

Submission ID 218292068435449458

Submission Date 2012-11-09 12:41:08

Name: Mr. Consultant

Email: consultantemail@email.com

SBDC Center: Aurora

1. What ethical issues must be considered?

There are serious ethical issues with the offer by the Client to pay the CBC to write his business plan. As described in the CSBDC Code of Conduct, under no circumstances should the CBC accept any payment for writing a Client's business plan. The Articles of Professional Conduct includes the following statement "CBC's will not solicit or accept, or give the appearance thereof, any Gift, loan, reward, favor, promise of future employment, compensation or other monetary remuneration for counseling related services provided to a Client.

2. Are there any circumstances under which you would consider accepting payment from the Client for writing his business plan?

The CBC should counter the Client's offer by explaining the nature of the services offered by the SBDC and the fact that they are at no charge. The CBC should explain that a business plan is one of the key planning documents for a business owner and that it should contain the business owner's ideas and thoughts. For that reason, it is best that the owner write the plan. The CBC should offer to guide the Client through the process but not develop and write it for the Client. If the Client insists, the CBC can provide the Client with a list of three or more professionals who will write a business plan for a fee, but that the CBC cannot recommend any individual name on the list.

3. If you knew of a professor at your host institution that did consulting work for a free, would you refer the Client to him/her?

Any referrals to professionals who charge for their service should be done in an impartial manner. Providing a Client with only one name for writing a business plan, particularly when it could be perceived that the CBC may have a preferential relationship with the professor in the Case, violates the section of the Articles of Professional Conduct that says "CBC's may refer Client's to firms or individuals who provide professional services such as attorneys, accountants, insurance agents, bookkeepers, etc., only so long as the referral includes the name of three or more firms or individuals, and there is no private interest or the appearance of private interest between the CBC and any of the firms or individuals being referred."

Example 1: The CBC calls a Client who does home repair and asks for a quote on remodeling the kitchen in the CBC's home. The Client provides a very low quote and says that he is giving the CBC the low price as a way of

Accepting a discounted price for a service from a Client the CBC has helped

showing his appreciation for the help he received from the CBC.

Example 2: The CBC knows of a very good lawyer in town. A Client asks the CBC to give him the name of a lawyer who can help him set up a corporation. The CBC gives the Client the name of the one lawyer and no others.

Referring a Client to one professional to the exclusion of others

Example 3: The CBC provides Clients with a list of bookkeepers that will set up the record keeping system for their new business. As a way of showing her appreciation for the new customers she has gotten, one of the bookkeepers offers to do the CBC's personal taxes for free.

Accepting payment or services or a discounted price from someone the CBC has referred a Client to

Example 4: A Client wants to take the CBC out to lunch to discuss the progress of a loan application. The Client offers to pay for the lunch.

The Business Consultant should state that accepting the lunch is a clear violation of the Articles of Professional Conduct.

Example 5: A CBC has a successful client and wants to write a newspaper article about the company. He doesn't know if he needs to get the Client's permission, and if so, how to go about getting it.

The Business Consultant should state that the CBC must first get the Client's written or first-hand verbal permission before the article can be released. The Business Consultant should state that the Client must be provided with a copy of the article so he/she can approve not only the general content, but the wording and tone of the article.

1. After the conclusion of your SBDC presentation on business plans, you are approached by three of the seminar attendees. Two of them had simple questions to clarify some of the key points you made during the presentation. The third attendee, Joan Owner, wanted something more. She complained that she was so busy actually running her business that she just did not have the time or the talent to write her own plan. She then begins to plead with you to write it for her, and she is willing to pay you whatever it takes! Is it a violation of the Articles of Professional Behavior for you to write Joan Owner's plan for a fee? Are there any circumstances

Yes, it is a violation of the Articles of Professional Behavior for you to write Joan's business plan for a fee. There are no circumstances in which a CBC should receive a fee for performing a CSBDC service to a Client. Explain the free business planning services offered by the SBDC. You may offer to give her the names of at least three private consultants who write business plans. You will also caution Joan that you are not permitted to recommend anyone.

under which a CBC can write a business plan for a Client for a fee? How to you best respond to Joan?

2. Define "Agent of the Small Business Development Center," and list the various individuals who are considered to be Agents. Discuss any differences you perceive there to be between these individuals in terms of their obligations to comply with the Articles of Professional Behavior.

3. Francois French has been your client for a year. You have helped him to write his business plan and advised him on how to prepare for and submit a loan application to expand Francois' French Restaurant. At 3:00 pm on Friday, Francois calls you to tell you the great news. He got the loan! He insists that you come over to dinner tonight to help him celebrate, and dinner is "on the house." Is it a violation of the Articles of Professional Behavior for you to accept the free meal? Are there any circumstances under which a CBC can accept a dinner as a reward for helping a client? How do you best respond to Francois?

4. When your new client, Judy Jumble, enters your office, you notice she has a large box with receipts and cancelled checks falling out as she walks. You are not surprised to find she needs help setting up her record keeping system. Your best friend, Nita Neat, has just started a bookkeeping business, and would love to have Judy as her client. Is it a violation of the Articles of Professional Behavior for you to refer Judy Jumble to Nita Neat? Why?

5. At a Chamber of Commerce meeting, you meet Bob Byte. Bob has a computer consulting company and sells hardware and software. Bob is

Agents of the Small Business Development Center include professional and support staff employees, graduate and student assistants, volunteer Business Consultants and paid consultants. There are no provisions for these individuals to avoid the obligations of the Articles of Professional Behavior.

