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MEDICAL EQUIPMENT INC. IN SAUDI ARABIA

Ankur Grover and Laura Guerrero wrote this case under the supervision of Professor Joerg Dietz solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On Wednesday, October 25, 2006, Ankur Grover, a recently hired U.S.-trained sales account manager at Medical Equipment Inc. (Medical Equipment), returned to his office after a meeting with Dr. Matthew Saxman, head of the Cardiology Department at the Prince Khalid Specialist Hospital and Research Centre in Jeddah, Saudi Arabia. Although Grover had worked very hard to secure his first sale (US$725,000 for healthcare equipment), he felt disheartened. Saxman had told Grover that the hospital's purchasing director, Sulaiman Al Humaidi, apparently intended to give the order to Hamad Najjar from Wilson's Surgical Supply Company (Wilson's), Medical Equipment's main competitor in the deal. Najjar and Al Humaidi had known each other for 10 years, and Saxman implied that Al Humaidi might accept side payments from Najjar. Grover knew that Medical Equipment's product was technically superior and wondered how he could secure the order without having a history with Al Humaidi and without engaging in practices he found ethically questionable.

SAUDI ARABIA

In 2006, the population of Saudi Arabia was estimated at between 23 million and 26 million, with an approximate annual growth rate of 2.7 per cent.[1] Approximately two-thirds of the population consisted of Saudi nationals, and the remaining one-third were foreign workers and their dependents. Among Saudi nationals, approximately 90 per cent were Sunni Muslims, and the remainder were Shi'a Muslims (legally, only Muslims could hold Saudi citizenship). Saudi Arabia occupied most of the Arabian Peninsula. As the world's largest oil exporter, possessing 25 per cent of the world's proven petroleum reserves, Saudi Arabia played a leading role in the Organization of the Petroleum Exporting Countries (OPEC). In 2004, the petroleum sector accounted for roughly 75 per cent of state budget revenues, 45 per cent of gross domestic product (GDP) and 90 per cent of export earnings. The GDP per capita was US$12,650.

The Kingdom of Saudi Arabia also housed two of the holiest cities of Islam: Mecca and Medina. Annually, Mecca welcomed approximately two million pilgrims who traveled there for the Hajj (the pilgrimage).

[1] *Economist Intelligence Unit, "Factsheet" (Saudi Arabia), available at http://www.economist.com/countries/SaudiArabia/profile.cfm?folder=Profile-FactSheet, accessed July 24, 2007.*

Saudi Arabia was divided into 13 provinces and had 45 major cities. The largest city was Riyadh (population 3.6 million), followed by Jeddah (population 2.7 million) and Mecca (population 1.5 million) (see Exhibit 1). Approximately 83 per cent of the population lived in urban areas, and 17 per cent lived in rural areas.

Saudi Arabia was founded in 1932 by King Abdul Aziz Al Saud. Since then, the Al Saud Royal Family had remained in power. King Abdullah bin Abdul Aziz Al Saud had been Saudi Arabia's King and Prime Minister since 2005.[2] The family's legitimacy and power were supported by the clerics and their Wahhabi-based interpretation of Sunni Islam. Wahhabism was an Islamic movement named after Muhammad bin Abd al Wahhab (1703–1792). Since the discovery of large oil reserves in the Kingdom, the distribution of oil revenue had become another source of influence for the Royal Family.[3]

Many foreign businesses operated in Saudi Arabia. Furthermore, approximately 5.5 million foreign workers worked in Saudi Arabia. Foreign employees made up about 67 per cent of Saudi Arabia's workforce and occupied about 90 per cent to 95 per cent of private sector jobs. In contrast, the unemployment rate for Saudi nationals was between 25 per cent and 30 per cent. Eighty-five per cent of foreign workers had low-skill jobs. Most of the low-skilled foreign workers came from South Asia and Southeast Asia (i.e. Bangladesh, Pakistan, India and the Philippines). In the high-skilled foreign workforce, Westerners from the United States and England dominated.[4]

