

### Case Study Part 2 - "Profit"

#### 2.6 Taking a Company Public

By all accounts, the timing, valuation, and public listing of ABC Ride Hailing Co (ABC Co) in 2021 was a roaring success for Christian businessman Joseph, age 45, given the following: -

1. Wall Street is awash with a tidal wave of cash, hungrier than ever for places to invest and willing to pay extraordinary valuations on "platform" businesses, as investors chase after the next Facebook and Alibaba.
2. ABC Co has incurred hundreds of millions of accumulated losses and will only be EBITA-neutral at earliest 2025, with no foreseeable certainty as to when the company will generate a net profit.
3. The car-hailing and food delivery business is highly competitive and vulnerable to new entrants due to low barriers to entry.
4. The company needs to cut hundreds of millions in costs each year in order to achieve profitability. The expense cuts will primarily come from laying off hundreds of employees.
5. ABC Co was able to raise an additional US\$2 billion in new funding to finance further cash burn and support its business growth.
6. Joseph holds 55% of the voting power in the public company, while holding only about 4% of its shares, worth over US\$200 million.
7. As a vote-controlling shareholder, Joseph can now chart the future of ABC Co and has the potential to become a multi-billionaire. He is widely regarded as a rising star in Asia.

From whatever angle we look at it, Joseph is gifted, strategic, financially savvy, hugely successful, and highly acclaimed.

#### Discussion

1. How does the business world define success? How does God define success?

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2. Joseph has publicly professed his faith. What potential pitfalls and compromises might Joseph face in taking the company public? How could his association with **profit-only** investors potentially compromise the way ABC Co is run?
3. To whom are we ultimately accountable? Can we please God and men, especially when fellow shareholders have a different belief system from our own?

### Some relevant Bible passages:

**2 Corinthians 6:14** “Do not be yoked together with unbelievers. For what do righteousness and wickedness have in common? Or what fellowship can light have with darkness? **15** What harmony is there between Christ and Belial? Or what does a believer have in common with an unbeliever?” (NIV)

**Matthew 6:24** “No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to one and despise the other. You cannot serve both God and money.” (NIV)

**2 Kings 1:16** He told the king, “This is what the Lord says: Is it because there is no God in Israel for you to consult that you have sent messengers to consult Baal-Zebub, the god of Ekron? Because you have done this, you will never leave the bed you are lying on. You will certainly die!” (NIV)

**Romans 11:35** “Who has ever given to God, that God should repay them?” (NIV)

**Micah 6:8** “.....And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God.” (NIV)

**Colossians 3:23** “Whatever you do, work at it with all your heart, as working for the Lord, not for human masters,” (NIV)

**Proverbs 3:1** “My son, do not forget my teaching, but keep my commands in your heart ... **4** Then you will win favour and a good name in the sight of God and man.” (NIV)