

Nebraska Future Business Leaders of America 2010 State Leadership Conference

Business Ethics Case Study – Preliminary Round

Directions: Refer to pages 4-13 to 4-15 of the *Nebraska FBLA Handbook* for complete details.

- Prepare your team’s solution to the following case study.
- The solution should be no more than two double-spaced pages of text using 12-point font and one-inch side margins.
- A bibliography should be submitted as the third page using any acceptable bibliography format.
- Place the event name, team members’ names, and chapter name in the upper right corner of the page.

Case Study

There is always a sale at the retail store called Masons. This year the sale wasn’t a listing of specials; it was a leverage coupon for money off on the next purchase if bought within a week after the first purchase.

With each \$100 sale, the customer was given the leverage sale coupon valued at 20% of the first purchase, which could be used as a discount on the next purchase if bought within a week. The regional sales team liked the leveraged sale idea as it means the first purchase is at full price.

Sarah, a clerk, thought the leverage coupon was a good idea; however, it was difficult to sell the idea to most customers. She found that customers often wanted to buy only one item and hadn’t budgeted for another item, or they had already bought the two or three items they wanted.

Regardless, the sales team worked hard to promote the leverage coupon. Because the non-advertised leverage sales coupon was only to be explained to the customer at the close of the sale, most customers who had bought more than one item were upset to find out they could have split their purchase and saved money.

Sarah had been on the sales floor for six months. Last week the regional sales manager told the store employees they needed to do a better job of promoting the leverage sale coupon or there would be some staff changes.

Sarah liked her job, liked the company discount, but felt the managers weren’t very good at explaining what they wanted. Regardless, Sarah was going to do what she could to make the sales quota.

At the same time, Sarah had been saving for a new MP4, but even with the store discount she still needed \$60. It would probably take Sarah another month or more to save the \$60—but she really wanted the MP4.

Sarah was covering the jewelry counter for about 10 minutes when a customer, Mr. Hansen, walked up. Sarah was as courteous as possible, but Mr. Hansen seemed annoyed. He didn't know what he wanted or even what he liked. Sarah did her best and finally Mr. Hansen decided on a pair of earrings for \$320 and slapped down a charge card. Sarah rang up the sale, wrapped the earrings and handed Mr. Hansen his credit card and the receipt as she was explaining the \$60 leverage sale coupon. Mr. Hansen walked away telling her to toss her sales gimmick.

As Sarah was holding the \$60 leverage sales coupon in her hand, her manager walked up and said it was break time. Sarah has a 20-minute break. Company policy prohibits her from ringing up her own sale, but now with the coupon and while she is on break, she could buy the MP4.

What does Sarah do?

Discussion topics:

- Discuss implications if Sarah doesn't use the slip and the regional sales manager finds out she did not do a single leveraged sale that day.
- Discuss implications if Sarah doesn't use the slip and the team doesn't reach its goal. The regional sales manager decides to make changes in staff.
- Discuss implications if Sarah uses the slip, which must be placed in Mr. Hansen's name. Sarah will pay cash so she doesn't see how this will hurt him.