

Petcos

Business



**ASSIGN
BUSTER**

1. PETCO's has a very effective ethics program that is implemented through a code of conduct. The code of conduct promotes values such as courtesy, dignity, and respect. The well being of the animals is the company's top priority. The firm has a strong stance against harassment of any kind including sexual harassment. Any allegation of misconduct by any employee is taken seriously and PETCO's will immediately investigate the matter. The company's ethical program covers drug abuse, asset protection, and violence. The company has complied with recalls of damaged goods as mandated by the regulatory bodies including the FDA.

2.

The strategic move of re-privatizing will help the company in certain aspects, but it will also have bad consequences. One of the benefits of going private is that the company does not have to comply with SEC regulations including the Sarbanes-Oxley Act which costs millions of dollars a year to comply with. Becoming private increases the power of the ownership team. Some of the cons of not being public are the inability to raise capital in a liquid marketplace such as the NYSE or NASDAQ. I thought that the company acted unethically and did not comply with the FDA mandate when they re-privatized because by not being public they were not obligated to comply with the demands of the FDA. Private companies are not able to build as much goodwill as publicly traded companies.

3.

I believe that PETCO's reputation covers its entire supply chain. When a breeder they do business with mistreats animals it reflects badly on the image of the company. The firm has to drop the supplier or help them fix the problem to comply with state regulations. The scandal associated with <https://assignbuster.com/petcos/>

unsanitary conditions at a PETCO warehouse reflected on the company. The company also did not react quickly enough to fix the problems as the firm's stakeholders expected. The company in the future has to react faster to issues that can hurt its corporate image.