

Dr. romach case

Business



The Prominent Dr. Rombach Case #1 Background John Cannon graduated from a prestigious West coast university where he majored in international business and had been a very successful biotechnology market analyst early in his career. He then joined and became a manager for (IML) International Medical Laboratories, a large biomedical equipment company managing the German subsidiary.

IML specializes in expensive, high quality heart and lung machines that are used during open heart surgery. John's job title was that of a manager and he was to be in charge of marketing their line internationally, he targeted Europe. John is visiting Salzburg, Austria for a meeting with Dr. Hans Rombach in hopes to try and sell their machine to the prominent doctor, who is a famous cardiovascular surgeon. John is trying to get the doctor on board to purchase the IML medical machines. During this visit, Dr.

Rombach tells John that he is indeed interested in the machine but that a contribution of \$25, 000 to his research fund would help make his decision easier. John is now in a predicament and not sure what to do. Is the doctor asking for a bribe or is the doctor just simply asking for a donation towards his research? International Medical Laboratories was very specific about their loyalty to the " Foreign Corrupt Practices Act" that Congress had just passed after a scandal in Japan. IML, which provides lifesaving medical equipment, meant that the company should represent themselves as a leader and be trust worthy. Any unethical behavior, like a bribe would look bad to the public. In fact the company included in their corporate mission the statement " The Company does not engage in any sort of activity which me be construed as unethical.

” Problem Statement There are a few signs that point out that a problem exists. The first sign being that Klaus who has worked for IML has been trying to get Dr. Rombach to buy this machine for a long time now and hasn’t been able to. So if John pays the \$25, 000 this would definitely mean it was a bribe and how would that make John or the company look to the public. The second sign is John just had a recent meeting at corporate and the topic was of international bribery and the interpretation of the Foreign Corrupt Practices Act, that congress just passed after the scandal in Japan. The third sign is that IML doesn’t engage in this kind of activity, it is considered unethical.

Another sign is that John isn’t sure if this is a bribe. After all Dr. Rombach is a famous doctor and everyone knew him and he has published a lot of his research. If John makes the contribution, it could easily be made up in the future sales of the machines. John knows that if he contacts corporate, they won’t approve. Alternative Identification: 1.

Give the \$25, 000 donation to Dr. Rombach John could give the \$25, 000 donation to Dr. Rombach. He himself said he had almost \$100, 000 available in the budget for discretionary spending. This budget was supposed to be used to promote IML products in whatever means John thought would be effective for the company.

If he sold ten machines, he would break even. He knew that if he could convince Dr. Rombach to use their machine, they would be in every medical advance he reported. This would give the company a large amount of publicity and other doctor’s would want to purchase the systems too. On the

other hand, if John makes the donation and the doctor buys his machine, John would receive a lot of recognition. He knew that everyone would want to know how he did it.

After all, his friend Klaus has been trying to sell Dr. Rombach their machines for a long time and was never able to. Also, John could get fired for going against the company's policy on international bribes, as this would look bad to the public eye. They were very specific about not taking bribes, it's very unethical. 2. Don't give the donation If John doesn't give the donation, he will just have to wait and see if he was able to land the deal on his own with all the hard work he put into the sale.

John will hope that Dr. Rombach will have seen what a great machine it is and the money he could save by purchasing their equipment. At least this way he would still have his good morals and ethics, and his company wouldn't fire him for going against their company's policy on international bribes. Solution There really is only one solution here. That John should not take the bribe.

It goes against your personal beliefs and against company policies. It really isn't worth your own integrity or worth losing your job to try and land a deal that you know is wrong. If the doctor wants the machine because he knows it's a good machine and at a great price, he knows where to find John and purchase these machines. Implementation In order for John to make this happen he must be true to himself and to International Medical Laboratories. The best way for John to do this is he needs to call him when he gets back to the office and let him know that he will not be making a contribution to his

research but would love for him to take advantage of their machines and how great they are.

If the famous Dr. Rombach want to purchase their machine because he knows it's a great system and will do wonders for his patients and save him money then that's great, but IML will not do anything unethical to make a deal. Conclusion John headed out to Austria in hope to get the famous doctor to buy his machines. He was tested by a hard choice; does he make a \$25,000 contribution, which would guarantee him the sale of their machines or let the doctor choose on his own if he would like to purchase a great system that IML has to offer? John's company should be proud of him for not doing the unethical thing and taking the bribe. He chose to do the right thing and the public will see this also.