

FILE CARD

19B

Team B: HBT Short Co. – a subsidiary of HBT Inc.

Your colleagues in a sister subsidiary, HBT Raxis Co., have asked you to participate in the development and marketing of a new drug to treat arthritis.

You:

- are experienced in this sector of the drug industry
- presently market *Arpan*, which has 25% of the domestic market and a growing export market
- would like to cooperate with Raxis, because you do not want to compete with them in the arthritis drug market
- need to be flexible in negotiating with them
- do not believe a single Project Team is required. You think there should be one team in charge of the tests, based at Raxis, and one team in charge of marketing, based at Short
- think that \$500,000 is the *absolute maximum* that should be spent on developing the drug
- are sceptical about its market potential. You feel that it could simply take sales away from *Arpan*. The following memo was written following a meeting of your Product Development Executive:



HBT Short Co.: Internal Memo

CONFIDENTIAL

Re. Arpan/New Raxis Anti-inflammatory drug

This Raxis product could be a threat to ARPAN.

Development should avoid high investment, especially by Short.

Some commitment is acceptable, but ...

keep costs down!

Product Development Executive

- think further tests will take at least three years before the U.S. Food and Drug Administration give approval
- would prefer that Short take responsibility for the trials and in exchange you will provide information about potential markets once the tests have been completed.

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Staff consultation on leisure facilities in the workplace

The company has money to spend on improving facilities for staff. Among the options are:

- a sports club with new gym and bar facilities
- a crèche and after-school center for employees' children
- a swimming pool and café area
- a bar / restaurant / library / Internet café for staff and families

Decide on priorities. Suggest a recommendation based on one of the above, or a **combination** of two.

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High turnover of staff in Daycare Center

Total employees: 300
170 women
45 are mothers with young children.

Company daycare facilities for children are used:
i. after school before end of working day (5 p.m.)
ii. school holidays.

Mothers unhappy because:
– very high turnover of staff in Center
– no continuity
– poor organization of Center.

FILE CARD

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Loss of car parking spaces

Because of a large expansion of office and production space, most staff car parking will soon disappear. How should the company distribute the 100 spaces that are left?

Note: the company employs about 300 staff
about 28 staff are disabled
the company is located on bus and train routes
about 200 staff currently use car parking space at work

FILE CARD

23

Policy on contemporary artwork for reception area

The company has always supported contemporary art with regular purchasing and exhibition of paintings and sculpture. It now has quite a good collection of over 100 pieces. Only about a third of the collection is on display.

There are arguments about what to do with the collection and about the purchase and exhibition policy. Are there other more important priorities for the company?

Options:

- Sell the work and stop buying art
- Build a gallery to exhibit the work
- Donate the work to the local City Art Gallery & Museum
- Stay as now, showing some work in the reception area, changing the works occasionally, but buying no more.

FILE CARD

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Sam Adela (Chair)

You have called a meeting of the Executive of Adel Passam Inc. to discuss the crisis surrounding the company. Prepare a brief agenda and short opening remarks. Refer to the Checklists in Unit 10 to remind you of your responsibilities as chair and some of the language you may need.

You:

- are the most heavily implicated in the scandal
- are a friend of Cass
- are angry that the press allege that your late father, Mikel Adela, may have profited by up to \$1m from Cass's deal
- think API should sue the local papers for libel.

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Jay Worthy (Legal Advisor to API)

You:

- are worried that the accusations may be true but you cannot say this directly
- think API should wait and see what happens next
- feel that the scandal really involved Cass and politicians but ...
- you cannot say this too loudly because Marta Lucas is married to the former leader of the Democratic People's Party.

Note: From a legal point of view, probably no individual has been libeled because no one has been named in the reports except Mikel Adela who is now dead and the dead cannot be libeled.

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Marta Lucas (Director)

You:

- have never heard of the scandal until very recently but your husband is deeply embarrassed
- believe your position with the company is compromised if your husband is found to be corrupt
- think that if you resign, it will look like an admission of guilt
- may decide that on the other hand, your relationship with your husband is compromised!
- believe the company should fight to protect its – and your – reputation.

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Anton Hassim (Director)

You:

- fear that the public will make direct connections based on Sam Adela's friendship with Cass and Marta Lucas's marriage to the leader of the Democratic People's Party
- think that even if Sam Adela did not benefit personally, if people think Mikel Adela was guilty, then the company is in deep trouble
- think the company should wait, admit nothing and deny nothing
- think that to sue the papers for libel is risky and would cost a fortune.

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Pat Joyce (Director)

You:

- feel that the allegations must be completely false because you knew Mikel Adela for forty years as a completely honest man
- believe that API never had any formal dealings with politics and politicians
- think Marta Lucas's personal life is her own affair
- think the company should issue a statement denying the allegations, publish accounts from the period, etc.

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Berni Callam (Accountant)

You:

- are new in Adel Passam Inc. and you are shocked by the scandal
- naturally hope that the accusations are false and that the affair only involves the Council and Cass
- feel that a thorough independent investigation of the accounts should clear the company's reputation
- want to avoid a legal battle
- fear that the public will always associate Cass with Adel Passam Inc. and with Mikel and Sam Adela
- think that in time the damage will fade
- think every company has its scandals.

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Jan Lubitsch (Managing Director and Chair)

Introduce the background and the problem. Explain that the promotion has been oversubscribed (you forecasted 1,000 takers, and there are 5,000). You fear that the costs of meeting the extra 4,000 will be enormous. The problem is that Blue Balloon does not have the capacity and anyway is contracted only to provide 1,000 trips at \$125.

During the discussion, you want to establish what action should be taken. Decide on specific actions that must be done after the meeting.

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Andrew / Andrea Eastman (Marketing Director)

You feel ultimately responsible because you decided to run the promotion. You insured Sola against oversubscription but only up to 1,000 extra trips, not 4,000. You took advice from an advertising agency, Promo World. You feel they gave you wrong advice and Sola should seek compensation from them.

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Fred / Freda Cavani (Director)

You think Sola were wrongly advised and should receive compensation from the advertising agency, Promo World, who advised Sola on the promotion. You want to know what the legal position is on getting compensation.

FILE CARD

33

Eric/Erica Whitehead (Director)

You think Blue Balloon should arrange more balloon trips at a cheaper price than \$125, or that other companies could be approached to help out. You are concerned about the bad publicity surrounding the promotion. You think Promo World should explain why they thought insurance for only 1,000 extra trips would be enough. However, you also think the situation cannot be so serious, as clearly many hundreds of people stayed in your hotels and may return for a second visit – so perhaps it has been a good promotion after all. You imagine that Promo World will say that, anyway.

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(l = left, r = right, t = top, b = bottom)

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