

Ethical dilemma

Business



Ethical dilemma al affiliation It is ethically underpinning for suppliers of commodities in the chain of distribution to ensure the steady supply of commodities to avert potential impromptu shortages. Furthermore, customer loyalty, which is fostered by reliability of services, grossly determines the success of a business and enhances the achievement of high business reputation (Donaldson & Cording, 2002). In an era where customer expectations from suppliers is high, coupled with declining customer loyalty and increase in demand volatility presents a great challenge to the suppliers.

Comprehensive forecasting on the market trends basing on the most relevant trajectory is necessary for suppliers in order to avert negative effects of market fluctuations. George Underhill as the manager of Norbury Manufacturing Company faces the dilemma of two competing supplies orders. The company is only able to meet the order of one company due to the inadequacy of the required items, but anyway the decision goes, either George or the company has to compromise stakes.

Lowry Ltd has a history of loyalty to the company supplies while Principal Contractors is a newcomer but George has family ties with its manager. In essence, George is faced with the challenge of balancing between personal interests and corporate interests. By virtue of kinship, George is possibly inclined to save his sister-in-law from corporate quagmire if the order fails to get through in time. Equally, fulfilling the Principals Contractor's order would mean forfeiting the assured revenues from Lowry Ltd. Norbury Manufacturing company prides itself of Lowry Ltd customer loyalty since Lowry is one of Norburys largest clients with the monthly invoice nearly doubling that of most of Norburys other regular clients (Donaldson & <https://assignbuster.com/ethical-dilemma-admission-essay-samples-2/>

Cording, 2002).

Business corporate image and reputation critically determines the customer loyalty, which is an integral determinant of the extent of the business market base. Business reputation offers a business competitive advantage over competing firms hence business success. It is, therefore, implicit that even though family ties may be compelling a business manager to act in a particular way, the business corporate image and interest overrides the individual interests. The revenue stream that Norbury Manufacturing gets from Lowry Ltd, compounded by its loyalty to Norbury services compels George to consider their order in the case of constrained supplies (Tencati & Perrini, 2011). Principals Contractor's is a new customer without the assurance of loyalty. Furthermore, the interaction between businesses ought to be purely corporate rather than kinship motivated.

Effective fulfillment of customer demands not only requires comprehensive forecast but also provision of the right products to the right customers at the right time. The dilemma that George faces necessitates customer prioritization in which case the most strategic customers demands have to be met first. In the case of multiple supplies demand, a constrained supply is allocated to the customer orders that meet customers' strategic role in the activities of the suppliers. To avert such a dilemma businesses need to prioritize their customers and institutionalize order fulfillment rules (Tencati & Perrini, 2011).

The stalemate of competing orders for scarce supplies is leveraged through prioritization since it provides for an automatic allocation of constrained supply to the individual customers that meet the stipulated rules (Tencati & Perrini, 2011). Furthermore, aversions of stock shortages that lead to ethical <https://assignbuster.com/ethical-dilemma-admission-essay-samples-2/>

dilemmas imply the need for adequate forecasting on the trends in demand. In essence, material shortages and stock-outs need to be effectively managed to minimize the impacts on profitability and customer service levels. Collaborative business network equips businesses with the real-time capabilities needed to update forecasts or reroute inventories to prevent stock-outs or missed revenue.

References

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Tencati, A., & Perrini, F. (2011). *Business Ethics and Corporate Sustainability*. Cheltenham: Edward Elgar Pub.