For highly qualified expatriates, job opportunities generally offered high salaries and excellent benefits, including free housing, extended vacation time, airline tickets to return home several times per year, relocation allowances and — unless it was restricted by the expatriate's own country — tax-free income. Most of the North American multinationals in Saudi Arabia preferred to fill their senior-level positions with North American graduates who had relevant work experience. However, the number of North American expatriates had been shrinking. One reason was that living in an Islamic monarchy required significant lifestyle adjustments for Westerners. The King governed by Islamic law (Shari'ah), with the Quran (holy book of the Muslims) and the Sunna, which contained the sayings or Hadith of the Prophet Mohammad, as the country's constitution. Therefore, the possession of items such as pork products, alcohol, drugs and pornography were considered crimes in Saudi Arabia. Other crimes included criticizing Islam or the Royal Family and socializing with a member of the opposite sex to whom one was not closely related.[5] Punishment for certain crimes could be very severe, including detention, floggings, amputations or death, whereby the Shari'ah judges had significant latitude in their decisions.[6] Furthermore, the U.S. Department of State website extensively warned of the possibility of anti-Western attacks in Saudi Arabia.[7] Since the 1990s, the Saudi government had started the process of "Saudiization," the practice of forcing businesses to hire more Saudi nationals to reduce unemployment among Saudi nationals.[8]

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[2] *Central Intelligence Agency, "Saudi Arabia," The World Factbook, available at https://www.cia.gov/library/publications/the-world-factbook/geos/sa.html, accessed July 24, 2007.*

[3] *Economist Intelligence Unit, "Factsheet" (Saudi Arabia), available at http://www.economist.com/countries/SaudiArabia/profile.cfm?folder=Profile-FactSheet, accessed July 24, 2007.*

[4] *Divya Pakkiasamy, "Saudi Arabia's Plan for Changing Its Workforce," available at http://www.migrationinformation.org/Feature/display.cfm?id=264, accessed July 24, 2007.*

[5] *U.S. Department of State, "Consular Information Sheet, Saudi Arabia," available at http://travel.state.gov/travel/cis_pa_tw/cis/cis_1012.html, accessed August 14, 2007.*

[6] *Expat Focus, "Saudi Arabia — Overview," available at http://www.expatfocus.com/expatriate-saudi-arabia-overview, accessed July 24, 2007.*

[7] *U.S. Department of State, "Consular Information Sheet, Saudi Arabia," available at http://travel.state.gov/travel/cis_pa_tw/cis/cis_1012.html, accessed August 14, 2007.*

[8] *Divya Pakkiasamy, "Saudi Arabia's Plan for Changing Its Workforce," available at http://www.migrationinformation.org/Feature/display.cfm?id=264, accessed July 24, 2007.*

THE SAUDI ARABIAN HEALTHCARE SECTOR

Saudi Arabia was the largest market for medical equipment and healthcare products in the Persian Gulf. The healthcare sector in Saudi Arabia was expected to grow for several reasons. First, due to record-high oil prices, the government had been able to make large investments in health care. Second, the government was working toward the goal of providing free access to health care to everyone living in Saudi Arabia. Third, the population was growing.

In 2001, the healthcare sector of Saudi Arabia comprised 314 hospitals with 45,730 beds and 1,756 specialist centers and clinics that spread across the country, including in rural areas.[9] The healthcare sector was divided into three sub-sectors: Defense / National Guard, Ministry of Health (MOH) and Private.

The defense hospitals, which accounted for only 10 per cent of the hospitals, were designated for the use of military staff and their families. These hospitals were known to have some of the most modern equipment and facilities worldwide. King Fahd Specialist Hospital, for example, was built in Dammam in April 2005. This hospital not only featured the latest medical technology and equipment, but also had a nuclear protection dome for protecting staff and patients in the event of a nuclear attack. The estimated amount spent in constructing and equipping this hospital was SAR1.092 billion (about US$291.2 million). These defense hospitals directed most of their purchases through their purchasing departments and the rest through formal tenders.

The MOH hospitals accounted for approximately 65 per cent of the hospitals and clinics. All major purchases in these hospitals were controlled by the MOH through tenders or individual equipment purchases. The goal was to centralize the purchasing function for all these hospitals to achieve economies of scale.

The remaining 25 per cent of the hospitals and medical facilities were owned and operated privately by Saudi businesspeople or doctors. Private hospitals were less likely to invest in expensive new equipment because of budgeting constraints.

MEDICAL EQUIPMENT

Headquartered in the United Kingdom, Medical Equipment employed more than 20,000 people worldwide. Medical Equipment's mission was to serve healthcare professionals and their patients in more than 80 countries by providing innovative medical technology products. Medical Equipment's expenditures on research and development were close to US$ 750 million annually. Revenue had grown at an average rate of 140 per cent from 2000 to 2006, when it reached US$13.5 billion.

