

Christian Witness and Integrity

Case Study #10

Scenario

As Christian businessowners, our words are our bond. We honour what we say and say what we mean. For this reason, we ought to exercise great wisdom and discernment in what we say, even with things not said, because others may draw inference by our association. We must be watchful that our good name may be unwittingly mis-used or mis-represented bringing harm to ourselves. (Proverbs 3:27, Psalm 37:21, Proverbs 12:16)

Jack is a Christian businessman known in the marketplace as a person “who does what he says” and enjoys the favours of the Lord and of men. Jack retired from active business and devoted time to his church and ministry. Sam, a believer from the church approached Jack to embark on a new business. Jack agreed & injected 100% of the capital required and holds a “non-executive directorship” in the company. Taking a hands-off approach, Jack has left the running and management of the company to Sam.

Sam, young and ambitious and in his youthful exuberance, grew & expanded the business swiftly. Sam was well received by counterparties and suppliers alike because he is known to be Jack’s protégé. As business grew rapidly, Sam built up significant receivables and stock-in-trade much of which are financed by debts. To gain market share, margins were compromised. Much of the debts are from suppliers who extended unsecured credit largely on the reputation and integrity of Jack.

Two years into the business, the company faces serious liquidity problem as the country went into a recession, and Sam is now unable to pay his suppliers. Cash flow turns negative, and suppliers are now only willing to sell cash on delivery. Anxious suppliers, especially the smaller firms are begging to be paid.

Sam held a crisis meeting with Jack and advised that since the company is incorporated under the “limited liability” status, **Sam advised Jack to walk away and allow the company to collapse.**

The collapse would inflict severe losses to dozens of SMEs, many of whom are non-Christians. Jack was rudely awakened to the horror of the problems and regretted his lack of oversight and supervision. If Jack were to honour the debts of the company, it would seriously erode the nest egg he had built for his retirement and inheritance to his children and grandchildren. It would also significantly reduce the standard of living he and his family are accustomed to. At the same time, **Jack finds it difficult to walk away.** He is in a quandary.

WHAT DO WE DO?

1. If you were Jack, what would you do? List your options.



PSALM 15:1-2

Lord, who may reside in Your tent?
Who may settle on Your holy hill?
One who walks with integrity, practices
righteousness, and speaks truth in his
heart.

