



CAREER CLUSTER
Business Management and Administration

INSTRUCTIONAL AREA
Business Law / Selling

BUSINESS LAW AND ETHICS TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the General Performance Indicators, Specific Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will give an ID label to your adult assistant during the preparation time.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge), followed by up to 5 minutes to answer the judge's questions. All members of the team must participate in the presentation, as well as answer the questions.
- Turn in all of your notes and event materials when you have completed the event.

GENERAL PERFORMANCE INDICATORS

- Communications skills—the ability to exchange information and ideas with others through writing, speaking, reading or listening
- Analytical skills—the ability to derive facts from data, findings from facts, conclusions from findings and recommendations from conclusions
- Production skills—the ability to take a concept from an idea and make it real
- Teamwork—the ability to be an effective member of a productive group
- Priorities/time management—the ability to determine priorities and manage time commitments
- Economic competencies

SPECIFIC PERFORMANCE INDICATORS

- Distinguish between ethics and law.
- Explain business ethics in selling.
- Explain the role of ethics in customer relationship management.
- Assess the legality of contracts.
- Apply decision-making principles and techniques to a situation with an ethical dilemma.
- Explain business ethics in product/service management.
- Identify possible resolutions to an ethical dilemma.

CASE STUDY SITUATION

You are to assume the roles of co-managers of PLUGGED IN, a consumer electronics retailer. You will speak to the customer service department manager (the judge), who reports to you, about the ethics of high-pressure sales tactics.

PLUGGED IN is a large consumer electronics retailer in a medium-sized city in the southern United States. Recently your company has placed renewed focus on services contracts. Services include cellular phone provider contracts, product service plans and product replacement plans, which are forms of in-store warranties on products, with a contract to repair or replace defective or failed merchandise.

Product service and replacement plans are an extremely important part of your business, as they have a high markup and relatively low redemption rates. This means the company makes money as they are sold, and consumers rarely need to invoke the agreements. These contracts are available on nearly every product sold in your store, including televisions, stereos, speakers, appliances, computers, car stereos and equipment, cellular phones, PDA's, etc.

Both of you have energetically encouraged your team of supervisors and employees to be creative and innovative in selling services to customers. As a result of your efforts, your store has seen a marked increase in the services category, and the two of you have received your performance bonuses (\$1,000) in this category for the last two months.

Recently you observed the customer service department manager (judge) training a new employee to offer services to all customers, no matter what. After the employee was trained, you saw him offer a product replacement plan on a small stereo to a young boy who appeared to be 13 years old. Later that same week the parent of the young boy came in to complain about the high-pressure sales techniques used to sell his son a service contract on an inexpensive stereo.

You have scheduled a meeting with the customer service supervisor (judge) to discuss the ethical issues involved in using aggressive sales techniques to sell service contracts. You want to maximize your store's potential for profit, but to do it in an ethical way.

You should be prepared to discuss and provide examples of the following:

- Ethical considerations involved in offering contracts to minors
- The potential negative impact of aggressive sales techniques on customer loyalty
- Potential guidelines to assist employees in selling service contracts

You must be prepared to defend your stance, as well as to justify how your positions are in the best interest of both the company and your customers.

You will speak with the customer service department manager (judge) in a meeting to take place in your office. The customer service department manager (judge) will begin the meeting by greeting you and asking to know what you wish to talk about. After you have presented your guidelines and have answered the customer service department manager's (judge's) questions, the manager (judge) will conclude the meeting by thanking you for your information.

JUDGE'S INSTRUCTIONS

You are to assume the role of customer service department manager at PLUGGED IN, a large consumer electronics retailer. The two co-managers you report to (participant team) will present to you their concerns about the ethics of high-pressure sales tactics.

PLUGGED IN is a large consumer electronics retailer in a medium-sized city in the southern United States. Recently the company has placed renewed focus on services contracts. Services include cellular phone provider contracts, product service plans and product replacement plans, which are forms of in-store warranties on products with a contract to repair or replace defective or failed merchandise.

Product service and replacement plans are an extremely important part of the business, as they have a high markup and relatively low redemption rates. This means the company makes money as they are sold, and consumers rarely need to invoke the agreements. These contracts are available on nearly every product sold in your store, including televisions, stereos, speakers, appliances, computers, car stereos and equipment, cellular phones, PDA's, etc.

The co-managers (participants) have energetically encouraged supervisors and employees to be creative and innovative in selling services to customers. As a result of these efforts, your store has seen a marked increase in the services category, and the co-managers (participants) received performance bonuses (\$1,000) in this category for the last two months.

Recently the managers (participants) observed you training a new employee to offer services to all customers, no matter what. After the employee was trained, they saw him offer a product replacement plan on a small stereo to a young boy who appeared to be 13 years old. Later that same week the parent of the young boy came in to complain about the high pressure sales techniques used to sell the boy a service contract on an inexpensive stereo.

