Objective

Keep It Real—In Sales

Objective

What are laws?

Laws are the rules and regulations enforced by the government of a country or community. Selling laws exist at both the federal and state level. This means that some selling laws are the same nationwide because they’re enforced by the U.S. government. On the other hand, some selling laws differ from state to state.

Salespeople can have a big effect on their company’s legal issues! That’s why it’s so important for salespeople to know all about selling laws at the federal and state level.

What sorts of stereotypes have you heard about salespeople? Maybe you’ve heard that they’re rude, or pushy, or that they’ll do anything to make a sale, no matter the cost. Of course, you know that this isn’t true all the time, but unfortunately, many people hold this view of sales professionals—often as the result of dealing with bad salespeople in the past. Chances are that you don’t want to come off this way to your customers. Would you rather be the type of salesperson who’s always on the right side of the law? What about the type of salesperson who does the right thing all the time, even when laws aren’t involved? If you want to be the type of salesperson your customers trust and want to build a relationship with, just keep reading!

Imagine you want to buy a brand new laptop. It’s an expensive purchase, so you’ll need to sell your old laptop before you can afford it. The old laptop still works okay, but you’ve learned that lately it’s been having technical problems. You’re afraid that you’ll lose sales to potential buyers if you mention it.

It’s important to be honest about the laptop’s issues, right? What’s the right thing to do in this situation?

Salespeople face dilemmas like this one all the time. That’s why it’s important to learn about legal and ethical issues in selling. If you know how to behave legally and ethically, you can bring in more clients, make more sales, and maintain better customer relationships.

Do you want to be the type of salesperson your customers trust? Salespeople who do the right thing, legally and ethically, have an easier time building relationships with customers.

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Serena just started her dream job at a sales firm she’s always admired. When she accepted the job offer, she knew it would be extremely competitive, but she wasn’t concerned because she’s always thrived in competitive environments.

However, once Serena’s been on the job for a few weeks, she notices that other salespeople are willing to do whatever it takes to make a sale…even if whatever it takes is underhanded, sneaky, or unfair to the customer.

Serena’s always prided herself on her strong moral code. She likes to build relationships with her customers through honesty, instead of tricking them into buying from her. Still, she knows that this job is a great opportunity for her, and she wants to make a valuable contribution to her sales team.

What should Serena do? Should she engage in unethical sales behaviors if it might save her job? And what about her coworkers? Should she report them for their unethical actions?

And what about when you see someone else do something illegal in your company? It’s important not to keep it to yourself! Sometimes, just knowing about someone else’s illegal activity without reporting it is enough to get you in serious legal trouble.

Summary
Salespeople are responsible for knowing about the legal issues that affect selling. Laws are important because they protect both customers and the economy. Breaking laws can result in serious repercussions for salespeople and their companies, including fines, jail time, and lost business. Salespeople can face legal issues when dealing with customers, competition, employers, and coworkers.

The Right and Wrong of It
What are ethics?
You might not be breaking any laws, but that doesn’t necessarily mean you’re behaving ethically! As the basic principles that govern behavior, ethics are not laws. Ethics are not enforced by the government—they go beyond laws to the heart of a situation. Your moral and ethical standards (what you determine to be right or wrong) influence every decision you make.

If you’re behaving legally, are you also behaving ethically? Not necessarily! Ethics go beyond laws to the heart of the situation.

The Gray Zone
SAMPLE PAGE
Personal code of ethics

Your ethical standard is your personal code of ethics. Your sales behavior reflects this personal code—in other words, your position on what's right and wrong in your personal life determines how you act in sales situations.

Every person is different—what are your individual ethical standards? Are you fine with any behavior that doesn't cross the legal or moral line, even if it gets close? Or do you prefer to play it safe and stay further away from the line? Your answers to these questions reveal your level of ethics.

So, how high are your ethics? To find out, think about how you conduct yourself as a salesperson. Who are you really? Are you an honest salesperson—someone to be trusted? Or, do you try to manipulate potential customers into doing what you want? During a sales presentation, do you stick with the facts? And, do you consistently report your sales expenses accurately when no one else is looking?

What determines your final decision? Do you base your ethical decisions on what's right, or what works best right now? In other words, do you follow your personal code of ethics all the time, regardless of the circumstances?

Taking a good long look in the ethical “mirror” can be very revealing. Just as it's important to check your physical appearance before you start your day, it's important to examine your personal ethics before you begin a career in sales. Keep in mind that your behavior can make a difference in your firm. Every ethical sales department is made up of ethical salespeople. Will you be one of them?

Summary

Ethics are the basic principles that govern your behavior. They go beyond laws to the heart of the situation. With a high level of ethics, you’ll conduct yourself honestly, even when people aren’t looking. Trust is the foundation for any good customer relationship, and salespeople who behave unethically break that trust and risk bringing negative consequences on themselves and their companies. Salespeople can face ethical dilemmas when dealing with customers, competition, employers, and coworkers. They can determine how to handle these situations based on their own personal code of ethics.

TOTAL RECALL

1. What are ethics?
2. Why are ethics important in sales?
3. Give an example of an ethical issue involving customers.
4. Give an example of an ethical issue involving competition.
5. Give an example of an ethical issue involving employers.
6. Give an example of an ethical issue involving coworkers.

Make It Pay!

Take a mental inventory of your personal ethics and awareness of the laws. Rate yourself on a scale of one to five, with one indicating that you often cross the legal or moral “line” and five being highly legal and ethical. Is the number you assigned to yourself a high one? If not, identify three ways you can improve your behavior, and apply those three things to your next selling situation.