

Ethics vs profit

[Business](#), [Marketing](#)



The ethical problems that was mentioned in this case first is the disregarding of unsafe products and low quality products. The company is still releasing or selling products that does not meet the standards of the approved product. This is not healthy for the company because they could lose big clients because of defects and this could also ruin the company name. Second is the misguided selling techniques and methods of the sales representatives. Instead of selling the products to the clients fair and square, they are offering special benefits, incentives or gifts to the clients so that the favor of their clients will always be theirs.

This action technically is not wrong if this event don't happen regularly like giving promotions or discounts because promos and discounts only lasts for certain period of time like 1 whole month for example, but closing the deal not because of the features and benefits of the products but because of the incentives and the gifts that the sales representatives are giving is very wrong. Mainly because the clients are taking advantage of your product not because they are pleased and satisfied with their product but because of because of the misguided techniques of the representatives.

If you think of it, the company will not last that long if this practice continues mainly because you can't guarantee that the clients are satisfied with their products. If they are really not satisfied and they run out of gifts and incentives they won't purchase the products anymore, and the company will never know that the clients are not satisfied because the sales representative really doesn't care if the clients are satisfied or not, as long as he/she meets his/her quota, he/she's good.

This is another problem because not knowing what are the strengths and weaknesses, pros and cons, what the customers love about the product and what they hate about the product is very fatal to a company. The company won't be able to improve the product, maintain what's good in the product or create a better product because they won't know the accurate feedback because the purchasing itself is biased and misguided. The main cause of these wrong practices is the pressure that the different managers are receiving.

The quotas and the profit contribution needed not to mention the deadlines as well, is making it very difficult to the managers and staffs to meet their goals. Doing illegal or unethical methods to maintain the company's image and profitability is very wrong. Not only that it is wrong but it's unhealthy for the company as well. What a person do, say, create and show is basically what creates his/her identity and a person and a company is not that different at all. That being said, what the company do, say, create and produce is basically what creates the company's identity.

This statement does not limit the company as it's whole only, this includes the managers, supervisors, staffs and employees in the company as well. To be perfectly honest, the employees are actually more prone in creating positive and negative images in the company. Mainly because they are the front liners in the company. They are the ones who interact, talk and converse with the daily clients of the company. If an employee became disrespectful or unethical to the client, the client will be unhappy and will not purchase the product anymore and that will result to a loss of a good client, meaning loss of a good profit as well.

Being unethical and doing illegal things is very wrong as well. By doing illegal things to get clients will make the origin of the profit crooked already. There's a famous saying that goes " What you reap is what you sow" So if you do something wrong to get profit for your company, something wrong will happen as well in your company. It might be that the clients that was very satisfied and loyal to the company learned about the illegal things that company is doing and left the company for that wrong doing, or worse someone blowed the wistle and the company was penalized for this wrong doings as well.

So making something big from something wrong is very bad because the wrong could be bigger, big enough that the company itself will be swallowed and destroyed by the bad. If i am the CEO of the company I won't do that much different. I mean, I will still want my company to have the Decentralized structure but apart from that, I will add some programs. First I will add the feedback program where in customers and employees will give their feedback to the company. Is the product that we are producing satisfactory enough to the customers?

Are the employees in our company happy or satisfied with what they are doing? Are there any ideas that our managers could share to improve the production and performance of the company? These are very important question that if answered, will be very helpful to the company. With the customers feedback, the company will know what are the things that we need to improve for better satisfaction. The employees feedback will give me the idea if they are happy with what they are doing in the company, if not, what are the things that we can do to address those negative points.

By doing that, I can fix or address any concerns that my employees might have and if it's possible for me to give what they want, I will, If not, then i'll tell them other possibilities that we can do to improve the situation. The managers feedback will tell me where our company is heading already. I'll know if the decentralized structure is helpful to them or if it's productive for the company. If the managers can't meet their goals without doing anything unethical, then they should tell me.

In that way, I can lower down the goals maybe or conduct different training sessions that could improve the performance of the managers and some outstanding employees. I will give programs to the sales representatives as well so that they will be better in persuading our customers and promoting our products in the right manner. I will also give out incentives, if possible in the company's budget, to the highest performing department or location so that instead of them feeling pressured, they will be motivated in doing their best.

In that way, it will be like a friendly competition among different departments and the productivity will be improved a lot too. I won't ever tolerate any wrong practice, illegal activities or unethical actions. If someone is caught doing those practices. Those people will be terminated right away. I won't give any impossible goals to avoid giving much pressure. I'll make the goals a little higher everytime the department reached their goals. One step at a time is the best instead of giving terror to every one and ends up destroying the ethics of the company.

A healthy competition is always best for the productivity of the company. What Mr. Dy did is not correct at all. He let his personal issues take over the
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decision that he made. Mr. Gutierrez is right in returning the goods because it does not meet the quality that was agreed to. Every company does that. If you can't uphold the words and the products that you promised, then it is a sure outcome that your products will be rejected. It is true that Mr. Gutierrez was not able to pay on time and he asked for an extension for the payment and Mr. Dy agreed on it.

Mr. Gutierrez will eventually pay the money and fulfill the words in the contract. Every company knows that there will be some unexpected instances where in some clients will be a little late with some payments, but to lower a quality of a product? That's not understandable at all. It is your product, those products are what represents your company so it's not right to have a lower quality than what you promised to the other party. It is true that establishing friendship with different business leaders is a great opportunity to expand your connections in your company.

It is really good for the company if you have a great connections in different fields. However, to use that friendship to bend something in a contract, is really inappropriate. Business is business. You should not let friendship be a bias to change something in an agreed contract. Considering friendship in starting something like starting a partnership or starting a transaction is really understandable, but to use friendship to influence or change what's in the contract is not correct.

In this situation though, since Mr. Gutierrez's company is having a financial crisis at the moment, it is the perfect move for Mr. Gutierrez to use his connections for the favor of his company. Also, it is not like this scenario is habitual anyway. Since this is just a one time thing for Mr. Gutierrez to use

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friendship for payment extension, it is pretty expected and understandable, but if he is going to do this often, not only that it is wrong but it could also affect his reputation and the standing and name of his company. His action is a step up for him in this case, just make sure that it won't happen often to avoid any complications.