

Problem A: Ethical Dilemma

Note: All character and company names are fictional and are not intended to depict any actual person or business.

Your meeting with the chief executive officers (CEOs) of UWEAR and PALEDENIM went well. In a discussion following the meeting, Tom Tramlin, the CEO of UWEAR, mentioned that he would like you to spend some time in the field with his top sales representative to get a feel for what the salespeople face every day selling in the current business environment. Today, you are scheduled to spend the day with Joe Smith.

As you walk across the lobby of UWEAR, you see Tom talking to a tall, distinguished-looking man. "This is Joe Smith," Tom introduces when you step up to them. "You'll be spending some time with him today in the field."

"Nice to meet you, Joe," you respond, shaking Joe's hand.

Tom says goodbye and makes his way to elevator while you and Joe head toward the parking garage. "We're going to meet with a couple of clients today," Joe explains. "First, we'll have lunch with Bill Bateman, the CEO of the Peninsula Hotel chain. He's a great guy and I'm sure you'll enjoy meeting him."

"Where are we meeting him for lunch?" I ask, getting into Joe's car.

"Bill's hotel, the Peninsula, has a great restaurant that I frequently use to meet clients," Joe answers. "The food is outstanding. We're going to meet him there to discuss the renewal of his uniform contract."

As you continue the drive to the hotel, Joe elaborates on his business history with Bill. "I was able to win the contract for the Peninsula chain last year," he explains. "We were just able to underbid our competitor, Threads4U. In fact, Bill said that I underbid them by about \$5 per uniform. Great victory on my part."

"It sounds like you've established a great working relationship with Bill," you say.

"Oh, yeah," Joe agrees. "He's a great guy. The first time we met, I was on my way to buy a nice bottle of cabernet as a birthday gift for my wife. She loves the expensive wines. I happened to mention this to Bill, he said he orders it all the time and offered to give me some for free. I told him it wasn't

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necessary, but he insisted. When I got my car back from the valet, I found not just a bottle, but an entire case of high-end cabernet in my trunk." Joe shakes his head, smiling. "But that's just the kind of guy Bill is."

"It sounds like it worked out for you and your wife," you comment. "Did she enjoy her birthday gift?"

"Yes," Joe says. "We both enjoyed it for quite some time. Well, here we are," he adds, pulling up the Peninsula Hotel.

As you park and exit the car, Joe explains, "Since Bill and I have been doing business, he's referred three other hotel owners to me to supply their uniforms. Except for when I'm meeting with one of his competitors, I usually conduct business meetings with clients here at the restaurant in Bill's hotel."

"It's a beautiful hotel," you comment as Joe leads you through the lobby, admiring the elegant décor. "No wonder you enjoy coming here. I wouldn't mind bringing my family here for a weekend sometime."

"Actually," Joe says, "My wife and I have become really good friends with Bill and his wife. He often invites us out onto his yacht with his family, we go to social events with them, and we've stayed at the hotel several times. We really enjoy it. You should bring your family sometime, too. Kids love the pool with the waterfall."

You nod, following Joe into the hotel's restaurant. After all you've heard about Bill, you are very interested in meeting him.