The managers (participant team) want to meet with you to discuss the ethical issues involved in using aggressive sales techniques to sell service contracts. The managers (participant team) want to maximize the store's potential for profit, but to do it in an ethical way.

In the meeting, the co-managers (participants) will outline the situation and their proposed guidelines for selling service contracts, including:

- Ethical considerations regarding offering contracts to minors
- The potential negative impact of aggressive sales techniques on customer loyalty
- Potential guidelines to assist employees in selling service contracts

You will begin the meeting by greeting the managers (participant team) and asking what they wish to talk about.

After the managers (participants) have presented their information, you are to ask the following questions of each participant team:

1. Is it legal to offer a contract to a minor?

2. Should we offer service contracts on inexpensive items?
3. What constitutes aggressive sales tactics?

Once the co-managers (participants) have presented their ideas and have answered your questions, you will conclude the meeting by thanking them for their input.

You are not to make any comments after the event is over except to thank the participants.

Possible Solutions

1. Is it legal to offer a contract to a minor?

Some solutions to this question may include the following:

- No, minors are not legally able to enter into a contract.
- NOTE: Participants may add much more to this explanation, but should at minimum produce the answer above. A minor's adult parents may enter into contracts, but minors, in general, do not have the legal capacity to do so.

2. Should we offer service contracts on inexpensive items?

Answers will vary. There is no correct answer.

3. What constitutes aggressive sales tactics?

Answers will vary, but may include things like

- Repeating the offer.
- Implying that the service contract is required.
- Implying that the product frequently needs service.

JUDGING THE PRESENTATION

Team members, assuming the role of a management team for the business represented, will analyze a case situation related to the chosen occupational area. The team will make decisions regarding the situation, and then make an oral presentation to the judge. The role of the judge is that of an executive for the business.

Participants will be evaluated according to the Evaluation Form.

Please place the name and identification number label on the Scantron sheet (unless it has already been done for you).

Participants will have a 30-minute preparation period and may make notes to use during the role-play.

During the first 10 minutes of the presentation (after introductions), the team will present their analysis, their decisions and the rationale behind the decisions. Allow the teams to complete this portion without interruption, unless you are asked to respond.

During the next 5 minutes, you may ask questions of the team to determine their understanding of the situation presented. Each member of each team should respond to at least one question. To ensure fairness, you must ask each team the same questions. After asking the standard questions, you may ask other questions for clarification specific to the current team.

After the questioning period, please thank the team and state that they will be notified of your decision soon. Then complete the Evaluation Form, making sure to record a score for all categories. The maximum score for the evaluation is 100 points. The presentation will be weighted at twice (2 times) the value of the exam scores.

A maximum score of “Exceeds Expectations” in any category means that, in your opinion, the information is presented effectively and creatively; nothing more could be expected of an employee.

A “Meets Expectations” rating means that the information is present well. Though there may be a few minor problems or omissions, they are not significant. Creativity, however, is not shown to any great degree. A combined total score of 70 or better on the written and presentation sections will earn the participant team DECA’s Certificate of Excellence at the international conference.

A “Below Expectations” score means that the information presented does not meet minimum standards of acceptability.

A “Little/No Value” score means either that some major flaw has been noted that damages the effectiveness of the presentation (this may be a major omission, a serious misstatement or any other major flaw) or that the information presented is of no value (does not help the presentation at all).

We hope you are impressed by the quality of the work of these potential managers. If you have any suggestions for improving the event, please mention them to your series director.

We thank you for your help.

JUDGE'S EVALUATION FORM
BLTDM
STATE EVENT 2010

PERFORMANCE INDICATORS	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value	Judged Score
DID THE PARTICIPANT:					
1. Distinguish between ethics and law?	10-9	8-7	6-5-4	3-2-1-0	_____
2. Explain business ethics in selling?	10-9	8-7	6-5-4	3-2-1-0	_____
3. Explain the role of ethics in customer relationship management?	10-9	8-7	6-5-4	3-2-1-0	_____
4. Assess the legality of contracts?	10-9	8-7	6-5-4	3-2-1-0	_____
5. Apply decision-making principles and techniques to a situation with an ethical dilemma?	10-9	8-7	6-5-4	3-2-1-0	_____
6. Explain business ethics in product/service management?	10-9	8-7	6-5-4	3-2-1-0	_____
7. Identify possible resolutions to an ethical dilemma?	10-9	8-7	6-5-4	3-2-1-0	_____
PRESENTATION					
8. Clarity of expression	6-5	4	3-2	1-0	_____
9. Organization of ideas	6-5	4	3-2	1-0	_____
10. Showed evidence of mature judgment	6-5	4	3-2	1-0	_____
11. Effective participation of both team members	6-5	4	3-2	1-0	_____
12. Overall impression and responses to the judge's questions	6-5	4	3-2	1-0	_____
TOTAL SCORE					