



Image. Cottonbro Studio in Pexels, 2021.

Transportation Drivers at Risk! The WK Up's

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This problem situation was written by Ana Beatriz Salas Valdes (anasalas@tec.mx), with the purpose of serving as discussion material in the classroom; it does not intend to illustrate good or bad administrative practices. The story on this document is based on different people's experiences; some data has been modified at the request of the people and institutions involved.

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Background

Work accidents and hazards represent a human and economic problem that is a serious concern around the world. Even though today, there are many international organizations and regulations, like the international labor Organization (ILO) with its eight fundamental conventions that protect labor rights, the decent work principles, article 23 of the Universal Declaration of Human Rights, and the different national labor laws and regulations, according to the International Labor Organization, *“Every year, 1.9 million people die from exposure to risk factors in the workplace”* (World Health Organization and the International Labour Organization, 2021).



Image. Pixabay in Pexels, 2022.

This situation is no different in Mexico where in 516,734 work accidents were registered, 12,622 people became ill due to their job, and 1,408 died in the job or as a result of it (STPS, 2017). Due to this problem, The National Human

Rights Commission (La Comisión Nacional de los Derechos Humanos) in Mexico, highlights the relevance of the government promoting a culture that encourages companies and individuals to adopt measures for the prevention of work accidents and occupational diseases, in order to have safe, healthy, and decent work conditions. (CNDH, 2019).

The Company

WK-Up! S.A. is a Mexican company that develops products oriented to improving the well-being of workers in their day-to-day jobs. The history of this company started five years ago in Monterrey, Nuevo León, with two recently graduated friends, Isabella Rodríguez, and Ricardo Rosales, who drew their ideas, resources, and knowledge in technology and neuroscience together, with the aim of developing devices that could help companies to improve occupational well-being, particularly safety and health conditions of employees and at the workplace.

Even though this company originally had the idea of focusing on workers whose jobs require constant physical effort and who are at high risk of suffering an occupational hazard or illness due to effort or fatigue, currently Wake Up! S.A. is looking for projects in different types of companies. They felt encouraged not only because of the good acceptance that the company has had at a regional level in the north of Mexico, but also, because of the new project opportunities that WK-Up! S.A. is starting to detect from foreign companies.

Context of the current problem

Currently, WK-Up! S.A. found a new project opportunity for a transport company based in the United States. This company is trying to find a solution for the different cases that they have to face due to the long time and distances that trailer drivers have to spend on the road; some drivers start to feel sleepy while they are driving, being in jeopardy of having an accident. This situation poses a persistent challenge for transportation companies. In the United States, for instance, the Bureau of Labor Statistics reports that the transportation industry experienced the highest frequency of fatal work injuries in 2021. Out of 5,190 fatal work injuries, 1,982 fatalities were attributed to transportation workers, representing a staggering 38% of all fatal work injuries (Harris, 2023). Similarly, in Mexico, land transportation drivers are among the ten most hazardous occupations. In terms of workplace accidents, this profession ranked first in deaths, with a rate of 1.8 per 10,000 workers in the land transportation industry in Mexico (Badillo, 2022). This problem not only puts the workers of the transport company at risk, but other drivers as well.

In order to prevent future accidents, the transport company had been looking for a solution, which led them to contact WK-Up! S.A. to talk about its services. After an initial talk about the problem, WK-Up! S.A. explained in general terms to the transport company that they had been working on a device that could provide the solution that they urgently needed. This device monitors the driver's brain waves and perceives fatigue signs; when the device perceives that the driver is about to fall asleep on the road, it sets off an alarm that prevents people from falling asleep, the "DriversUpheadset".

After a short conversation between WK-Up! S.A. and the transport company, both started to consider opening international operations to offer the development of its products to foreign companies. However, even though WK-Up! S.A. has been working in Mexico and already has some experience in how to sell its products in the Mexican market, but they still have many concerns. They have started thinking of a possible selling price of one thousand pesos (MXN) for its DriversUpheadset for the Mexican market, in which the 60% represents fixed and variable costs and 40% represents the possible margin that WK-Up! S.A. wants to achieve. They are also concerned about the implications of the process of selling and offering their products to foreign companies, they are particularly worried about how to decide a fair price, together with the legal implications and responsibilities to protect the ownership of the products that they develop against foreign competitors who might steal their original products.



Image. Quintin Gellar in Pexels, 2022.



Image. Authors' own elaboration, 2023.



Image. Authors' own elaboration, 2023.

Alternatives

Under WK-Up! S.A.'s current circumstances, together with the opportunity of selling the DriversUpheadset to the transport company, that detects if a driver is about to sleep on the road, the CEOs, of Wake Up!, Isabella and Ricardo, decide to take the first step to start their internationalization plan. by approaching the transport company as their first possible foreign company client, in this case, based in the United States. Nevertheless, before they start formal negotiations with the transport company, Isabella and Ricardo want to be sure that they are fully prepared to face this challenge by thinking about several issues regarding its DriversUpheadset.

- What would be the best way to show the main features of the DriversUpheadset to the transport company and to other companies that could be interested in their product?
- How can WK-Up! S.A. demonstrates to the transport company that their DriversUpheadset meets their needs?

- What possible strategy can WK-Up! S.A. implement to manage an eventual disinterest in the DriversUpApp by the transport company?
- What could the possible sales process for its DriversUpheadset in a foreign country be?
- What are the main expenses that WK-Up! S.A. needs to take into consideration to offer a fair price for their DriversUpheadset?
- Does WK-Up! S.A. need to think about INCOTERMS? If so, which one could be a good option for them?
- What kind of contract does WK-Up! S.A. need to use in order to sell the DriversUpheadset in the United States?
- What kind of information does WK-Up! S.A. need to include in a contract?
- Which are the relevant clauses that WK-Up! S.A. needs to take into consideration?
- Is there a specific legal instrument for the protection of the invention of the DriversUpheadset?
- Is it possible to protect intellectual property rights in a contract?
- Is it possible to include a clause that helps WK-Up! S.A. to prevent future misunderstandings, disputes, or problems with a client, in a contract?

Conclusion

Isabella and Ricardo are currently looking for a consultant, a lawyer, or an expert in international business to make sure they are implementing the correct sales strategies, the possible price for their product, and to review the correct legal information and not miss any relevant aspects to complete negotiations with the transport company. So, in the future, they will have the necessary skills to export, sell, and protect their products at massive levels for companies from different countries in the world.

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