was simply born to succeed in the world of business."

Wu Bin recorded every word on his voice recorder before saying with heartfelt appreciation,

"Thank you very much, President Li."

"This perspective is incredibly enlightening."

Meanwhile, sitting beside him, Cui Geng had already begun thinking about how he could best weave these ideas into a compelling story.

Wu Bin continued.

"Then, President Li..."

"Could you tell us about your experiences working with President Pei?"

"And perhaps share some concrete examples that demonstrate these aspects of his personality?"

Holding his coffee cup, President Li sank into his memories.

"If we're starting from the beginning… then we'd have to go all the way back to the flagship Moyu Internet Café."

"At that time, I happened to discover a quiet little internet café."

"It wasn't doing much business, but I could immediately see its enormous potential."

"So I decided that I wanted to invest in it..."

As Wu Bin listened attentively, a fuller, richer portrait of President Pei gradually began to take shape in his mind.

The image of President Pei was becoming more complete, more three-dimensional than ever before.