

Campus Charlee

By Dr. Greg Bond

General Information

Charley and Charlie met at university and soon became good friends. Charley studied business and Charlie IT, and one night they developed a business idea – to create a simple university campus app that would keep students informed of events and services on campus. They approached the university’s start-ups centre, and with their help and the help of an IT professor, they developed the program. Cleverly, while providing this to their own university for free, the two of them were wise enough to retain the rights to develop it as a business for use by other institutions.

Four years later, the two have graduated and are in business together. The app has been successfully further developed (by Charlie) and sold (by Charley) to three further universities, who buy a basic package and the rights to manage their own content, with a service agreement to the seller. The product is called Campus Charlee. Students use this product, as it informs them easily of schedules and changes in schedules, library loans, canteen services, cultural events and all kinds of university projects, their exam dates and results, and much more besides. Charley is sure that this can become a massive product around the world. In the meantime the two ex-students have been working informally under the understanding of a general partnership and without even having a partnership contract. All costs and proceeds have always been split 50/50, according to a spoken agreement, and so far investment has been low. Income is coming in, but it is not sufficient for either of them to make a living from this alone. The two are no longer in the university town where they met, but are now living in two different countries, and their communications are virtual.

Charley wishes to take the product to the next stage and market it more professionally. He/she would like to see it used on campuses all over the world. To do this, an investor will be needed, as well as Charlie’s continuing IT know-how – and Charley says that it is time to get a team of programmers on board and start thinking about a marketing expert too. In other words, to transform this business into something bigger. For a while, however, communication with Charlie has been poor, and when Charley began to talk about this via email with Charlie a couple of months ago, the answer was lukewarm. The two have since corresponded a few times, and each time Charlie has asked Charley to slow down with any plans. He/she then suggested selling the app “for a few thousand” and moving on. This enraged Charley, and now the two have been exchanging angry emails about the business, with Charley accusing the other of not wanting this business to be successful and just focusing on “nerdy” programming, and Charlie expressing frustration at the complete lack of appreciation his/her partner has for his/her work.

In these emails each has threatened to withdraw cooperation with the other, and what was years ago a Friendship, then became a more distanced working relationship, has now turned sour.

To make things worse, One existing client, the University of East Bernalia, has expressed some dissatisfaction with the product – on the one hand the delivered app does not perform as contracted, as its interactive mapping function is faulty, and on the other hand it has been delivered late. The university is asking for swift restoration of the mapping function, and has withheld payment for the time being. Both Charley and Charlie blame each other for this. Here is an extract from Charley's email to his/her partner:

If you cannot set the base programming to do what is needed, and the maps are not working, then maybe you should ask yourself if you really have the IT skills we need. I have worked day and night to get these contracts, I am bringing in our money, and you are taking too long to get the technical side right. That is why we were late on this one.

Charlie's answer came within five minutes:

I have had enough of you insulting me. I told you we cannot promise everything you think we can and that the maps are not completely reliable just yet. I told you and you did not listen. This is your problem, sort it out yourself.

A couple of days later, Charley was talking to a good friend about his problems. This friend, who is a lawyer, does not know Charlie personally. He asked Charley why the two partners were not talking directly. As the young lawyer has also done mediation training, the subject of mediation came up. Coincidentally, the same was happening to Charlie in his part of the world – a friend was recommending that the two partners talk, and that they get some help by using a mediator. The next steps were complex but pretty quick, and they resulted in the two agreeing to mediation in a neutral third location – Goa in India, which is equidistant between the countries they live in. Both will bring young lawyers as advisors. You never know when you might need legal advice on the details. This will be the first time the two partners have met face to face for three years. The mood is so tense that they have opted to meet directly in the mediation and not meet socially in advance. For the mediation, Charley is the requesting party and Charlie is the responding party.