

Inside Info Teaching Notes

What Are the Relevant Facts?

1. Beth knows Amy would love to have a competitive advantage in marketing their product line.
2. Amanda has developed what could be the next advertising campaign for their key competitor.
3. Such inside information could provide Beth and Amy the opportunity to develop a new advertising campaign of their own to diffuse any potential advantage of the competitor's.

What Are the Ethical Issues?

1. To what extent should Beth and Amanda's catching up include "shop talk," and how specific will either feel comfortable about getting once both learn of the relationship between the competing companies?
2. Should Amy's propensity toward competitive intelligence gathering influence Beth's personal ethics?
3. Beth and Amanda's relationship will surely suffer if Amanda learns of Beth's hidden agenda.

Who Are the Primary Stakeholders?

- Amy is eager to do what it takes to keep her product line competitive.
- Beth wants to get ahead too, but she questions the worth of using Amanda in the process.
- Amanda just wants to catch up with her old college roommate.
- Amy and Beth's company has a profit objective and is constantly seeking to gain a competitive advantage over others.
- Amanda's advertising agency wants to secure the business of a new client.
- The competitor Amanda is pitching wants the services of an advertising agency and assumes the propriety of the campaign being presented.

What Are the Possible Alternatives?

1. Beth could meet with Amanda and confine conversation to nonbusiness topics.
2. Beth could meet Amanda and explain the sensitive nature of their meeting.
3. Beth could meet with Amanda and learn all she could, with the intent of passing it along to Amy.

4. Beth could not meet with Amanda, or at least not until her presentation has been given.

What Are the Ethics of the Alternatives?

1. It would be awkward to postpone meeting Amanda, but given her surprise call, Beth's plans for the evening may serve as an appropriate means to delay meeting.
2. Upon meeting, Beth must prioritize her relationship with Amanda versus her desire to please Amy. Unless she openly reveals the sensitivity of their meeting at the outset, she risks losing one of these two priorities.
3. Beth also retains a personal ethical responsibility in her capacity with her company. Getting ahead via cutting ethical corners early in her career may well set a pattern for her future behaviors.

What Are the Practical Constraints?

1. Amanda is only pitching the competitor's account. The advertising plans she is presenting may or may not ever happen.
2. Even if she learns of Amanda's planned advertising, Beth cannot ensure that Amy will be both willing and able to develop effective counterstrategies. Further, there is no predicting how consumers will ultimately respond to either advertising campaign.
3. Chatting with Amanda informally cannot be construed as a significant breach of confidence on the part of either Beth or Amanda. Meeting Amanda will not provide Beth with the specific media plans, creative storyboards, etc., that will be presented to the competing company. At most, Beth could learn only the basic thrust of the proposed advertising campaign.

What Actions Should Be Taken?

1. Amanda appears oblivious to the sensitive nature of the meeting, seeking only to chat with an old friend. The onus is on Beth to disclose their mutual roles and the need for confidentiality.
2. Even if Beth does learn something from Amanda about the direction of her competitor's proposed advertising campaign, she need not disclose this information to Amy.