

Part 2 Scenarios

1. Private Loan Service Provider

Theresa Franco, a relatively new member of the marketing team for a private loan service provider, is working on developing a marketing campaign directed at lower income families to help them make ends meet, particularly during the holidays. The campaign emphasizes the opportunity of “freedom from high-interest credit card debt,” and the ability to “provide a wonderful holiday for the family without worrying about having cash on hand,” all while downplaying the fact that the interest rates on these personal loans are low only for the first 90 days after disbursement and then jump higher than many credit card annual percentage rates (APRs).

Theresa had been hired 6 months prior by the loan company, which billed itself externally as an organization that created opportunities to help people get back on their feet after financial hardship. After working there for a few months, however, Theresa had continually observed that the culture was highly competitive, and people were focused primarily on selling products, not on helping customers. She needed the job, though, so she had tried to keep her head down and work hard. At the outset of this new project, Theresa had expressed concerns to her manager, Steve Brown, about the fact that their company seemed to prey on people who might not really be able to afford the loan payments. Steve chuckled, shrugged, and encouraged her to put those thoughts aside and “just focus on the job at hand.”

“Besides,” Steve reminded Theresa, “if you do well on this project, a big bonus will surely be coming your way at the end of the year!” Despite Theresa’s hesitations, she continued working on the marketing campaign.

2. DS Clothiers

DS Clothiers, a sportswear company based in the UK, has gained worldwide popularity as the new high-fashion brand of comfortable yet elegant clothing separates for adults. Daphne Simms, the company’s founder, is a young entrepreneur who has received much praise from business experts for her use of up-and-coming designers to keep costs low while providing these young creative self-starters a chance to break into the fashion industry. In addition, the company’s social media team is known for being able to effectively reach its customer base. The company’s social media presence, as well as its affiliation with a couple of pop stars and athletes, has gained them worldwide notoriety in a short time, with very little monetary investment.

Recently, a popular fashion magazine received some information from a source inside the company about the foreign suppliers DS Clothiers was using, claiming that these low costs, combined with high prices, allowed the company to bring in enormous profits. After further investigation, the magazine ran a story about the labor conditions in these countries, where employees work for long hours at very low wages in sometimes dangerous environments. The source also described the unreasonable expectations set

for the company's employees, especially the social media team, claiming that employees are expected to be available 24 hours a day and work 70 hours a week on average. The magazine interviewed someone who claimed to have worked over 85 hours in a week.

The board of directors immediately identified and fired the whistleblower. Those in leadership were divided on how to proceed. Some thought that it might be time for some changes, while others felt singled out and that the attention was unjustified because many other companies did the same things without issue. The company's sales took a major hit after the article went to press, and Daphne Simms immediately responded by issuing an apology on the company's website and social media platforms. She also did numerous media interviews to address the company's tarnished reputation.

During this same time, in an effort to promote good business practices, DS Clothiers partnered with an organization located in the UK that promotes fair labor practices and environmental sustainability worldwide. The partnership raised some concerns in the business community, however, because the chairman of the organization, Thomas Simms, is Daphne's father.