**Scenario:**

After many years of hard work in lower and then middle management roles, your career further advances with your appointment to the newly created position of compliance officer for Expert Consulting Group (ECG). This position is the first time that you will be a member of a senior executive team, holding what many would consider an organizational leadership role. There are several challenges and opportunities ahead as you become acclimated to the company and fulfill expectations in the new role.

You have been charged with the tasks of standardizing ethical policies at ECG and implementing them company wide, including essential training. You will be the leader consulted by stakeholders regarding matters that could have code of conduct implications. You will oversee the Ethics Review Committee, which is composed of selected executives. The policies developed are intended to provide greater definition to appropriate work-related behaviors and ensure that ECG and its employees are abiding by all legal and ethical guidelines defined by government, other regulatory bodies, and the company. The ethical policies will also define investigative measures if violations are alleged and any punitive actions if violations are confirmed.

This is also an exciting time for the expanding company of ECG. It has grown from being a small, 25-employee boutique consulting firm focused on information technology (IT) solutions for the financial services industry to a consulting firm of 200 employees with four areas of expertise and four industry practices serving clients in the United States and select European and Asian countries. In the past 6 years, ECG’s growth has been fueled by carefully planned acquisitions of selected start-ups and strategic recruiting of respected consultants who could quickly add to the annual sales, which currently exceed $60 million. The company’s expansion is expected to accelerate through an initial public offering (IPO) of common stock by the end of the quarter to secure additional financing for more significant acquisitions, including that of the privately held firm Government Allies, Inc. Funding secured from the IPO will also allow ECG to strengthen its resources and capabilities.

Currently, ECG promotes itself as being the firm of choice for IT solutions, supply chain management, customer relationship management, and strategic consulting. Industries of focus and expertise include financial services, communications, retail, and transportation. The intended acquisition of Government Allies would enhance IT consulting expertise and allow ECG to secure a foothold in Federal Government contracts, a primary focus for Government Allies. Both companies are excited about the organizational synergies upon the hopeful completion of the transaction.

Similar to many organizations, ECG is required to abide by various laws relevant to domestic and international transactions, such as reporting to governmental agencies, and HR-related laws. During consulting engagements, ECG may or will need to adhere to guidelines for specific client industries. Client contracts also govern work-related activities with rules of engagement. Furthermore, the intended IPO would necessitate rapid and full compliance with the Sarbanes-Oxley Act (SOX).

As the new compliance officer, you must review the existing ethical standards, research relevant laws, seek input as needed, and develop a comprehensive code of conduct for ECG. The much- publicized ethical transgressions of various well-known corporations have heightened organizational and regulatory sensitivities to establishing and abiding by firm ethical standards. These situations have also created opportunities for individuals such as you to assume key leadership roles in organizations as guiding forces for compliance.

Question:

 It is now time for you to develop standardized ethics policies for ECG, seeking input from your peers on the Ethics Review Committee to finalize this critical document. It is important that a code of conduct be developed that comprehensively covers expected or potential ethical and other compliance matters. Key areas to be covered in the code of conduct include the following:

1. general business conduct
2. sales and marketing practices
3. business courtesies/gifts (giving and receiving)
4. conflicts of interest
5. relationships with clients, suppliers, influential parties, and coworkers
6. use of company, client, and supplier resources
7. insider trading
8. other areas of compliance
9. reporting, investigative measures, and punitive actions (including the role of the Ethics Review Committee)