Medical Equipment was a recognized industry leader in the healthcare sector, in terms of both innovation that led to improvements in existing equipment and in the provision of innovative medical technologies and services. Medical Equipment's expertise included medical imaging and information technologies, medical diagnostics, patient-monitoring systems, drug discovery and biopharmaceutical manufacturing technologies. Medical Equipment's broad range of products and services were utilized, among other things, in the diagnosis and treatment of cancer, heart disease, neurological diseases and other conditions in their early stages.

[9] *"About Saudi Arabia," SaudiaOnline, available at http://www.saudia-online.com/saudi_arabia.htm, accessed April 11, 2007.*

MEDICAL EQUIPMENT CLINICAL SYSTEMS

Medical Equipment Clinical Systems was a primary business unit of Medical Equipment. This business unit provided a wide range of technologies and services for clinicians and healthcare administrators. These technologies and services helped improve the consistency, quality and efficiency of patient care with product innovations in areas such as ultrasound, electrocardiogram (ECG), bone densitometry, patient monitoring, incubators and infant warmers, respiratory care and anesthesia management. Some cardiology equipment developed by Medical Equipment Clinical Systems is shown in Exhibit 2.

MEDICAL EQUIPMENT –SAUDI ARABIAN OPERATIONS

The sales and service division of Medical Equipment Clinical Systems in Saudi Arabia employed approximately 25 staff (see Exhibit 3 for an organizational chart). Medical Equipment Clinical Systems Saudi Arabia was divided on a regional basis into three main areas: the Northern-Central region (with Riyadh as the center), the Eastern region (with Damman at the center) and the Western-Southern region (with Jeddah as the center). The combined operations of all regions of Saudi Arabia were very important for the company: the revenue generated from the Saudi market almost equaled the revenue generated by the whole European region. The company was able to reach this level of revenue in Saudi Arabia because of the booming healthcare industry. This boom had resulted in the construction of numerous new hospitals and clinics, and others were in the development phase. The European market, on the other hand, was almost saturated and had low potential for growth.

ANKUR GROVER

Ankur Grover, who was 25 years old, was born in India and came from a Hindu background. When he was 10, his family moved to Saudi Arabia where he lived in an expatriate compound until he completed his high-school education at an Indian school.

In 2000, he moved to the United States to obtain his bachelor's degree of science in computer engineering at the Georgia Institute of Technology in Atlanta. While pursuing his engineering degree, Grover worked on three internships. His first internship with Medical Equipment Clinical Systems in Paris, France, took place in the summer semester of 2001. It gave him an initial exposure to Medical Equipment. Grover's second internship was with Synchrologic, Inc. in Atlanta during the spring semester of 2002. Grover interned as a quality assurance engineer for software applications. The third internship was again with Medical Equipment in its Atlanta branch during the summer semester of 2002. This time, Grover worked as a field service engineer on multi-vendor medical equipment.

When he graduated in 2006, Grover decided to accept a position in the Cardiology Sales department of Medical Equipment Clinical Systems in Saudi Arabia. As a sales account manager, he would be responsible for the Western-Southern region of the country. He was the third employee for this region; the other two employees had responsibilities for other products. Grover had a basic knowledge of sales and cardiology, and he received one week of product training. He had previously lived in Saudi Arabia and wondered whether his former experiences would translate to the work environment of Saudi Arabia. Grover was enthusiastic about having the opportunity to work toward a successful career in Medical Equipment.

Grover's starting base salary was US$50,000 with a target of US$1,200,000 in 2006 sales. If Grover exceeded this target, commissions would be paid as a percentage of the base salary, depending on the percentage of the target achieved. For example, meeting 100 per cent of his target resulted in commission payments equal to 50 per cent of his base salary.

THE CURRENT SITUATION

Grover's Arrival in Saudi Arabia

Grover arrived in Saudi Arabia in early July 2006. At this time of the year, it was very hot in Jeddah, with temperatures often reaching 40°C (equivalent to 104° Fahrenheit) or hotter by noon. His employer paid for the move and for an initial four-day stay at a hotel. Grover had arranged the move himself and found an apartment in Jeddah within a week.

