

URL: <https://stvp.stanford.edu/blog/videos/negotiation-be-in-a-position-of-strength>

Marrone advises to always plan for disaster and to be in a position of strength while negotiating.



Transcript

I exited AgraQuest with not as much equity as I think I should have, well actually everybody says it not just me should have for what I built.. And there's a number of reasons for that, which I don't need to get into now but, first of all get a really good lawyer.. That's really important.. It really is.. Someone who can really give you options and negotiate really hard on your behalf and start thinking strategically very early.. If you're going to have to do, raise 50 million in capital or 30 or whatever, how are you going to, down the road protect yourself and your early investors and your shares in the company.. I, like for example, I didn't have an employment contract until Series G and I should have had one much earlier.. And so, getting that really good lawyer is very important.. Also, you always want to be in a position of strength when you're negotiating.. We have filed our S1 with the SEC to go public and we filed August 3rd 2001..

Some really bad timing.. And I had an investor who said plan for disaster and I was like, oh come on what could happen? Well 911 happened to.. Obviously, you couldn't predict but nevertheless he was right.. Plan for disaster and so I didn't.. So we were short on cash and I had, you know, short on cash and so then you are not in a very good negotiating position when you're short on cash and you're worried about making payroll.. So the new company, you know, my real motto was going to be negotiate from a position of strength and not be in a position where, and plan for disaster and not be in position where you have to take whatever money that comes in the door...