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Problem

The issue with Agrico is that they entered into a legally binding contract with a software development firm known as AMR, this case involves an ethical/legal decision regarding their business relationship with AMR to update its management information system, Agrico only had a right to the source code listing that we needed for testing, Agrico requested AMR an access to the source code so they can make modifications. "A nonworking system would eventually result in loss of revenue" (Goldratt) AMR does not want to provide its source code as that could increase the chance of the code being stolen. Agrico tried to purchase the code from AMR even when offered to sign a nondisclosure agreement, However AMR was still not willing to share the source code. Agrico's main concern with AMR is being bankrupted and going out of business which may leaving them with no source code.

The main problem was a software engineer for Agrico's new AMR system, left source code opened on a computer, while she was out. another employee from Agrico must decide whether to copy it or tape it and send it to one of their off-site facility or not do anything at all. "A lack of familiarity with new processes and equipment can lead to accidents that could impact the environment, lives, and property." (Dave)

Industry Competitive Analysis

Agrico's mission statement is to provide farm and ranch management services by acquiring equity interests in the lands and providing cash flow and capital requirements.

Agrico had a divisional structure with four regional offices. The decision rights have been vertical as every local workplace had personnel that refer to a vice president. Each workplace then refers to a senior vice president who then refer to the CEO.

Porter's Five Forces

1. Competitive Rivalry:

According to Porter's theory, the rivalry is the most intense when competitors are numerous, or industry growth is slow (Porter). Competitive rivalry is low, even though there are a number of other companies in the field that could compete with Agrico, there is still some separation between them as Agrico operates on the commodities market for a large share in their industry.

2. Bargaining Power of Customers:

Customers bargaining power is low, customers invest their time and resources to harvest and make profit, it is very hard for them to control and that if they want to switch, they have to wait after harvest, or they will lose their time, resources and their investments.

3. Bargaining Power of Suppliers:

The threat of supplier is low, Agrico does not require raw material, and it is providing a service not products, Agrico only manages farms and ranches they do not have to worry about the suppliers cost and any mark up related to any product. So, a supplier power is not very effective towards them.

4. Threat of New Entrants:

Threat of new entrants for Agrico is medium, the reason for that is Agrico is one of the top leaders in ranching maintenance and farming, however a new entrant could probably enter but it would be hard for them to establish, but there is still a possibility of that happening.

5. Threat of Substitutes:

Threats of substitutes for Agrico is low, Agrico so far has been successful with its business, and there aren't any substitutes that can replace them as of yet, customers are entitled to work on a land that belongs to Agrico, but they must abide the terms and contracts. Agrico don't have to worry about any threats of substitutes.

Stakeholders

Management: Main stakeholders for Agrico they are the ones who take actions and are responsible for implementing a solution and improvements to the firm's service, their actions will highly positively or negatively impact Agrico's business.

Employees: Employees are also Agrico stakeholders because they would be out of job if the company goes bankrupt.

Customers/Clients: Agrico's customers are mostly farmers, they use Agrico's service and lands to make profit, if Agrico goes out of business, customers would most likely be forced to repay the money to the bank or the new owner.

AMR: they are stakeholders because they own Agrico's source code, if Agrico to decide to copy the code, they would most likely be no longer associated with Agrico's company.

Courses of Action/Alternatives

1.

The first course of action is do nothing, Agrico should not copy the code as this is the most ethical option, Agrico could also end up in big legal trouble, the contract with AMR clearly states that AMR are the only one who is allowed to copy and store the code, although

Agrico does have some access, but it is limited. According to Goldratt “Putting it precisely, activating a resource and utilizing a resource are not synonymous.” (Goldratt). Making any copy of the source code is highly illegal and is in fact considered theft.

Impact on Stakeholders:

Management: If managements take no action the contract would not be violated, which means that they trust AMR, if not they will have to find a different software company.

Employees: could be affected by this due to the fact if anything has not been done, they may still be able to function on the same schedule and the equipment they had. They also might be vulnerable to any system bugs which have to still be repaired by AMR. Agrico would still not be able to modify the code

Customers/Clients: Customer would still continue to get the same service from Agrico

AMR: will not be concerned because nothing is done, Burdelle will not make a copy of the source code and AMR will still be liable for keeping it and managing it.

2.

The second course of action copy the source code and ship it to the off-site storage facility, If Burdelle chooses to copy the source code their choice is unethical and violates their contract (Cash). this means that Agrico would violate the contract between them and AMR, if they do copy the code AMR would most likely find out that their source has been stolen, and Agrico would most likely be investigated, which could end up in court. Legal fees will also consume Agrico’s business and ruin the growth and their operation. Agrico’s image would be affected by this a lot of consumers would try to avoid Agrico as they could lose

their trust. Agrico would also be found of copyright infringement, which they will be forced to retribute AMR monetarily. Whoever was associated with keeping and copying the source code could end up in jail.

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Employees: could be affected by this due to the fact if anything has not been done, they may still be able to function on the same schedule and the equipment they had. They also might be vulnerable to any system bugs which have to still be repaired by AMR. Agrico would still not be able to modify the code

Customers/Clients: Customer would still continue to get the same service from Agrico

AMR: will not be concerned because nothing is done, Burdelle will not make a copy of the source code and AMR will still be liable for keeping it and managing it.

3.

The last course of action would be notifying AMR about the incident, this could improve the relationship between Agrico and AMR, in order for this to happen the CEO to provide the documentation copy of the source code by using the case as an act of good faith in order to win AMR's trust. "Successful networking or coalition building involves the awareness that besides winning friends it is necessary to incorporate or pacify potential enemies" (Morgan). This is a great option for Agrico as it would not have them involve in any legal action that could go against them. This could also negatively impact Agrico as AMR might move the source code to an escrow account.

Impact on Stakeholders:

Management: If managements notify AMR, they might be able to gain their trust and hopefully gain a better contract regarding the source code. If not they would most likely need to find a better software company

Employees: could be affected by this due to the fact if anything has not been done, they may still be able to function on the same schedule and the equipment they had. They also might be vulnerable to any system bugs which have to still be repaired by AMR. Agrico would still not be able to modify the code

Customers/Clients: Customer would still continue to get the same service from Agrico

AMR: will highly be affected, their source code was left unattended, and that is highly security risk, at that point they might have to gain Agrico's trust and provide them the source code.

Best Course of Action

The best course of action for Agrico is to report the incident, this could improve the relationship between Agrico and AMR, and in order for this to happen the CEO to provide the documentation copy of the source code by using the case as an act of good faith in order to win AMR's trust according to Morgan "The ugly face: Instruments of domination" (Morgan). I believe this is the best option that Agrico should take because this will prevent them from being in any legal troubles, if Agrico to copy the source AMR would most likely find out that their source has been stolen, and Agrico would most likely be investigated, which could end up in court. Legal fees will also consume Agrico's business and ruin the growth and their operation. Agrico's image would be affected by this, a lot of consumers would try to avoid Agrico as they could lose their

trust. Doing nothing would be very useless option although I believe it is better than copying the source code, doing nothing will have no impact whatsoever.

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