**Q. How can U.S companies compete globally if laws such as foreign corrupt practices are in place?**

Ans. U.S. businesses have long questioned whether the FCPA is an appropriate impediment to doing business abroad in a world where acceptable and widely practiced behavior is different in many countries. Complying with regulatory changes at home and in a host country can be a major challenge for U.S companies.

Although these types of acts have been successful in helping to curb corruption and bribery, it has also served to place many U.S. businesses at a distinct comparative disadvantage in the global marketplace: The FCPA can make it more difficult for U.S. companies and individuals to be competitive internationally. While anti-corruption legislation has either been adopted, or is in the process of being adopted, in a number of other countries, many countries do not have such requirements, and in some countries, bribes are even tax deductible.

Furthermore, US companies making cross-border investments for the first time or managing existing international operations, need to buttress their compliance by aligning their vision, mission and corporate value systems to doing business abroad. The tangible manifestation of aligning staff to good standards of practice in corporate governance includes the dissemination of employee handbooks, codes of conduct, and formation and enforcement of corruption, bribery and fraud policies. Simply saying ‘zero-tolerance’ in many markets where bribery is as pervasive as taxation ignores the coercive and often extortionate forces U.S. companies endure in operating abroad.

In today’s dynamic and ever-changing international business landscape, U.S. businesses would really benefit from a less absolutist approach to the subject. But until and unless the FCPA is modified to take these new realities into consideration, U.S. businesses have little choice but to beef up their compliance and monitoring capabilities, while enhancing their awareness and enforcement of codes of conduct.

U.S. businesses operate in a world where most of the places where they may wish to operate have a different standard regarding acceptable norms of facilitation, bribery and corruption. This begs the questions: 1) should U.S. businesses be put in a situation where they must in essence break U.S. law in order to operate effectively, and 2) does the U.S. government in essence put U.S. businesses in an inherently uncompetitive and disadvantageous position by insisting that they must at times be forced to break U.S. law in order to be competitive and operate effectively? To those companies which have been forced to make a decision between breaking U.S. law and operating their businesses competitively in other countries, the answer is obvious. It should also be obvious that the tide is swimming in another direction, and as the world becomes an ever more competitive place, U.S. businesses have become even more out of sync with national norms, and pay the price both at home and abroad.

**Q2. Do you think Ted Harrison should have bribed fiju construction? Should he tell his company what he did? Explain your answer**

Ted Harrison shouldn’t have bribed Fiju Construction as it was an unethical approach taken by the Ted and Ted was presumed to be an unethical person as he instigated the topic of bribery with Ray although Ted discussed with his wife Susan that this practice of illicit payments in the industry should be stopped by his foreign competitors which can be supposed that he was unhappy because playing filed was not level for him.

Ted should inform his company about the situation that he was involved in bribery to win the Fiju Construction bid. He should also explain the reason why he did that. He was asked by the Ray to go ahead which was mentioned in Rays email by saying that “Untie your hands and just get it done”.

**Q3. Do you believe Ted Harrison should have disregarded Ray’s email message telling him to “untie his hands”? Or should he have clarified its implications with Ray? Explain your answer**

No , Ted shouldn’t have disregarded Ray’s Email as he should have clarified its implications with Ray explaining him the consequences that company , Ray and Ted could have faced in case of legal authorities finding out that Ted has bribed Fiju Construction to win the bid. Although Ted’s own character is under question as he instigated the topic of bribery with Ray and asked Ray that his hands are tied.

**Q4. Research How US companies that bribe their customers are brought to justice. What is the likelihood of their being caught?**

US companies that bribe their customers are brought to justice under Foreign Corrupt Practices Act (FCPA). The Securities and Exchange Commission (SEC) and the Department of Justice are both responsible for enforcing the FCPA. This is because the FCPA both amends an SEC Act and the criminal code. The SEC enforces the Act for companies it regulates and the Department of Justice enforces the bill regarding all other domestic companies. Investigation by the Securities and Exchange Commission or the Department of Justice for running afoul of the Foreign Corrupt Practices Act, which makes bribery in foreign countries punishable in the U.S. The U.S. government can and does use FCPA accounting provisions to charge companies with activities that are not specifically addressed by FCPA anti-bribery provisions, such as commercial bribery and bribery of foreign officials without a specific U.S. link.

