

The Speedy Sale Teaching Notes

What Are the Relevant Facts?

1. Bernie, a customer at a discount outlet, is very eager to buy a new color TV set to replace his broken TV so that he can resume watching his favorite TV shows.
2. Sam, the salesperson who is waiting on Bernie, knows that the particular model Bernie is interested in will be on sale in three and a half weeks but doesn't inform Bernie of this fact, figuring that Bernie will take his business elsewhere and that he will not reap as large a commission.
3. Sam discovers that Bernie is not even willing to wait an extra week to take delivery on the set.
4. Sam asks his manager, Michelle, if delivery can be hastened. She says no, but suggests selling Bernie the demonstration model.
5. Sam decides that this wouldn't be honest and instead is thinking of telling Bernie that the TV will be available within two days, and then delivering it in five.

What Are the Ethical Issues?

1. What is the seller's duty to inform the buyer of all conditions of the sale?
2. Is it fair for a seller to make promises to a buyer that he can't keep?
3. Does a salesperson have a responsibility to his superior to make a sale, even if it might mean compromising his own ethics?
4. To whom is the salesperson's primary responsibility: the customer, himself, his manager, or the company?
5. What sales practices are necessary for building trust and long-term relationships with customers?
6. To what degree should the sales manager demonstrate the ethical conduct she requires in her sales force through her own actions?
7. Truth telling.

Who Are the Primary Stakeholders?

1. What is the appropriate level of analysis (systemic, corporate, individual) to use in identifying the primary stakeholders?

2. Who are the primary stakeholders?
 - Bernie
 - Sam
 - Michelle
 - The retail outlet employees
 - The retail chain stockholders
 - Competitive stores and TV set manufacturers
3. What are Sam's responsibilities to the various stakeholders?

What Are the Possible Alternatives?

1. Sam could tell Bernie that the set will go on sale in three and a half weeks and that he (Sam) is willing to wait, thereby taking a lower commission but fully informing Bernie.
2. Sam could try to convince Bernie that waiting a week will be well worth it.
3. Sam could go along with Michelle if he can try to sell Bernie the demonstration model right now, possibly at a reduced price.
4. Sam could promise Bernie two-day delivery, even though it will take a week.
5. Sam could ask Michelle if Bernie can be offered a monetary incentive for having to wait a week.

What Are the Ethics of the Alternatives?

- Ask questions based on a "utilitarian" perspective. For example:
 1. Which alternative would offer the greatest benefit to the greatest number?
 2. How would costs be measured in this scenario? How does one quantify the possible ill will towards the local outlet and the discount chain?
 3. Do the benefits of receiving a higher commission outweigh the possible loss of the sale or potential customer ill will?
 4. Do the benefits of being consistent with personal values outweigh the costs of losing personal and company income potential?
- Ask questions based on a "rights" perspective. For example:
 1. What does each stakeholder have a right to expect?

2. Which alternative would you not want imposed on you if you were Bernie? Sam? Michelle?
 3. What rights does Bernie have as a customer?
- Ask questions based on a “justice” perspective. For example:
 1. Which alternative distributes the benefits and burdens most equitably among the stakeholders?
 2. Which stakeholders bear the greatest burden for each alternative?
 3. Which alternative(s) demonstrate a fair process? A fair outcome?

What Are the Practical Constraints?

1. Sam needs to consider his sales manager’s preferences.

2. Sam needs to consider that Bernie’s reactions are uncertain in each alternative.
3. Sam needs to consider the legal ramifications of withholding information or of giving the buyer false information.

What Actions Should Be Taken?

1. What actions should Sam take?
2. Which alternative would you choose if you were in his position? Why would you make that choice?
3. Which ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to this situation?
4. If you were in this situation, what would you do?