

“GAMERUSH” ASSESSMENT QUESTION

2014

You and four other friends, Joan, David, Albert, and Alice went to separate institutions to pursue educations after high school. Joan attended Harvard where she studied management. David attended Stanford where he studied marketing. Albert attended Virginia where he studied Human Resources Management. You went to Troy University’s Sorrell College of Business where you studied Accounting and eventually passed your CPA examination. Alice attended Yale where she studied Computer Science. She specialized in game design.

After graduation, Alice went to work for GameDay, Inc. where she worked on game design. That company had a large number of Psychology graduates who had Ph.Ds and who worked in that company’s Psychological Research Department which did research work on the psychological aspects and dimensions of game theory. The Department’s research demonstrated that there were certain aspects of games and game design which could be built into games that would result in a game that produced a form of psychological addiction. During the course of her employment, and as part of her job responsibilities, Alice became very familiar with that psychological research being done by the Psychological Research Department.

After working at GameDay for two years, Alice left the company and contacted you and the other three high school friends. She proposed the she, you, and the other three friends form an LLC to develop and design games. The name that she proposed for the LLC was GameRush, Inc.

She proposed developing computer games. You and the other two friends agreed to her proposal. You all retained counsel and set up an LLC.

A financial plan was proposed by Alice whereby, the production of the game would be outsourced to a company in India. Alice knew of the plant and its production through her work at GameDay. She knew that the plant was in Bhopal, India and that the labor rates were lower than most other parts of India. She also knew that the turn-around time from placing an order to receipt of the final product was a remarkably shorter time than provided by other manufacturing sites in Vietnam and Malaysia and even most other sites in India. Alice did not propose going to India to inspect the plant, but to simply contract with that company’s representative here in Alabama for the work to be done.

David, as Chief Marketing Officer, proposed a marketing plan whereby he would contact potential advertising clients who would purchase advertising on the game. At points, where commercial names could be used, the advertisers would purchase time on the game for their names to be used. The primary advertising strategy was to tell potential advertisers that players of the game would use the game over and over multiple times during which the advertisers’ names would be prominently displayed to players of the game.

Alice had access to psychological research while working at GameDay which showed that repetition of advertisers' names increased the probability that viewers of the advertisements would buy the products and that the use of names in the context of "fact" scenarios, like games, increased even more the probability of users buying the advertisers' products. This was told to potential advertisers as an inducement for them to put their advertising in the game.

The plan was to build and market a game using Alice's knowledge of the psychological research on building into games addictive qualities which she has learned while employed at GameDay. Everyone agreed to the business plan except you. You expressed your concerns.

The psychological research regarding the dimensions of game theory and the advertising issues were not the subject of any trade secret protections enforced by GameDay. Much of the research could be found at various universities.

You have a spouse at home who has just lost his/her job and you have two children. Both are going to a private school in your community where the tuition for each student is \$15,000 per year.

Provide the following:

1. Full descriptions of any ethical and corporate social responsibility issues that you see, to include an identification of stakeholders and how they are implicated by the facts in this problem.
2. Identifications and applications of any models of ethical analyses that you would employ in assessing the problem. Provide a complete *demonstration* of each model of ethical analysis that you use. Do not employ a mode of decision-making whereby you move from facts directly to conclusions. You must demonstrate your analytical process that connects facts to conclusions. A description of your selection of the course of action that represents your perception of the correct (right), moral choice and the reason(s) for your selection. Fully describe all of the reasons for your choice of that course of action as the "right" one.
3. Descriptions of the strategy or strategies, if any, that you would pursue to implement your choice. Fully describe your perception of the consequences of your strategies.