The likelihood of US companies being caught is a bit low as the line between what constitutes a bribe and a “grease payment” depends on the country, business culture, and context. For the U.S. government to attempt to apply America’s definition of what constitutes acceptable business behavior in America in a one size fits all approach to doing business abroad makes little sense in a world where no single standard effectively applies to anything, and it runs counter to the government’s stated objective of making American business more globally competitive. Moreover, a growing number of companies have started placing disclosures in their financial documents that say their employees may at times violate the U.S.’s overseas bribery law, despite the company’s best efforts to prevent it.

**Q5. What other foreign-market entry barriers might US companies run up against? Do you think it’s possible other cultural barriers hampered Ted’s sales in Taiwan?**

In international markets there may be factors that are outside of companies control that will impact on company’s preferred marketing mix and company will need to take these into account when choosing a market(s).

Company’s pricing level may be distorted by such factors as price discrimination imposed by host governments on foreign goods that may make your price to compete or too low to provide a reasonable profit margin.

Company’s potential distribution process will be impacted by the availability or agents and distributors and the complexity of the channels for getting your product to the customer.

In addition to the issues noted above there are a host of other issues company will need to be aware of before making the final decision as to which market(s) to enter. It is important to keep in mind that a government’s role is to protect its citizens and business first and if they feel their firms cannot compete against foreign competition, they will impose restraints that US companies will have to take into consideration.

Governments also sometimes provide subsidies to their local firms to help them compete against foreign competition and can also impose strict standards on product quality or insist on local content being part of your product. Each of these can and will add costs to your final price and may make US companies uncompetitive in that market(s).

Finally, ensure that company’s product is priced fairly and competitively so that company is not accused of dumping. Dumping at its most basic is selling its product into a market at below production cost to gain market entry and market share. The penalties for dumping can be quite severe from financial to outright banishment from that market.

No I don’t think it’s possible other cultural barriers hampered Ted’s sales in Taiwan because Lexington Industries is a major steel producer and its product do not require some degree of change due to cultural differences, but there may be a possibility that efforts on marketing and advertising will often be determined by cultural laws and norms and the availability of different types of media.

**Q6. From a Management standpoint, how much time should a salesperson be allowed to penetrate a new market? Was Ray being fair in question in ted’s skills as a salesperson after only three years? Explain your answer. Would your answer be different if the salesperson were attempting to penetrate a domestic market? Explain your answer.**

Answer. From the Management Point of view, 3 years is quite a time in today’s rapidly changing business markets and Ray was being fair to question in Ted’s skills as a salesperson because Ted was Lexington Industries top domestic salesperson once. The email sent back from Ted to Ray automatically raise eyebrows on the performance of Ted as he said that lack of sales is not due to lack of opportunities to bid but his inability to bribe people to secure contracts. This statement from Ted speaks that in domestic market he generally bribe people to secure contracts and he was not a top domestic salesperson for a reason.

Yes my answer will be a bit different as salespersons must only be given 1.5 to 2 years to penetrate a domestic market in today’s rapidly changing and growing markets. 1.5 to 2 years are enough as Company as well as salesperson’s are operating in domestic markets for quite bit of time and they have the know-how of the market.

**Q7. Look up the Web site for the organization for Economic Cooperation and Development (OECD) at** [**www.oecd.org**](http://www.oecd.org) **and explain what actions they take to reduce the corruption related to foreign transactions.**

Answer. The OECD fights bribery in international business to strengthen development, reduce poverty and bolster confidence in markets. The keystone to its efforts is the OECD Anti-Bribery Convention and the Convention's 2009 Anti-Bribery Recommendation.

The OECD has an arsenal of legal instruments and recommendations for fighting corruption in its many forms, including through criminalizing bribery in international business, promoting responsible business conduct, protecting whistleblowers and insisting on integrity and transparency in public procurement processes. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business transactions in the cornerstone of OECD efforts to combat corruption. Accession to the OECD Anti-Bribery Convention obligates its 41 State Parties to make bribery in international business a serious crime, and to enforce it, thus tackling head on this scourge on economic growth and development.