At work, Grover was expected initially to compose a database of potential customers. After one week, Grover was sent into the field to work on sales. Grover enjoyed the work environment. He felt that he had a very good mentor in the Riyadh general manager with whom he frequently communicated. Grover also often spoke with his colleagues. He quickly developed relationships with them although he was the only employee who was non-Arab and non-Muslim. As Grover noted, "I was the odd one out, but I was able to mingle well with them."

Grover's First Sales Opportunity

Being assigned as the only cardiology sales account manager for the Western-Southern region, his first opportunity to work on a sale came from the Jeddah branch of the Prince Khalid Specialist Hospital, a Defense / National Guard hospital. This hospital had almost exclusively purchased its cardiovascular equipment from Medical Equipment's main competitor Wilson's. It was a "Wilson's account" as Grover said. The hospital came to Medical Equipment only for small parts that Wilson's did not have.

The total potential sale was US$725,000, a significantly sized order for Grover and Medical Equipment. Grover knew that the lead time on this sale might be several months and that it would take numerous visits to the hospital to secure the order. The order included the following (refer to Exhibit 2 for illustrations of the equipment):

	Equipment	Quantity
1.	Stress Test	3
2.	Holter Monitoring	1
3.	Holter Recorder	6
4.	High-end ECG	1
5.	ECG	5
6.	Defibrillator	3

Grover's Sales Approach

The approach when making sales of this type was to make frequent visits to the Cardiology, Biomedical Engineering and Purchasing Departments. Grover had to carefully study the needs of the hospital and then analyze those needs against the vast range of software options and equipment offered by Medical

Equipment to determine which options needed to be included in the quote. Inadequate analysis at this step could result in the loss of the order. If he offered a quote with more options than those that were necessary, the price of the equipment would be high. If he offered a quote with fewer products and software than those required, the bid might be rejected because it would not meet the hospital's criteria. Thus, the sales position required Grover to have a clear understanding of the needs of the client. He perceived his role to be that of a consultant with the ability to evaluate the customer's needs against the solutions that could be offered.

The sales process would require Grover to obtain initial approval from several hospital departments. First, the Cardiology Department had to approve the quote. Grover would then need additional approval from the Biomedical Engineering Department. To complete the sale, he had to obtain approval from the purchasing director, who had the final authority on all major purchasing decisions of medical equipment.

The Competition

The competitor for Medical Equipment in this deal was Wilson's. Wilson's was not usually far behind Medical Equipment in terms of technology, but for this particular order, Medical Equipment had a much better solution because of recent advances in its software. The new software offered better features including automatically generated ECG diagnoses. However, the price offered by Wilson's included substantial discounts and was very competitive. Grover also felt he had to compete with the sales account manager at Wilson's, Hamad Najjar. Najjar had worked in the region for more than 10 years and had developed strong relationships with the local customers. Najjar was of Syrian background and appeared to understand the Saudi culture well (both the Syrian and Saudi cultures were Arab cultures). During their sales activities, Grover and Najjar at times bumped into each other by accident. They had a "hi-hello" relationship.

Meetings with the Cardiology Department

August 3, 2006

Grover began by meeting with the cardiologists. Most of the cardiologists were Western expatriates. As the primary users of the equipment, they wanted to know the clinical details of the equipment and the software the hospital was going to purchase. When Grover met with Dr. Saxman, a U.S. national, and the other cardiologists, he explained the benefits of the equipment and the software. He explained the latest innovations in Medical Equipment's products and how the hospital would benefit by purchasing the solution from Medical Equipment rather than from Wilson's. As an example, Grover showed them the new software of the EEG with its improved speed and diagnosis capabilities. Grover ended his presentation by providing the cardiologists with a vision of where their Cardiology Department would stand in comparison to similar departments in other leading hospitals in Saudi Arabia if they purchased Medical Equipment's solution.

August 11, 2006

The next step was to make presentations to the entire staff of the Cardiology Department. These presentations took place in shifts over a period of three days in order to avoid affecting the department's

functionality. Grover conducted a lot of research to ensure that his presentation addressed clinical details that were relevant to the staff.

August 15, 2006 to September 20, 2006

Following these presentations, Grover met with Dr. Saxman and his team approximately seven more times. Grover knew that building relationships was important for a large-scale order. It was also customary when conducting business in Saudi Arabia. Grover was always welcomed and everyone was very friendly to him.

