

Business Tips

Ethics in Our Industry

Recruiting athletes, poaching staff, theft of intellectual property, what a potential rat's nest these subjects are! First, remember, there is a huge distinction between 'legal' and 'ethical' -- that which is legal is a matter of law; that which is ethical is a matter of personal or company values or beliefs. Generally, I would hope that ethical behavior is broader than legal behavior. For example, because of personal ethics, I would not phone the athletes of another club to entice them to join our team even though there is nothing illegal in doing so. After all, Sprint has every right to phone Verizon's customers (it's called telemarketing), assuming the list of names and numbers was obtained legally. Purchasing names and numbers is legal as is looking up numbers in the phone book. Stealing a list is illegal.

Ethics and other clubs' athletes: At Kids First, we do not initiate contact with other families. We believe that practice to be unethical. If a family approaches us about switching to our club, we take the open and objective stance that it is each family's right to seek the business which best serves its needs. We are not bashful about stating that we are in business to grow our business but only if our Company truly can do a better job. Note that if a family approaches us after an isolated disagreement with their club, we encourage the family to give it more time and try to mend fences. Note too--and this is important--what is good for the goose is good for the gander and we take precisely the same open and objective stance with our families. If we cannot meet their needs (based on their assessment), we expect them to seek greener pastures. Years ago, we hired two coaches who had been coaching at another club. These coaches (to their great credit) expressed concern about the health of the other team in the event that many of their athletes followed. What a dilemma--Kids First's intention was to hire great coaches, not gain athletes. On the other hand, Kids First is in business to grow its business. Our solution: I asked the coaches to inform any interested families that if they believed that Kids First could do a better job for their child then we were certainly interested in their business. However, we also asked the families to please 'hang in there' for six weeks at their club and give its new coaches a fair shot. Result: some families circumvented our effort to be above board by immediately quitting the other club and forcing our hand.

Ethics and employees: It is unethical when a club uses another club as a farm system for employees as is sometimes done. On at least two recent occasions, Kids First has had other clubs offer job positions to Kids First employees without an interview and without otherwise knowing the person's professional skills. This is an incredibly shortsighted thing to do for two reasons: (1) A great employee for club A and its goals and culture may be a lousy fit for club B; (2) An employee could have serious weaknesses that are not apparent from the outside looking in. In fact, 30 minutes before I received notice from one of the aforementioned employees, while driving to work, I was planning how to minimize the aftermath that would result from termination of this employee. I believe that an employer/employee relationship should continue as long as two criteria are met: (1) The needs of the company are being met by the employee; (2) The needs of the employee are being met by the company. If either falls short, a change of behavior or employment status needs to be made. It is ethical and logical to believe that it is both parties' responsibility to inform and openly discuss the fact that when an employment relationship is not working out (talking solves a lot). This gives both parties an opportunity to find resolution if possible or to plan a separation on a relaxed time schedule if not. To each of my Team Members I personally pledge to give plenty of notice if his or her performance is not meeting company needs and I ask the same of him or her were the company to fall short of his or her needs (did I mention, talking solves a lot?)! It is very rare when a key employee gives a 'two week notice.' Months of notice is the norm. Again, a caution: You can't expect 'plenty of notice' if you, as leader, don't also give plenty of notice! The reality is, it is very difficult to exploit a club and seduce happy employees. Having happy employees is more an issue of skillful leadership than of high compensation. (Anyone who generally struggles

with disloyal staff should read the previous sentence as many times as it takes to sink in.) That said, attempting to seduce happy employees from another club is unethical and I hate to see it and in a perfect world this would never happen. But it is not a perfect world and smart business people know that a personal dedication to ethical behavior and skillful leadership is the best offense and defense.

Regarding ethics and artwork/names/logos/slogans/trademarks/copyrighted material and other intellectual property-Do not steal that which you did not create. It is illegal in many circumstances and unethical in most others to steal items you did not create. Each of us is free to teach and learn from one another but that is a far cry from stealing a finished creative product such as artwork, logos, names, slogans, marks, etc. As an aside--the process of creation brings as much value to a company as does a bang up name or a killer logo which is why companies that steal intellectual property never seem to reach the level of success as do the companies that dedicate themselves to creating it.

Make it a great month!

Jeff Metzger
USA Gymnastics Business Development Partner
President, GymClub Owners Boot Camp
President, Kids First Sports Center