

A Matter of Ethics



—Adele R. Meyer
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Exaggerating . . . stretching the truth . . . fibbing. Let's be honest with each other (Not as simple as it sounds, since more than 90 percent of Americans fabricate the truth on a regular basis, according to *The Day America Told the Truth*.) Most of us have at least "stretched the truth" at times, even if only to avoid hurting someone's feelings. So, you didn't want to admit to your friend that you've succumbed to grey hair and dye it . . . or, you didn't want to hurt your Aunt's feelings when she asked how you liked her meatloaf which wasn't anything like your Mother's!

I'm sure most of us have told a little "white lie" in the course of business. Like when Connie Customer asks if you'd like to see the new photos of her grandchildren. Saying, "Of course!," when you really have no interest, could be considered good customer relations, rather than a lie. The concern comes when ethics enter

into the equation. Then, there is more at stake than a few Pinocchio-style noses. Your business reputation and integrity are on the line and your work ethics may eventually affect the reputation of the entire resale industry. The following story is an example of how a mishandled situation, construed to be less than the truth by a customer, eventually affected other resale shops, regardless of their staunch business ethics.

A NARTS member phoned me regarding another store in her area . . . a non-member store. The store owner consigned a fur coat, which remained in the store for over 18 months. According to the consignor, she called the store numerous times during the 18 month period to inquire about the sale of the coat. Each time, she was told the coat had not sold and she elected to continue the consignment period. Eventually, she called again and was told the coat still had not sold. Deciding its sale was futile, she called the very next day to make arrangements to pick up the coat. You might imagine her shock when the store owner told her that the coat had been stolen that very morning. The consignor asked if there was a break-in and was told by the owner, "It had just been shoplifted." A most untimely occurrence to be sure . . . compounded by the fact that although a crime had taken place – no police report had been made. As the plot begins to thicken, imagine yourself in the consignor's shoes when hearing of this "coincidence." After 18 months, this coat that could not be sold, is stolen just a few short hours before the consignor chooses to pick it up . . . and the shop owner doesn't even call the police! Unfortunately, the consignor found these unusual circumstances difficult to believe. When she asked what would be done, the store owner promptly reminded her that the contract stated, "We assume no responsibility for lost or stolen items."

Now, this whole scenario could be the truth and nothing but the truth. YET by her actions, or in this case, lack of action in following normal procedure for reporting a theft, the honesty of the shop owner and credibility of the whole situation began to crumble in the mind of the consignor. Too many questions began to arise. Was the coat truly stolen just that morning? Was it stolen some time earlier and the store owner was just avoiding the unpleasant task of telling the consignor? Or, worst of all, was the coat sold and the owner didn't have the money to pay the consignor, so she lied to get out of the predicament? Without passing judgement as to the truth of this matter, we can see the situation getting out of hand . . . and it did not stop there! Unappeased, the customer phoned the newspapers and contacted consumer editors of local TV networks. Then, filed a complaint with the state Attorney General's office. You can just imagine the results of the negative publicity.

Unfortunately, the bad publicity didn't just effect the store owner in this story, it spread to all the resale shops in the area, casting a negative cloud on the entire resale industry. All this over one fur coat. Yes, paying a consignor \$1,000 for a fur that was stolen would affect immediate profits, but what is happening to this store's business now, after all this negative publicity? I'm sure she has lost a great deal more than the cost of the fur coat. I'm not saying that the only way to handle this would have been to pay the consignor, who did sign a contract stating the store didn't accept responsibility. However, the unusual circumstances and timing of the loss demanded proper, unquestionable procedures from the store owner to avoid any shadow of doubt on the part of the consignor. How could this have been handled differently?

- ◆ **Scenario #1** - When accepting large ticket items like furs, antiques or furniture on consignment, while not accepting responsibility for them, a separate, more detailed contract should have been used informing the consignor that the item might have been covered under their homeowners insurance. The consignor should have been told to check with her insurance agent BEFORE leaving the coat. Proof of that coverage should have been provided to the store owner.

- ◆ **Scenario #2** - When the coat was stolen, a first call should have been to the police. The next call... regardless of how difficult, should have been to the consignor. Facing the facts head on with a formal report in hand, would have added tons of credibility to these circumstances.

- ◆ **Scenario #3** - Considering that the store owner failed to follow proper procedures, paying for the coat, or negotiating a partial settlement, regardless of the consignment contract, would have shown a sincere attempt to continue a positive rapport and certainly would have gone a long way towards saving the reputation of the shop owner.

Unfortunately, in this particular case, the store owner didn't follow any of these scenarios. Bottom line... in the eyes of the consignor it appeared that she had lied and we are not talking little "white lies," such as those we discussed earlier in this article. We are talking about the appearance of the kind of lie that can affect the future of your business and compromise your integrity. We are talking about a matter of ethics.

Adele Meyer, NARTS Executive Director, has over three decades of resale experience.