



CASE STUDY:

Tech and Research

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Part I

Trevor is a newly promoted VP who just relocated from New York to Hong Kong, and he is eager to prove his value.

Recently, he began working on an exciting project. He is engaged with an assignment to help a Hong Kong-based vegan ice cream chain called I-Scream, which is seeking international investors and global expansion.

Trevor is determined to find the right data sets. He stays late each night to study the international industry, learn about I-Scream’s global target market, and try to get an accurate valuation of the fast-growing chain. He knows his current model is hit or miss at best. He just doesn’t have enough information. Trevor believes public comparables on mature consumer product companies are not applicable. I-Scream is private and has no public debt. There is little public information readily available for a viable comparison.

I-Scream’s founder, Dr. Lee, is a highly involved client. She pushes the team to find the best approach to pitching expansion before going to investors. If she doesn’t get what she wants, chances are she will simply move to another financial services provider. Trevor’s firm has no established, long-term relationship with I-Scream, but a tremendous opportunity awaits—and Trevor knows this. In fact, the entire team is highly aware of the potential revenue streams Dr. Lee’s current and future ventures could create, as her ambitions are widely known on the street—something Sam, head of research for the Hong Kong division, reminds the team of constantly.

Since Trevor started at the firm, he has viewed Sam as the type of leader he hopes to be one day. Having worked his way up through the ranks to division head at a relatively young age, Sam inspires his team with bold decision-making, and encourages them to think in new and innovative ways, bringing a palpable sense of excitement to their work. His boldness, however, is not completely untethered. Sam’s behavior and decisions are always grounded in the motto, “Do the right thing.” In fact, he even says the phrase to his team at the end of every meeting. On the desk, some on the team joke that “Do the right thing” is just a broad suggestion to push for new business, but Trevor sees it more as a statement of character.



One Friday afternoon, as the team heads out for a long weekend, Dr. Lee texts Trevor on an app called “WeChat.” She writes that she has an idea to get the data they need. Before opening the message Trevor pauses. When working back in New York, he recalls being warned that almost all clients in Asian markets are used to communicating on WeChat. Trevor also knows it’s against firm policy to communicate with clients outside of firm systems. That said, many still do it.

Since meeting Dr. Lee, she has been reaching out to him via WeChat despite Trevor’s many requests to use the firm’s email systems. Every time he suggests they move their communications to email, he’s met with silence. Early on in their relationship Dr. Lee had complained about his lack of quick responses via text. It took some work to rebuild her trust, and Trevor wasn’t going to make that mistake again.

Besides, if just about every client in Asia is using WeChat—and to his knowledge nobody is getting into any trouble for it—then it couldn’t be that serious of an issue, could it? Now that he was back “in” with Dr. Lee, he wasn’t going to risk the relationship by suggesting email correspondence again—especially not at this stage in the venture. Instead, he convinces himself that he will get her to stay within the rules once their relationship is more established.

Trevor texts her back and asks for more information about her idea. Dr. Lee suggests “scraping” data from the web to get the insights they need. Before he can think it through, he responds quickly to her text, saying, “I’m on it!”

Trevor knows this could work. If he can scrape—that is, pull the information down from live websites using software—he can gather competitor locations and pricing, and combine it with other public data such as population density and income levels to create estimates on potential sales, both globally and by region.

Back in the United States, web scraping is viewed as a gray area. Many research analysts talk about using it, but the key is knowing the limits of the practice. Trevor is seen by his team as an individual of high integrity. He values that reputation, and wouldn’t risk it by scraping a site that obviously views its data as intellectual property. However, given the looming deadline,



the sense of urgency in Dr. Lee’s request, and his general understanding of the law, he feels he can navigate the process legally. Although it might be hard to know which company sites to exclude, he would do some research, and then take his best guess, carefully avoiding the sites he feels might be an issue. Besides, although he is new to the region, he hasn’t heard of any specific international laws that govern this practice, and he has friends at competitor banks that do it all the time. He thinks to himself, “How can it be that big of a deal?”

Trevor tries to think of what Sam would do. “Do the right thing,” he always says. In this case, the right thing to do is to assist the client to the best of his ability. With Sam’s inspiring words in his head, Trevor feels he has implicit backing to make this decision and to be confident in doing so. Trevor recalls one of his off-shore team members, Ronnie, saying in passing that he knows how to code. Trevor calls Ronnie and asks him to help build scrapers for 8-10 websites. Ronnie seems a bit hesitant at first. He says that he hasn’t done that in a while and doesn’t want to do anything wrong. Trevor, however, assures him that he’s “doing the right thing by putting clients first,” and that this will improve the firm’s relationship with Dr. Lee and lead to more business.

Ronnie proceeds and starts scraping the next day.

Discussion questions

- Are Trevor and Ronnie being good team players?
- Have you ever asked yourself, in effect, “What’s the point of following this policy if my colleagues do not?” Are social norms supportive of ethical behavior?
- If scraping is a “gray area,” is it OK to do it? What principles govern your choices when a legal standard is unclear?
- What do you do when a firm policy and client preference conflict? How can Trevor build his relationship with Dr. Lee even as she is unwilling to adhere to firm protocols around communication?



- How should you prepare for regional differences in professional culture and communication styles?
- What could Sam do to be a better role model, without having employees misunderstand how his values translate to day-to-day actions?



Part II

Two months later, as the I-Scream team meets with potential investors. Dr. Lee is pleased. The firm has enticed more than a dozen potential investing teams from around the globe—due in part to Trevor’s research on the valuation of I-Scream. Dr. Lee even reaches out to Sam about Trevor’s great work, and Sam sends Trevor an email thanking him.

Trevor’s team is proud of him and happy to see a well-respected employee rise to the occasion at such a crucial time in his career— so much so that they plan to take him out for drinks to celebrate. That same day, Trevor gets a call from Ronnie, who seems a bit anxious. He tells Trevor there’s been some unusual activity attached to one of his web scrapers, coming from a small site in India. Trevor asks what the activity might mean, and all Ronnie can tell him at this point is “there may have been an issue with the scraper being identified, but it’s hard to tell.” As he gets his coat, Trevor’s sense of accomplishment is suddenly a bit rattled. He hides his concern during drinks after a follow-up text from Ronnie tells him “not to worry too much, it should be fine.”

A few days later, Trevor reads a Twitter post from one of I-Scream’s competitors, referencing their data as intellectual property. It went on to say that they are going to aggressively identify anyone who is using the data without their consent and ensure they are held accountable. Trevor immediately calls Ronnie on his private cell phone and asks if they are at risk. Ronnie confirms they did in fact use a “bot” to scrape the competitor’s site and that he was actually in the process of reviewing the fine print on the site. However, without a clear understanding of the legal jargon, it’s hard to know. Much of it seems ambiguous.

Trevor and Ronnie debate what to do next. Trevor asks if the firm “could take a hit if this is discovered.” Ronnie replies, “Yes, absolutely...and we could even be at risk personally. But let’s hope it doesn’t come to that.”

Trevor weighs the consequences of being identified against the chance that this is all nothing to worry about. For the first time in his career, he feels alone.



Discussion Questions

- What are the primary issues in this scenario that leave the firm, its clients and its employees open to substantial risk?
- What assumptions did Trevor make that contributed to the challenging situations in this scenario?
- What could Ronnie have done to help Trevor, while mitigating his, and the firm's, exposure to risk?
- If you were Trevor, what would you do next? What does your gut tell you?