



## Felipe's Presentation Plan with Slides

### Opening (Issue)

#### Slide

Problem and list of elements

Problem

- Potential bad publicity
- Loss of sales
- Legal liability
- Ethically compromised

#### Slide

Logos of companies that have faced sweatshop problem

Not Alone

- Not first company to face this

#### Slide

"Nike Problem"

- Nike
  - Bad publicity
  - Boycotts
  - Lost sales

#### Slide

"Apple Problem"

- Apple
  - Bad publicity
  - No harmful effects—yet
- Others have survived, prospered

### Slide

#### "Solution"

##### Solution

- Marketing strengthened
- Liability removed
- Ethical problem solved
- Costs stay low

### Slide (Road Map)

#### "Trouble in China"

#### "What Should We Do about It?"

#### "Why We Should Act"

#### "What We Can Do"

### Slide

#### Sign Post ("Trouble in China")

### **Trouble in China**

- Most of our Chinese factories provide good value and quality
- Have acceptable working conditions
- One exception

### Story

My visit to Guangdong factory

### Slide

#### Picture of young girls

- Young girls, 12 to 16 years old
- Rooms not air conditioned
- Factory temperatures often exceed 100 degrees.
- Not allowed to look up for 8 hours, no breaks, no magnifying glasses

### Slide

#### Show circuit board and tiny parts girls work with

- Some employees work around melted lead and lead paint

#### Slide

##### List of effects of lead poisoning

- Lead is toxic and workers have no protection against fumes
- Employees live next door in dormitories, no windows or running water

#### Slide

##### Sign Post ("What Should We Do about It?")

### **What Should We Do about It? (Conclusion)**

#### Slide

##### "Decision Options"

###### *Decision Options*

- Take corrective action.
- Change vendors.
- Do nothing.

###### *Conclusion*

- Improve conditions
- Acknowledge being part of the problem
- Do something positive for company and vendor workforce

#### Slide

##### List of four criteria

###### Conclusion based on several criteria:

- Ethics
- Marketing
- Legal liability
- Cost

#### Slide

##### Sign Post ("Why We Should Act")

### **Why We Should Act (Argument)**

#### Slide

##### "Ethics"

### *Ethics*

- Conditions violates our ethical values
- Factory uses child labor extensively
- Underage workers paid less, more docile than adults
- No effective protection against toxic vapors from lead
- Acknowledge that we are part of the problem

### Slide "Marketing"

#### *Marketing*

- Labor abuses all over the world are frequently exposed in the media

### Slide Photo of one of our customers

- Exposure leads to loss of customers, brand damage
- Nike, Apple: two contrasting case studies
- Do we want to make this bet with our reputation?

### Slide "Legal Liability"

#### *Legal Liability*

- Some of the conditions violate Chinese law
- Can never know when laws will be enforced
- Enforcement or law suits can bring bad publicity

### Slide "Cost"

#### *Cost*

- Can't afford to be sentimental about costs
- Recently saved up to 30% of manufacturing costs

### Slide Low Cost of Improvements (photo of magnifying glass)

- Improvements inexpensive
- Gradually work toward better situation

### Slide "Other Options"

### *Rebut Other Options*

- Change vendors: premature, too disruptive
- Do nothing: ethically wrong, too risky
  - Vulnerable to all the risks mentioned
  - Do we want to bet the company?

### Slide

Quote from Nike executive

### Slide

Sign Post ("What We Can Do")

## **What We Can Do (Action)**

### Slide

"Short Term Actions"

Short term

### Slide

Photos representing what we can do. Example: air conditioners

- Negotiate immediate improvements
- Start to reduce child labor

### Slide

"Long Term Actions"

Long term

- Set up code of conduct for vendors
- Begin regular auditing process
- Incorporate code into marketing

### Audience participation

Ask for suggestions for inexpensive improvements.

## **Closing**

### Slide

List of Benefits of Action

Benefits of Action

- Improved factory conditions for workers
- Avoidance of bad publicity
- Resolution of an ethical problem
- New angle for marketing

Slide

Summary Slide

Call to Action