Meetings with the Biomedical Engineering Department

August 17, 2006

Following these presentations and meetings with the Cardiology Department, Grover held meetings with Ashraf Walid, an Egyptian national and the head of Biomedical Engineering Department, and the other biomedical engineers. The Biomedical Engineering Department would be responsible for the maintenance of the equipment. Grover utilized his engineering background to explain how Medical Equipment's solution could easily be integrated into the hospital's system. Grover became aware that the biggest selling point for the engineers was the reduced need for maintenance of the equipment in comparison to the maintenance needs required by the equipment from Wilson's.

August 21, 2006 to September 21, 2006

During this period, Grover met Walid at least five more times, for the purpose of building a stronger relationship with him. However, Grover was aware that his many meetings had not yet produced tangible results.

Meetings with the Purchasing Department

August 25, 2006

The final step was to meet the purchasing director, Sulaiman Al Humaidi. In the absence of the director, Grover met the purchasing manager, Asif Sultan. Grover felt he had developed good rapport with Sultan in their first meeting.

August 28, 2006 to September 15, 2006

Grover made multiple visits to the Purchasing Department during this time period but he was not able to meet Al Humaidi. He was told by the receptionist that Al Humaidi was out of the hospital but not on vacation. During these visits, because Grover could not meet Al Humaidi, he settled with meeting Sultan approximately five times to continue building and strengthening the relationship with him. Grover was concerned whether building a relationship with Al Humaidi's subordinate would be as helpful as building a relationship with Al Humaidi himself.

September 21, 2006

Grover was finally able to meet Al Humaidi on September 21. Grover felt that their discussion was rather formal especially when compared to his past conversations with the cardiologists and the biomedical engineers. Grover told Al Humaidi about the positive results of the meetings he had with the cardiologists and the biomedical engineers. He also mentioned that both groups were supportive of the Medical Equipment solution, which would help the hospital in the long run. When prompted, Grover was able to offer a discount of 10 per cent based on the latitude given to him by the company.

Closing the Sale

September 25, 2006 to October 18, 2006

Grover continued to make frequent visits to the hospital to strengthen his relationships with all the departments and to facilitate not only the present order but also all future orders. He was confident that Dr. Saxman and Walid had strong preferences for Medical Equipment's solution over that of Wilson's. Despite making repeated attempts, Grover met Al Humaidi only one more time. The meeting lasted a few minutes because Al Humaidi was very busy. During the meeting, Al Humaidi stated that they were still deciding which order to pursue. It was taking a long time to get to a decision, and Grover did not know whether he was any closer to securing the order.

October 27, 2006

When Grover asked him about the status of the order, Dr. Saxman replied:

> Ankur, it seems that Al Humaidi is about to give the order to Wilson's. Even though we cardiologists prefer Medical Equipment's solution, we do not have much say here. It seems to me that Al Humaidi has a strong relationship with Hamad Najjar. There is good reason to believe that Najjar is offering a bribe to Al Humaidi.

A Colleague's View

Grover had invested a great deal of time researching, analysing and building relationships to complete this sale. Dr. Saxman's statement made Grover wonder whether he needed to offer Al Humaidi something beyond what he had already offered. He was also aware of Medical Equipment's code of conduct (see Exhibit 4 for an excerpt) that did not support giving bribes to secure orders. Many multinational companies, including Wilson's, had such statements of ethics. Grover asked Samer, one of his colleagues at Medical Equipment, whether he had experienced or known of any similar situations and how they could be handled. Samer said:

> No, I have not run into a similar situation. If you are going to offer some incentive, you should make sure that whatever you give is properly documented on paper and is shared with senior management. We cannot give cash, but we can discuss giving them certain software options free of charge and try to convince Al Humaidi with the selling point that the Prince Khalid Specialist Hospital will become much more innovative with Medical Equipment's solution compared to other hospitals in the country. Secondly, we can offer to

send him to the United States or France for a visit to our showrooms where all the latest technology in the medical field is demonstrated provided that it is properly documented.

WHAT NEXT?

