

**Role Play**

**The Prince:**

Confidential Instructions for Naomi Jing

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This role play was written by Radhika Goel, Nico Dehnert, Varun Goel, Arra Khararjian, and Giovanni Nati, INSEAD MBA Alumni, under the supervision of Martin Schweinsberg, Associate Professor of Organisational Behaviour at ESMT Berlin, Horacio Falcão, Professor of Management Practice of Decision Sciences at INSEAD, and Eric Uhlmann, Professor of Organisational Behaviour at INSEAD. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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General Information

After the massive success of the critically acclaimed live-action film adaptation of the book “The King,” Now Coming Good Studio (NCG) is enjoying hugely positive press and popularity with audiences. NCG has been widely praised for the creative and technical work they did to bring the fantasy classic to life. The film won all 9 academy awards that it was nominated for, including Best Picture, Best Director, and Best Adapted Screenplay, and grossed $1 billion worldwide in revenues despite a budget of only $60 million. Although the studio who makes the film receives about half the total grosses (in other words $500 million, with the theatres that show the movie receiving the other half), for an investment of just $60 million that is still an extraordinary business success.

Most industry observers agree this achievement would not have been possible without Ghang Chang’s work as a director (Ghang became an overnight celebrity in his own right) as well as his creative team. Both critics and hardcore fans of the book series were amazed by Ghang’s visionary adaption of the book to the movie screens, helping NCG build a reputation for a studio to watch out for. Industry experts predict NCG will rival its much more established competitors over the next few years.

There are now widespread calls among fans for NCG to adapt the epic 900 page prequel book, “The Prince,” into a live-action movie. Analysts believe that although the prequel budget would be higher, most likely $100 million to make a 2-hour film, given the intense fan interest across the world expected revenues could be comparable to those for The King.

However, NCG was unable to purchase the intellectual property (IP) rights to The Prince prior to making The King. For many years, two rival studios, Intellectual Tiger Studio (ITS) and Roaring Lion Studio (RLS), have fought over who owns the full IP rights for the movie version of The Prince. The current legal situation is that ITS owns the creative rights to produce the movie but RLS has the distribution rights for any film version of The Prince. Crucially, nobody can produce a movie without both these rights.

NCG wants to resolve the IP issue and make the live action version of The Prince. Naomi Jing, the CEO of NCG has called a meeting with the heads of the other two studios to find a mutually agreeable solution.

Confidential Instructions for Naomi Jing, CEO of NCG Studios

You are Naomi Jing, CEO at the NCG studio of Xiamen, China. The studio is relatively new to the industry, having released its first major production just five years ago. However, you struck gold last year with the screen adaptation of the famous fantasy novel The King.

Naturally, everyone at NCG is proud of the success and attributes most of it to the bold vision of your director and now close pair of friends Gang Chang and screenwriter Chee Hong. Ghang Chang’s visionary style has really raised the standards for adapting books to the big screen and critics already talk about the “Ghang Chang style,” as a category in its own right. Ghang couldn’t have achieved this innovative style without Chee Hong’s groundbreaking screenwriting, himself heavily influenced by European comic books and graphic novels. NCG is now in the limelight as the hottest movie studio in the world, and the time is ripe to push new projects now that everybody is talking about NCG and it creative vision.

You are therefore eager to start work on The Prince, but you must first procure both the creative and the distribution rights before you can even start this project. It is your task to negotiate a deal with the two rival studios that each hold parts of these rights, ITS (holding the creative rights) and RLS (holding the distribution rights). This is the biggest negotiation you ever faced in your entire career and a lot is at stake. The King grossed $1 billion worldwide in revenues despite a budget of only $60 million and you expect its prequel to generate just as much fan interest and profits. Now that everybody is watching your reputation is also at stake and you can’t allow yourself to be the one-hit wonder some journalists from the U.S. expect you to be. Especially now that Asia has become economically more powerful, critics are skeptical whether Asia’s filmmakers can also deliver on the creative potential of the continent. All eyes are on you now and you are desperate to prove to everybody that The King wasn’t just luck, but skill.

The challenge is of course that now that The King has become a runaway smash hit, you have to deal with two unwanted “partners” who want to free-ride on your success. Despite all their legal bluster, nobody ever cared all that much about making a live action version of either The King or The Prince, but your recent success with The King has changed all that.

The two-book series of The Prince and The King was first published in the 1950s by Michael Andersson. Shortly after Andersson’s death in 1962, the rights to the production of The Prince were divided into creative and distribution rights and the distribution rights fell into the hands of Andersson’s family. In an attempt to make the most money out of the rights as possible, these were subsequently sold separately. While Roaring Lion Studio (RLS) purchased the distribution rights, the creative rights to produce the movie went to Intellectual Tiger Studios (ITS). Apparently, at the time of the purchase both parties believed to have purchased the entire rights for the movies, both only later they found out they purchased partial rights instead of the entire package as the family built a complex structure around the rights. Since then the two companies have been fighting each other in court to obtain the other rights as they both believe their purchase was for both rights.

In 1977 RLS and ITS temporarily put aside their differences and co-produced and distributed a cartoon movie under the title “The Prince – An Animated Adventure.” The movie was targeted towards kids and had a weak script and poor box office performance, and it is shown on television regularly, grating on your nerves each and every time. You know NCG studios, with Ghang Chang’s vision and Chee Hong’s screenwriting talent can do much better than their pathetic cartoon version of The Prince which failed to do justice to the brilliance of one of the greatest books ever written.

