

Title: Relationship with suppliers – Crossing the line¹ (20 minutes)

Rita is a technical equipment buyer at a well-known department store. During her initial training, she has been instructed about the rules of the company concerning acceptance of offers from the suppliers.

She retained the general idea that she was allowed to make friends with a supplier representative, as long as she didn't receive any substantial gift that could compromise her independence.

- a) After a couple of months in the job, she developed a good professional relationship with Diana, the commercial director of a major hardware company.
- b) Diana invited Rita to a business lunch, during which they changed information that was valuable for both of them.
- c) A few months later, they had become good friends. Diana called Rita and asked her if she'd like to go to a Madonna concert with her. At the last minute, Diana apologized, telling that she couldn't make it. Anyway, she sent an envelope to Rita's office with two tickets inside, one for her and the other for her boyfriend.
- d) In Christmas time, Rita received a phone call from Diana. She wanted to know her personal address. Rita told her that company rules forbidden her from receiving gifts at home. But Diana insisted, telling her that it didn't matter, because it was a modest personal gift and not a professional one and Rita accepted.
- e) They kept meeting regularly and one day, next spring, Diana invited Rita to speak at the annual event of the hardware manufacturers association. Her intervention was about the aspects a retailer values most in its relationship with a supplier of technical equipment. She prepared her intervention very carefully and was really pleased at the end, when she realized that there was a surprise honorarium € 500 check for her.
- f) On her birthday, Rita had an expensive present sent to her home, along with a card signed by Diana with the compliments of the company. She knew she shouldn't keep it, but it was a real beauty and she decided to keep it.
- g) Late summer, Rita spent two days helping Diana preparing a "back to school" campaign that they had decided to launch together. A few weeks later, she received an envelope from the hardware company. It contained an appreciation note, telling her how much they appreciated her dedication. It also contained a € 1.000 check in her name, a compensation for her time. The campaign was a success and everybody is happy...

1. When did Rita cross the line?
2. What should she do now?
3. Imagine you are her boss and she tells you about the situation. How would you react?
4. What about if you knew it from other sources?

¹ Adapted from Madden, C, in Smith, N. and Quelch, J., *Ethics in Marketing*, 1992.