Despite several months of work on this sales order, Grover felt discouraged and confused. If Saxman were right, then the order would be given to Najjar from Wilson's unless Grover would find another means of swaying Al Humaidi. One possible option was to offer to send Al Humaidi to the United States or France for a visit to Medical Equipment's showroom. The visit could be easily documented and it fit well with Medical Equipment's policies. But Grover wondered where the notion of unethical behavior started and where it ended. Had he failed to understand the concept of "building relationships" with Saudi nationals?

Exhibit 1

SAUDI ARABIA

Source: www.google.ca

Exhibit 2

CARDIOLOGY EQUIPMENT IN THE PORTFOLIO OF MEDICAL EQUIPMENT CLINICAL SYSTEMS

Holter Monitoring

Holter Recorder

Stress Test

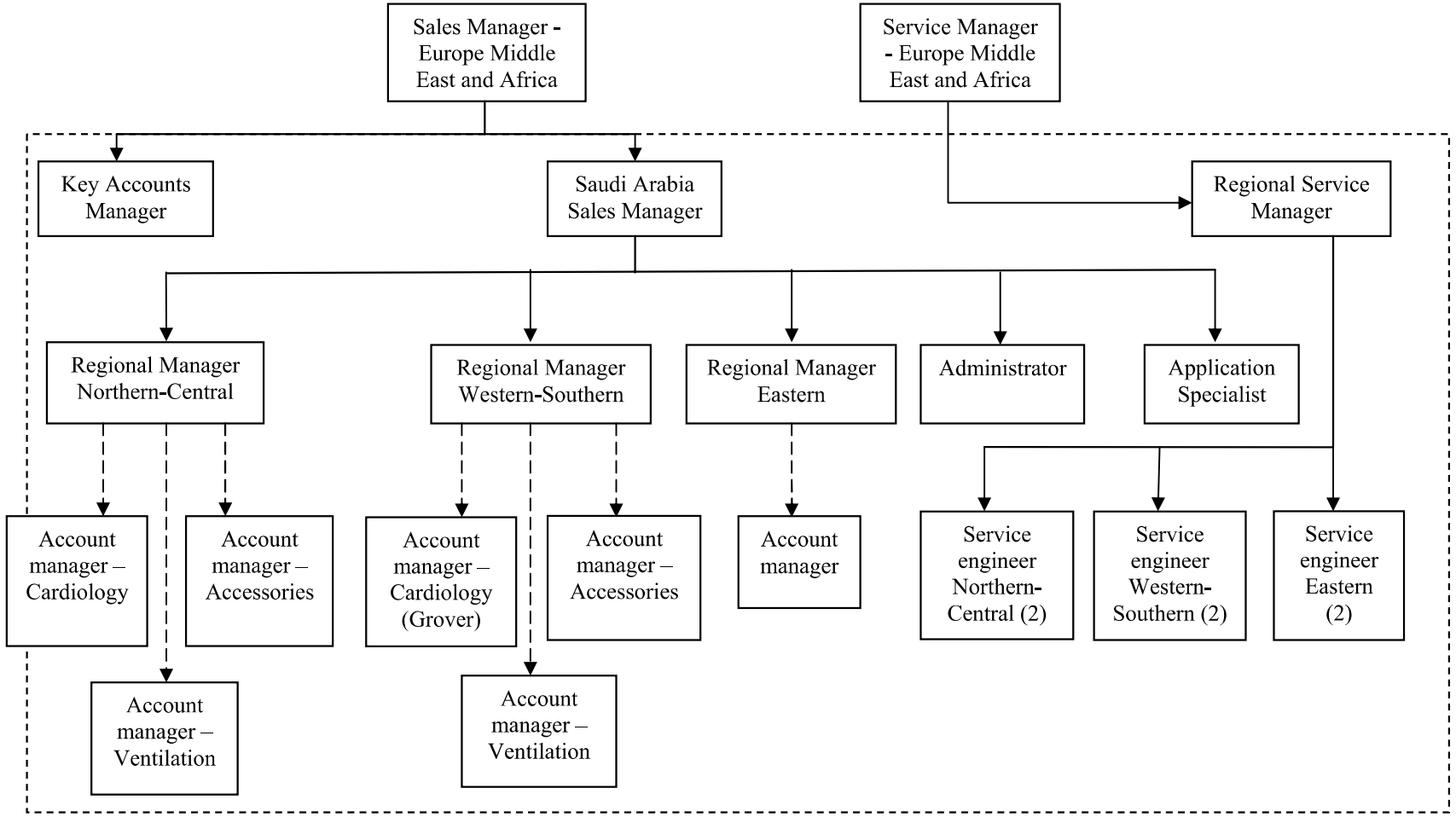
Defibrillator

ECG

Source: Google.com.