After the release of their insipid cartoon version of the book, RLS and ITS continued their seemingly neverending and indeed quite childish legal battle over film rights, now adding the issue of the distribution of the tiny profits from the animated film. The matter was never resolved and is an embarrassment to the industry, bringing negative press instead of pride to Chinese filmmaking. However, if you want to work on The Prince, you will have to mediate and come to an agreement with both of them.

You want to ensure that the negotiation leads to a mutually acceptable agreement and you and NCG’s star director and creative team can make the film version of The Prince that the fans are clamoring for. The worst thing that could happen is that the talks break down and either one or both ITS and RLS resort to legal action. These legal processes are notoriously expensive and take a long time, it could easily delay the production of the movie for years, and stop you from making this prequel entirely.

Fortunately, you know quite a bit about one of your negotiation partners. Roaring Lion Studios (RLS) is a major movie studio founded in the 1930s in Shanghai, and led for the last 8 years by Jin Zang. The company was among the earliest studios in the Asian film industry and have been well known for a wide range of movies over the years. In the early years the company produced the classics “Kung Fu Kid” and “Kaito and the Mochi Factory”, which many children and young adults around the world grew up with. In the eighties and nineties the studio was famous for academy awards winners “The Legend of the Golden Kahn”, “The Last Empress” and “The Hidden Palace.” The company is a veteran studio with a venerable history, but recently under Jin Zang it has been struggling artistically, failing to win any major industry awards for years. Nowadays RLS is mostly known for the commercially successful but critically panned “Mega-Robots” series of five action movies. Although you respect RLS and its role in China’s film history, you do not trust Jin Zhang’s artistic judgment.

You know less about the much smaller Intellectual Tiger Studios (ITS), but you do know they have been around since the 1950s and have recently been struggling financially. You suspect that their new CEO Oskar Cheng’s main aim is to take advantage of the situation and claim a large share of the financial rewards without making any real contribution to The Prince, for example by helping fund the film’s budget.

Dealing with either of these parties alone would be difficult enough. To make matters worse, you worry about coming to an agreement with both of them because of the history of bad blood between RLS and ITS. Another worry is that the two of them could get along too well, possibly reconcile and then work against you. If you’re not careful, you could be cut out of the movie altogether, since NCG has no legal claim to the rights to The Prince. However, you think that there’s little chance they would do this since the public would like to see your creative team in action and the movie’s success is completely dependent on that. The King’s director Gang Chang and screenwriter Chee Hong are close friends with you and will not make the film with another studio. Further, NCG owns the rights to all the designs for The King, which audiences will want to see again in The Prince.

As per popular demand from the public, it is therefore paramount that you maintain as much creative control of the movies as possible, i.e. screenplay, directing, costumes, sets location, editing, etc. Not only is it important to NCG, the success of the movie is dependent on the style and rich narratives developed by NCG and it is important to maintain continuity from the first movie. You believe that the other parties will appreciate NCG taking on the responsibility again due to the expertise you developed with The King and the huge success of that film. Nobody can want to see an atrocity like “The Prince–An Animated Adventure” happen again.

It is clear to everybody with a sane mind that RLS is an over-the-hill studio that has long lost the ability to make great films. Even worse, ITS never had such an ability. The public does not want to see a live action version of The Prince made by either of them. Without a doubt, The Prince will gross three times as much at the international box office if the team from The King were to retain full creative control. In fact, your ideal agreement would be to give RLS and ITS 1% of the profits each in return for the rights to make and distribute the movie and then make it yourself without any further involvement from them.

Regardless of how the film is funded, you believe that you should be given the lion’s share of the profits based on the fact that the movie’s success will depend almost entirely on your talent and proven track record with The King. Filmgoers will pay to continue the story they so loved when they saw Ghang Zhang and Chee Hong adapt The King to the big screen.

**Thus, there are three main issues you intend to negotiate a deal on:** **% profit sharing, % financing of the film, and % creative control.** You would like to maximize your creative control and percentage of the profits, and drawing on your profits from The King are willing to fully finance the $100 million projected cost of the film (100% of the budget). You need RLS and ITS to agree that the film can go forward, but would prefer to minimize their creative involvement and profit participation.

A fact that you have kept under the wraps from the public and other studios is advice you recently received from one of your business savvy team members. Maybe what the audience really wants is to continue their journey for as long as possible. One simple way of doing this is by turning the epic book The Prince into not one, but two movies, The Prince Part 1 and The Prince Part 2. You may even have enough material to make a 3rd movie and turn The Prince into “The Prince Trilogy.” Your more artistically inclined team members warned you there could be some backlash from the fans who might not appreciate diluting and stretching out the storyline, but you know this makes business sense and may help you get a deal with RLS and ITS. You expect that a one-film version of The Prince would gross 1 billion dollars on a 100 million dollar budget, a two-film version would gross 2 billion dollars on a 200 million dollar budget, and a three-film version would gross 3 billion dollars on a 300 million dollar budget. These numbers speak for themselves and you can bring this up in your negotiation with RLS and ITS if that is what it takes to reach a deal.

Please prepare for your negotiation with RLS and ITS.