

Principles *or* profit?


An international drugs company is struggling with a number of ethical dilemmas. Its future success depends on making the right choices now.

Background

Universal Pharmaceuticals (UP) is based in Atlanta, Georgia. During the 1990s, it was highly successful thanks to the effective treatments it developed for people suffering from diabetes and Parkinson's Disease. However, the company has been less successful in recent years because its drug for the treatment of asthma turned out to have harmful side effects and was withdrawn from the market. The company's image was also damaged when a newspaper ran a series of articles criticising some unfair methods used by UP's sales representatives to sell the company's products. The writer of the articles questioned whether UP was living up to its mission statement that it was an 'ethical company which will always put principle before profit'.

Ethical dilemmas

At present, the management of UP are faced with three ethical dilemmas which they must discuss and resolve in the best interests of the company. The first concerns a new drug which could benefit poor people in Africa.

 **CD2.31** Two directors of the company, Ernesto and Ingrid, are talking about the problem. **Listen and make notes on the problem. Then, working with a partner, summarise the ethical dilemma which the company must deal with.**



Discussion topics for the management meeting

The first item on the agenda is the new drug to treat river blindness. Then there are two other problems relating to drugs that the company is developing. They are summarised below in a discussion document which has been circulated to all participants attending the meeting.

Read about the problems relating to two other drugs and note the key points.

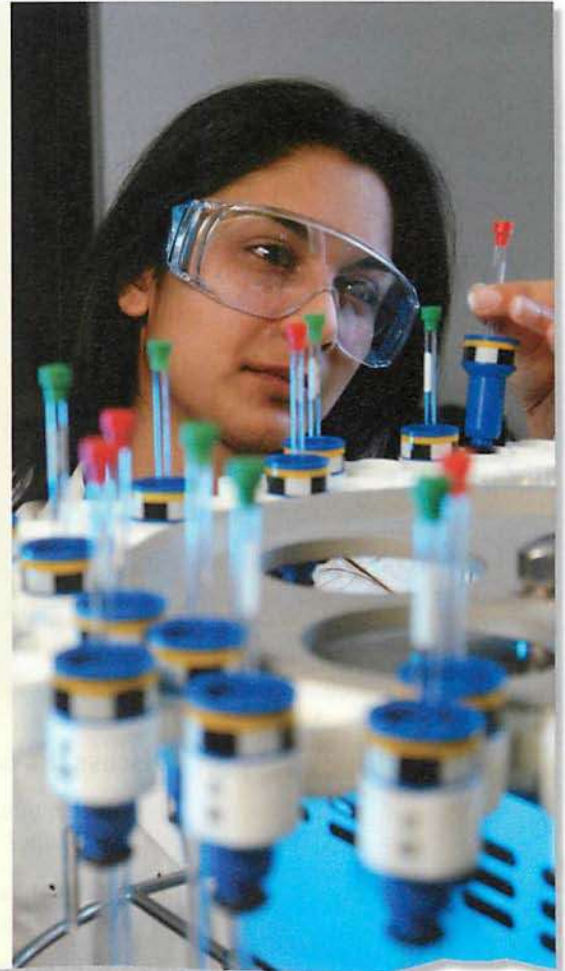
» Test results on PX200, our new drug for treating heart disease

There is great interest in PX200, which is in the final stages of development. Up until now, the test results have been impressive. However, the recent series of tests has produced disappointing results. It seems that some patients have experienced severe breathing difficulties and other unpleasant side effects after taking the drug, while most patients have received significant benefits from it in terms of lower blood pressure and less pain.

Should we make public the results of this test, as we have done with previous test results, or should we withhold the information at this stage?

New dieting product

Our R&D department has been developing a new diet drink which will help people lose weight. The drink has been tested on animals, but some became sick in the early trials. Up until now, we have been reluctant to test new products on animals since we claim to be an ethical company. However, the new drink could be extremely profitable when it is launched. Should we continue to test this product on animals or try to develop it without using them for our research?



Task

You are members of UP's board of directors. Hold a meeting to discuss the three ethical dilemmas. One of you should lead the discussion.

- 1 Use the agenda on the right to guide your discussion. The chairperson starts by briefly summarising each problem.
- 2 In each case, start by discussing the options which are available to UP to deal with the problem. Then decide how to deal with the situation. If you can't agree, take a vote.

Agenda

- 1 The new drug for River Blindness
- 2 Test results for the PX200 (heart problems)
- 3 Animal testing for a dieting product

Watch the Case study commentary on the DVD-ROM.



Writing

Write a short report from the chairperson, summarising the decisions reached at the UP board meeting and giving reasons for them.

➔ Writing file page 130

Reports

A report should be well organised, with information in a logical order. There is no set layout for a report. It will depend on:

- a) the type of report
- b) the company style.

The format used here is suitable for formal reports:

- title
- executive summary
- introduction
- findings
- conclusion
- recommendations

The *executive summary* is a summary of the main points and conclusion of the report. It gives the reader a quick overview of the total situation.

The *introduction* shows the points that will be looked at.

The *findings* are the facts discovered.

The *conclusion* is what you think about the facts and how you interpret them.

Recommendations are practical suggestions to deal with the situation and ideas for making sure future activities run more easily.

Business Software plc

Product report

Executive summary

We have been contacted by Lenz AG, a German manufacturer of mobile telephones, and asked about the possibility of a co-operation agreement. We would adapt our business software for use in their products. Tests show that their product is a very good one and popular with our target market.

Introduction

This report will look at:

- the hardware manufacturer and their equipment
- software that could be used on their mobile phones
- the advantages of working together
- recommendations for action.

Findings

- 1 Lenz has been developing cheap, small-scale electronic devices for 35 years. In the last five years, they have focused on more expensive mobile phones for businesspeople. These have been very successful. One in four mobile phones for the business market is a Lenz.
- 2 Our new Executive Organiser software has a lot of attractive features for the travelling businessperson (e.g. address book, e-mail, video and voice recorder, street-finder function, etc.).
- 3 Market research shows that there is a lot of interest in our products being used on machines apart from computers.

Conclusion

The two companies have products which fit well together.

Recommendation

We should have a meeting with representatives from Lenz as soon as possible to discuss a joint venture between our companies, with the aim of putting our software onto their mobile phones.

Tracy Cruickshank
Research and Development Director
19 October