Exhibit 3

MEDICAL EQUIPMENT SAUDI ARABIA: ORGANIZATIONAL CHART



Note: The Key Accounts Manager handles major projects like catering to companies which build hospitals and equip them rather than hospitals that buy several pieces of equipment each year. The Regional managers have a mentor-like relationship with Account managers who often reported to the Country Sales Manager directly.

Exhibit 4

MEDICAL EQUIPMENT'S CODE OF CONDUCT

Purpose and Application of the Code of Conduct

We recognize that the key to enhancing the corporate value of Medical Equipment Inc. is fulfilling our corporate social responsibility in our day-to-day work. Therefore, we will faithfully observe the provisions of this Code of Conduct.

Basic Position

Comply with all applicable laws, rules, regulations, and in-house regulations, including this Code of Conduct, in every aspect of our corporate activities at all times. We will strive to ensure that all corporate activities are in compliance with normal business practices and social ethics.

Respect the fundamental human rights of all people in every aspect of our corporate activities. Do not act in such a way that may offend the dignity of any individual or be prejudicial on the grounds of race, beliefs, gender, age, social position, family origin, nationality, ethnicity, religion, or physical or mental handicap.

Maintain impartial, fair, and open relationships with all the stakeholders of our company and conduct business in a fair manner with them.

Do not take any action pursuing our personal or a third party's interests against our company's legitimate interests.

Do not take any action whatsoever that may damage the Medical Equipment's social trust or honor.

Relations with Customers, Business Partners, and Competitors

Product and Service Safety

Always focus on customer satisfaction, observe all applicable laws, rules, and regulations, and be mindful of the quality and safety of our products and services.

Free Competition and Fair Commercial Transactions

Conduct fair commercial transactions with all business partners based on the principle of free competition and in compliance with anti-trust, competition, and fair trade laws and all other applicable laws, rules, and regulations.

Do not undertake any action that inhibits free and fair competition, including collusion and cartel formation. Do not participate in meetings or in exchanges of information that may limit free competition or engage in any activity that may be construed as doing so.

Exhibit 4 (continued)

Always keep relations with customers, business partners, and competitors that are open and fair. In addition, carry out all commercial transactions with integrity.

Policies on Transactions with Suppliers of Materials and Services

Carry out commercial transactions with suppliers of materials and services in a fair and equal manner while being compliant with applicable laws, rules, regulations, and contracts.

Do not abuse any superior position that we may have as a customer to cause inappropriate disadvantage to suppliers.

Do not seek personal gain by accepting any benefits or special convenience in procurement or other purchasing operations.

Policies on Entertainment and Gifts

Engage in sound business practices and social norms when providing or receiving entertainment or exchange gifts with business partners or others.

Do not, under any circumstances, offer bribes to heads of regional public organizations, members of prefectural or municipal assemblies, or officials of government agencies or regional public organizations (including personnel of public corporations and other government-affiliated organizations). In addition, do not provide any benefits to gain unfair business advantage, entertain in a way that could be construed as offering benefits, or offer gifts or any other treatment that lacks justifiable grounds.

Do not conduct any acts involving foreign officers such as officials of foreign governments or regional public organizations that could be construed as bribery or the provision of benefits to gain an unfair business advantage under any circumstances under applicable laws, rules, and regulations.

Be aware of the difference between improper payments and reasonable and limited expenditures for gifts, business entertainment and customer travel and living expenses directly related to the promotion of products or services or the execution of a contract. These payments are acceptable, subject to specific Medical Equipment corporate and business guidelines.

Do not give a gratuity or other payment to government officials or employees to expedite a routine administrative action without fully disclosing it to the Medical Equipment's legal counsel. Some national laws that prohibit bribery outside that nation include an exception for "facilitating payments" to expedite a routine administrative action to which a person is otherwise entitled. These payments are often illegal under local anti-bribery laws, and Medical Equipment strongly discourages them. Make sure you understand the difference between a bribe — corruptly giving someone else a thing of value in exchange for exercising discretion in your favor — and a facilitating payment, which involves the payment of a small amount of money to expedite a routine action to which you are entitled.