

Jump Start Micro-Enterprise Credential: Ethics and Social Responsibility Student Exercise

(Updated: July 2016)

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| <p>1 Which of the following are stakeholders for a small business?</p> | <input type="checkbox"/> Suppliers | <p style="background-color: #e0f7fa;">Why is it important for a small business to care about how it treats each of these stakeholders?</p> |
| | <input type="checkbox"/> Customers <input type="checkbox"/> Employees <input type="checkbox"/> Out-of-State Competitors | Empty space for student response |

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| <p>2 How can entrepreneurs demonstrate transparency to key stakeholders?</p> | <input type="checkbox"/> Briefing employees on company financial goals and results | <p style="background-color: #fff9c4;">What potential benefits would an entrepreneur realize from behaving in these transparent ways?</p> |
| | <input type="checkbox"/> Providing suppliers with sales forecasts for the next quarter <input type="checkbox"/> Telling neighborhood residents that a sidewalk sale was scheduled in a month | Empty space for student response |

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| 3 Which actions demonstrate ethical behavior by a small business owner? | _____ Signing an NDA with a supplier but then disclosing that information to a competitive supplier | Why are the potential financial and non-financial costs to a small business owner for not behaving ethically? |
| | _____ Honoring a stated refund policy to customers | |
| | _____ Pointing out a billing error where your supplier charged you an incorrect lower price | |
| Extra Credit: Why would a small business owner act ethically even though it costs the business owner money? | | |

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| <p>4 Your accounting firm serves a number of area small businesses with their financial records.</p> <p>Client A is having financial troubles. This year they can't pay bonuses to their top-performing employees as they have in the past.</p> <p>Client B is a competitor to Client A.</p> <p>You are considering going to this Client B to tell them that they might be able to hire away top-performing employees from Client A if they offer bonuses. You believe this information will make Client B a more loyal client and a more successful company capable of paying higher accounting fees in the future.</p> | Would telling Client B about Client A's financial troubles be a conflict of interest? |
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| | Would telling Client B about Client A's financial troubles be ethical? |
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| | What policy could your accounting firm implement that would remove potential conflicts of interest with its clients? |
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| <p>5 Your small business provides computer systems training to area businesses.</p> <p>Services you offer include training in your computer lab facility that has ten computers linked to an overhead projector. You also offer computer installation and training onsite to local companies.</p> <p>As an entrepreneur who grew up in your neighborhood you feel a very strong commitment to your community.</p> <p>You try to demonstrate this commitment in ways that are sound business practices.</p> | <p>Can you design a sales event that uses your facilities and/or capabilities in a way that demonstrates your social responsibility while improving your business?</p> |
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