ACHIERS ON SEPTEMBER 2007

The right thing and the risk it entails

Jack Riopelle looked forward to his new position as president of a paper products company—only to learn that his company was, to put it bluntly, cheating its customers. Once an order was sold, the company would often deliver products much inferior to the ones the customer had selected in the purchase process. Not only did the sales force and other departments know what was going on, but similar practices were common in the local paper products industry. It was part of competing.

Riopelle was determined to remove that part of the process. He first conferred with his staff, and his determination won their agreement that things would have to change. However, they were not so easy to win over concerning how Riopelle intended to implement the change. Expecting that changes would be made on the quiet, they found he had something else in mind.

He began with an internal audit to determine how much each customer was owed due to the bait-and-switch tactics previously used. The prospect of sizable refunds was shocking in itself, but then Riopelle delivered the second shock. He assigned the sales force to visit each customer in person, explain what had happened, and offer a refund check. He ensured his sales force's compliance by requiring them to obtain every customer's signature on a form saying he or she had received an explanation.

Thus there was a two-part risk to restoring the company's ethical balance: losing both employees and customers. Yet as Riopelle said, "Every day, leaders are faced with issues that challenge them to consistently act with integrity. If they cannot always act with 100 percent integrity, the ability of people to follow and trust those leaders gets compromised." The outcome? The company did not suffer a mass defection of salespeople—or of customers. In fact, quite a few customers wrote to Riopelle, praising his and his company's actions and proving that people do want to believe that the right thing will be done. It's the leader's job to be sure that it is.

—Adapted from Apples Are Square, by Susan Smith Kuczmarski and Thomas D. Kuczmarski (Kaplan Publishing)

SUCCINCT

[L]ife is really much too short to waste it feeling freaked out and frazzled. —Nancy D. O'Reilly, psychologist



VANTAGE

When you reach a height, it is not time to look down on others. Let others look up at you and see how they can also reach up.

—Dipak Jain, dean of the Kellogg School of Management