

**Madeline Cowgill**

## horizontal line

**Agrico, Case 5**

CIS 410-50

**Executive Summary**

In 1985, during an organizational drafting proceeding, Agrico executives guaranteed to replace their existing Information Technology system by purchasing a software solution from the company AMR. This pronouncement came from commissioning a consulting company, which advocated that Agrico process data in-house. Agrico required the cooperation of specialists and AMR to construct its own information institution. Since Agrico was not a technology business, they assured that they should acquire a software conglomeration. Agrico’s network requirements were convoluted, since they had three various asset provisions. The cash-rent lease agreement was uncomplicated.

The directly supervised real estate organization proved to be elaborate, owing to the fact that the apparatus had run a farm enterprise. The crop-share lease agreement was also complicated seeing that the structure had to oversee the coordination of receiving, selling, and delivering crops. All of this within the bounds of one structure was a rather demanding project. Agrico choose AMR out of forty viable vendors. AMR had twelve buyers that provided fantastic reviews of their systems. AMR’s software packages were all customized to meet their customers needs. The base setup was original, but the organization was enhanced to accomplish in the idiosyncratic environment of each consumer.

Agrico and AMR consecrated a settlement: AMR would produce, modify, and maintain the software component for a fee and have it ready by October 1st, 1986. The structure would be perpetuated in escrow with a third neutral party to secure backups.

The AMR Software Engineer, Jane Seymour, who was establishing the new structure at Agrico, unintentionally left the source code open on a work computer. As she was in the task of deployment, she failed to remember to close out the computer as she departed for break, leaving the source code exposed on her computer. This blunder was noticed by Louise Alvaredo, Agrico’s Systems and Programming Manager. Alvaredo seized the attention of Burdelle, Agrico’s Vice President of IS, and asked him if they should copy the code and store it in a off-site space. Burdelle has an hour to determine what to do before Seymour returns from break.

**Problem Description**

In contradistinction to the disintegrating relationship with Rogers, Agrico had instituted a great affinity with Jane Seymour who was working in Des Moines, Iowa. On Wednesday, May 27, Jane Seymour left the source code exposed on her computer when she left for a break. Alvarado think has the appearance of being done intentionally.

**Major Stakeholders**

George Burdelle – Burdelle is a stakeholder for the reason that it is his determination on whether or not to extract the source code off of the computer. If they get into litigation, he could inherent be terminated from his position. If they do not get into legal proceedings, he may be designating the correct option for the company’s organizational progression.

Agrico – Agrico as an organization is a stakeholder in view of the fact that if AMR discovers they took the source code without acquiescence, AMR could file a lawsuit and Agrico could potentially suffer the loss of everything. Even if Agrico won the lawsuit, they could also potentially lose customers due to a bad reputation.

AMR – AMR is a stakeholder owing to the fact that if they are deprived of their source code, any business could then copy their software without consequence. This would tremendously hurt the company because they wouldn’t be able to offer a unique system.

Employees of Agrico – If Agrico takes the code and gets consumed in a legal battle, there would most definitely be a lot of layoffs in the company. Worst case scenario, there wouldn’t be enough resources to pay their employees because of legal fees. Alternatively, if they do acquire the code, they would be able to extend better customer service, raising their income and may give opportunities for promotions or raises to employees.

Agrico’s Customers – Agrico’s customers are also stakeholders here seeing that if they do not take the source code, the system could mess up and not deliver excellent production or service to its consumers. Agrico could additionally gain a unsatisfactory reputation which may cause some customers to switch to a new agricultural management business.

**Industry Competitive Analysis and the Role of IT**

Porter’s Five Forces:

Competitive Rivalry: Low - The closest thing to rivalry for Agrico are the farmers. In the coming times, they could eventually procure the software unambiguously from AMR, thus eradicating the necessity to contract with a Agrico to stipulate the management of real estate.

Threat of New Entrants: High - The barrier to entry for materials are low owing to the fact that they already possess the knowledge of agriculture. They could go around Agrico’s assistance by brokering personally with the farmers. The crop product market could eventually purchase the software from AMR and pose a immediate threat to the coming times of Agrico. Moreover, they are better systematized with long standing alliances with retailers and distributors. Consequently, they pose a threat to the fees and resources of Agrico.

Threat of Substitutes: High - Banks could provide equivalent or superior monetary services to farmers desiring capital. Their encouragement resides with the insurance given to farmers by the government in the shape of agricultural subsidies. Procured ventures from financial establishments can accumulate farm management with financial systems. Other practicable substitutes the future will most likely be organic micro-farming that adjusts to the essential changing consumer.

Bargaining Power of Suppliers: High - Agrico depend on the work from the farmers, farm machinery, and seed stockpile under its land owner. The understanding and specialization of farm managers in each establishment is a high threat to Agrico. They know more regarding the land, have intimate relationships with suppliers, and know about the crop manufacturing needs. The switching cost of employing new farm managers is high due to the face that the supply is deficient as this job is physically challenging and has a extortionate learning curve.

Bargaining Power of Customers: Low - The seasonal nature of farming inconvenienced barriers to Agrico’s consumers under the cash-rent amenity. These consumers subsidized time and resources preceding to fall harvest to earn returns, or at minimum break even after financing Agrico’s rent. Furthermore, the bargaining power of Agrico’s customers is low due to the timetable, exchanging and administration of crops.

**Alternative Courses of Action and Impact on Stakeholders**

Option #1: Do Nothing - If Burdelle were to do nothing then the consumers probably would not observe any change. In actuality, since the new administration would then be in position, Agrico could see an increase in productivity in management since computer systems being updated. The company and personnel would still have to endure the issues that comes with amalgamating themselves into a new structure and allow AMR to manage problems as they arise. AMR has the most to gain by Burdelle doing nothing. If he determines to abandon stealing the source code, the installation and payment procedure will commence and lawsuit will be avoided.

Option #2: Steal the Source Code - If Burdelle decides to steal the source code, the consumers might not be initially impacted by this decision. However, further down the line they may experience delays and other issues due to the company be held up in court and facing theft charges. Agrico and the personnel would be influenced seeing that they would potentially be able to customize the source code to satisfy their needs. Nevertheless, this could lead to legal action against Agrico and possibly getting a bad reputation.

Option #3: Choose New System - If the other alternatives don’t sound appetizing to Burdelle, he might be able to get out of his treaty with AMR and look for alternative businesses producing the software. The consumer would not be impacted until the new system in implemented. Personnel would be impacted in view of the fact that they would have to disown their currents jobs and focus on another. Withdrawing now could show absence of leadership and end up costing him his career. AMR would forfeit long-term transactions if they go with this choice but ultimately they have heretofore been paid non refundable amount of money for the software at this point.

**Normative Recommended Course of Action**

The best course of action in this case is for them to not copy the source code. It is illegal and morally wrong. Not only could Agrico face legal repercussions for their actions, they will also ruin their reputation and possibly any future business that could have. Copying the code is the wrong alternative because it exposes the company to the potential legal action. From a corporate standpoint, it compels sense to do the activity that will cost the minimalist amount of money for the organization and produce profit growth. If Burdelle were to take the source code without consent, there is nothing that will stop Rogers from pursuing legal actions. This is a violation of contract and a clear infringement of the understanding between the two organizations. It could cost Agrico a wealth in legal dues and end up costing Burdelle his career and reputation. While Burdelle may be maneuvering on constructing the business stronger by stealing the source code, he could comprehensively be damaging the business by inconveniencing future costs to them.

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