Yes, it is a violation of the Articles of Professional Behavior to accept the meal. There are no circumstances in which a CBC should receive a Gift for performing a CSBDC service to a Client. Explain that you would love to accept his generosity, however, it is considered to be a conflict of interest. But you still would like to celebrate if he will allow you to pay for your meal.]

It is a violation of the Articles of Professional Behavior to 1) not first offer and inform Judy of the free services available from the CSBDC, and 2) to give Judy only Nita's name as a referral.

immediately interested in what you do at the SBDC. He offers you a deal that is too good to be true - if you refer SBDC clients to him who purchase from him, he will pay you a 10 percent referral fee. Is it a violation of the Articles of Professional Behavior for you to refer SBDC clients to Bob and accept the referral fee? Are there any circumstances under which you can accept a fee from a supplier like Bob? How do you best respond to Bob?

6. Sally Sentinel is a newspaper reporter who writes all the small business articles in your local reporter. Your center has been trying to get her to acknowledge the existence of the SBDC for months. Sally finally calls the office on the one day when you are the only CBC in, so you take her call. Sally explains she has recently heard some good things about the SBDC and is hoping that you can help her. She is writing an article about female business owners and would like the names of two female clients to interview so she can include information about them in her article. You immediately think of two successful female clients who would kill for the opportunity. Is it a violation of the Articles of Professional Behavior for you to give Sally the names and phone numbers of these clients? Under what circumstances, if any, would you be able to give her some names? How do you best respond to Sally?

7. Kathy Clean is a client who has been struggling along for years, contracting with the local school board for janitorial services. She is always on the verge of making it, but never quite seems to reach true success. One day, she calls to tell you about the new contract she was awarded to provide services for the new county building that was just built. The only problem is that

Yes, it is a violation of the Articles of Professional Behavior to accept a referral fee. There are no circumstances in which a CBC should receive a fee for referring Clients to someone. You congratulate him for a terrific sales idea, and then politely decline due to the Center's conflict of interest policies. If he would like to give you some of his sales literature, you will share it with clients along with literature from at least two other computer consultants.

Yes, it is a violation of the Articles of Professional Behavior to give information about a Client without first getting their permission. You should contact the clients and ask them to call Sally. Tell Sally that you have two fantastic clients in mind, but because of the Center's strict confidentiality agreements, you must ask the clients to call her. You can also offer to send Sally information about the SBDC that might be relevant to her article.

she needs \$10,000 for working capital in order to adequately service the contract. There is no way to find financing for her as she declared bankruptcy four years ago, she has no collateral, and the company shows a loss on last year's financial statements. On the positive side, you know that Kathy is a very hard worker, she learns quickly, is very responsible and determined, and has taken all of the advice you have ever given her. You really like her as a person and sincerely want to see her succeed. You recently inherited some money from your uncle. Is it a violation of the Articles of Professional Behavior for you to finance Kathy's business?

Yes, it is a violation of the Articles of Professional Behavior to make any form of investment in a Client's business.

8. You have just completed a brief presentation of SBDC services at a Rotary Club meeting. At your table, you meet Don Tekkie, who is an engineer who started his own company researching and marketing new laser optical products. He has recently developed a new product that will provide a major breakthrough in the medical laser market. In order to introduce this new product, Don needs approximately \$750,000-\$1,000,000 in venture capital. Don is excited to first learn about the SBDC and asks you to review his business plan and advise him on how to find financing. He offers you stock in his company if you can arrange for the financing. Is it a violation of the Articles of Professional Behavior for you to accept Don's offer? How do you best respond to Don?

Yes, it is a violation of the Articles of Professional Behavior if you 1) do not advise Don about the free services provided by the SBDC, and 2) accept his offer of stock in his company. You can fully explain the free services provided by the SBDC, as well as how the Articles of Professional Behavior restricts any private agreement you may reach with him. If Don refuses SBDC assistance, you may then seek your University's permission to provide this work or provide him with a list of three or more professionals who do this work for a fee.

9. Over the weekend, your best friend calls you at your home to refer Iris Returns to you. Iris wants to hire you to prepare her corporate tax return and you both agree on a fee. After you have completed the work, you meet with Iris to deliver the return

It is a violation of the Articles of Professional Behavior when you engage in a private agreement with a Client or give the appearance of a conflict of interest. Unfortunately, you should have asked Iris if she had ever been an SBDC client before you accepted the

and to collect your fee. During the casual conversation, you discover to your complete surprise that Iris had been an SBDC client two years ago, but had no been in for at least the previous year. You had never met Iris before and did not know of her previous relationship with the SBDC. Is there a violation of the Articles of Professional Behavior in this situation? How should you respond? What actions should you take?

10. You are Larry Lawyer, Sr., SBDC Business Consultant. You take a phone call from Carrie Caller who wants the name of an attorney who can incorporate her business. Your center's policy is to give the names of no less than three attorneys when answering such a caller. Carrie insists she only wants one name, but you are determined to follow policy. The names you give are Larry Lawyer, Jr. (your son), Alan Attorney and Errol Esquire. Is there a violation of the Articles of Professional Behavior?

work. Since Iris had previously been an SBDC client, there are no circumstances under which you could have accepted a fee for this work. Since the work has already been completed, you must tell Iris about your conflict of interest, and advise her that you should not have done the work for a free. Then meet with your Director immediately to discuss the situation and to receive direction on how best to resolve the situation. Meet with your Director immediately to discuss the situation and to receive direction on how best to resolve the situation.

Since it is unlikely you will personally gain from a referral to your son, this is not technically a violation of the Articles of Professional Behavior. However, since there is an appearance of a conflict, you should not include your son's name in the list of referrals.