The following appeared in a memo from the vice president of a food distribution company with food storage warehouses in several cities.

"Recently, we signed a contract with the Fly-Away Pest Control Company to provide pest control services at our warehouse in Palm City, but last month we discovered that over $20,000 worth of food there had been destroyed by pest damage. Meanwhile, the Buzzoff Pest Control Company, which we have used for many years in Palm City, continued to service our warehouse in Wintervale, and last month only $10,000 worth of the food stored there had been destroyed by pest damage. Even though the price charged by Fly-Away is considerably lower, our best means of saving money is to return to Buzzoff for all our pest control services."

Write a response in which you discuss what questions would need to be answered in order to decide whether the recommendation and the argument on which it is based are reasonable. Be sure to explain how the answers to these questions would help to evaluate the recommendation.

Essay Response:

The vice president reaches the conclusion that their food company must sign contracts for pest control only with Buzzoff, while cancelling those that were made with Fly-Away. This conclusion is based on the premise that the warehouse at Palm City managed by Fly-Away incurred more significant amounts of damage as compared to the Wintervale warehouse managed by Buzzoff. However, in making their argument, the vice president fails to answer three important questions, the answers to which could dramatically affect the veracity of their logic.

First, are the conditions at the two warehouses similar, i.e., were factors such as climate the same across the two locations? A related question is: Was the crop stored in Palm City one that was more susceptible to pests or other external factors, as compared to that of Wintervale? It may be the case that Palm City was much more humid in the past month, or that Fly-Away was not given access to the warehouse in time for them to clear the pests. The argument does not provide further evidence of pests being the reason for the damages, beyond simply stating it. If there were other causes that led to the damages being higher at the Palm City Warehouse that were outside the control of Fly-Away, then the recommendation proves unwarranted. If the climate of Palm City was unfavourable, or if the food stored there was improperly packaged, Fly-Away would not be responsible for the role that such factors would play in rapidly growing pest populations. To assume that the two locations are functionally equivalent is foolish without the provision of further evidence in this regard.

Second, would Buzzoff be able to work in both the warehouses at the same time? In other words, if the contract with Fly-Away was to be thrown out, then would Buzzoff’s services be sufficient in minimizing damages, as the vice president claims? It is possible that Buzzoff is a small family-managed company with it having about 10 to 15 people working for it, and it is also possible that the warehouse managed by Buzzoff was substantially smaller than the one in Palm City, making it easier for them to deal with. If any of these possibilities are found to be true, then Fly-Away may, in fact, be better equipped at handling pests at their assigned warehouse as compared to Buzzoff. The vice president must answer this question with full certainty, since making an immediate decision could even lead to catastrophic situations, like the possible exacerbation of pest populations in the Palm City location.

Third, was Fly-Away able to save more money than Buzzoff in potential losses due to pests during the last month? It is possible that Fly-Away was able to avoid around $30,000 worth of damages, bringing down losses by 75%. The argument provides no explanation for how Buzzoff could have reduced the losses of $20,000 to a lower number. What if the amount of food stored at Palm City and Wintervale were worth $100,000 and $11,000 respectively? In this case, Buzzoff could only retain a thousand dollars’ worth of food items, while the Palm City warehouse fared much better. Thus, by not providing information related to the exact proportion of losses incurred at the two locations, the vice president does not make his case persuasive enough, and hence does not warrant the enforcement of the recommendation drafted in the memo.

In conclusion, the argument, as it stands now, is considerably flawed. Its inability to answer the abovementioned questions stems from multiple unstated assumptions that the vice president has made, with a high potential for losses getting worse, in case the plan to switch fully to Buzzoff’s services is executed. They have assumed that the raw numbers are themselves significant enough to make the argument convincing, and that these are reasonable indicators for the efficacy of the pest control companies working at the two warehouses. A comprehensive study must be done by the food distribution company to choose the right way forward, and the argument needs an overhaul, with substantiative evidence to back up all of its claims.