

## Elite Furniture

*Topic:* Using Inferior Materials

*Character:* Jan Smith, Recently promoted Assistant Product Manager

Jan Smith had planned on spending six months at home before returning to work after the birth of her first child. However, she and her husband had recently purchased a new home, and the high mortgage payments dictated an early return.

Jan worked for Elite Furniture, a manufacturer of quality furniture. She had recently been promoted to Assistant Product Manager for upholstered furniture after serving as sales rep in the Eastern Region for three years. Upon returning to work, Jan discovered that the Purchasing Manager had recently started buying an inferior grade of padding for use in upholstered furniture. The padding would last about half as long as the regular padding, but the lower quality could not be detected by the buyer.

When Jan revealed this information to her boss, she was told that the Purchasing Manager was following orders from top management. The company was having financial difficulties and had to cut costs. The change in padding quality was a quick and safe way to do so. Jan argued that selling inferior merchandise as quality product was no way to solve budget problems, but she got nowhere.

Elite Furniture products projected an image of quality which Jan had stressed to her retailers when she was selling in the Eastern Region. She could envision that image eroding rapidly as consumers began to experience premature wear in their expensive furniture. Not only would Elite's reputation be damaged, but the reputations of the retailers carrying Elite's products would also likely suffer.

*Author:* David J. Fritzsche, Visiting Professor, University of Washington.

.