**University of Louisville**

Agrico Case

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**Executive Summary:**

Agrico provided farm and ranch management services for 691,000 acres of land in several midwestern states. It manages portfolio worth 500 million. It ranked as one of the nation’s biggest agricultural management firms. It provides management services for more than 350 farms. This case talks about ethical decision that they need to make about their business with AMR. Agrico start to work with AMR to create a management software that assist them with their portfolio. The issue was that AMR did not want to give them the source code. This decision of choosing which company to work with was given to George. He looked over all the companies and see their reviews. He liked how AMR had a great customer review and decided to go with it.

**Problem:**

One of the software engineers for Agrico company left source code open on her computer for the new AMR system. With how they deal with AMR, they were not sure enough if the proposed agreements that secure the source code were good enough. Now they were afraid of the risk that can happen. They need to keep in mind if the portfolio of Agrico converted to a new system and anything can happen to the source code. The data can corrupt without anyone knowing that. The way that AMR made the software is it is one package. So, if they want to give it to different organizations, they change the code, either adding or deleting depends on the company needs. Now Agrico after they signed the contract, they understand that AMR only have one software that make changes to it. So, they offered to have the software by buying it from AMR so only them have the software. But they refused and said that no one can buy it or even looked at it. So, it keeps them the only people who can change the code. After that they agreed on having a third party that allow Agrico for backups if they need to. Now Agrico looked at the software and they saw so many things that is not working well. Agrico was the only one of them that have the permission to store the source code. So, Agrico they want to have a copy from this software so they will be no longer in need for AMR. Now her the problem come when Jane left the source code open. So now do Agrico take the code or not. This is was their opportunity.

**Porter’s Five Forces:**

* **Competitive Rivalry:**

I think it is low since Agrico is a big company that worth so much money. So, the other small business Agrico might be risk for them. But I do not think that it is risk for Agrico. Also, Agrico provide their services to a narrow market. So, there are not that much competitive companies that provide the same services.

* **Threat of New Entrants:**

I think it is medium. As I said Agrico is a very big company and it is hard for company to come suddenly and be at the same level as Agrico. They already have their customers that they trust them and have been working for them for long time. But a new entrance might take advantages of AMR and try to provide some of the same services, and they might put things that is competitive with Agrico, so they start gain the customer trust.

* **Threat of Substitutes:**

It is low because not many firms will be able to provide the same things that Agrico do. and since the demand for it for specific kind of people so not that many companies will be interested in this demand. And even though if they entered the market, they need time to get to same level as Agrico. Providing different services will not help those specific customers. Because what they need is specific.

* **Power of Suppliers**:

This is high since Agrico get the software code from AMR and this code can be used in many other companies. Only AMR can do any changes by modifying, deleting, or adding new things to it. Agrico is paying monthly for them to do these modifications.

* **Power of buyer**:

It is low since Agrico has most of the lands that the customers have their farms on. So, I think this is make Agrico has most of the power from the buyer. But if there are customers that do not like the service from Agrico can end their contract with them. And they can go to different services that other company provides.

**Potential Alternative Solutions**

* **Do nothing.**

This is the best option in my opinion. If he decided not to take the source code, he will be safe and the company as well. I will explain more about this option in my case recommendation. “According to Organizations as Sociopaths Article any manager who do anything other than make as much as he can profits for the shareholders would be negligent. But if it is ethical to do that. And would not cause him problems.

* **Take the source code.**

I know that having the source code will benefit them as that can improve their services and not have to wait to AMR to modify the changes. But it is still illegal. If they took the code it has so many consequences that they need to face. This is against their policy and what they signed in the contract. According to Zeiger “Businesses that fail to follow federal and state guidelines often face large fines and other penalties.”

**Stakeholders:**

* **George Burdelle**

It is his decision to what to do with the source code. So, any results will come after, it is going to be his responsibility at first place. So, he should think carefully on what he is going to decide and how this thing is going to reflect the company. If he chooses to get the source code this is will put him in jail and make the company pay money and it might cause him to lose his job. So, I think the better option is to do nothing, so he will not get in trouble. According to Goldratt “The right project manager

means early warning about potential problems.” He should know what are the potential problems that this action might cause the company.

* **AMR**

It will affect them if they lost the source code. So, they will not have the power as before that they are the only who has the code and be able to modify it. If other companies get it, they will be no longer in need for them. And many different companies can use it.

* **Agrico Employees**

To get the code will help the employee to modify any changes that they need without going to AMR. But this might put them in trouble and cause them to lose their jobs.

* **Agrico Customers**

It will look bad on Agrico if their customers know that they are not respecting the people that they work with and they got the source code and violate the contract that they have it with AMR.

**Selected Option and Reason/ Recommendation for the case**

My recommendation for this case is to do nothing. I do not think that there are any other good options for them to choose so that is why I recommend just to do nothing. It is will be unethical to look over the source. Even though that they want to look at it so they can make sure that couple things are working as they want but this is not what they agreed with AMR. They agreed with them that they do not have the permission to look at it. Also keep in mind if AMR knows this, they will no longer be in contact with Agrico which Agrico needs them for their services.

I do think that this is illegal and can cause them to go to court for it. It will consider a violation over the contract that they had between each other. This is also will cause their clints to end their services with them after they will know what happened. It might also cause Agrico to pay so much money for this. It could cause some of the employee to end their jobs. Also, it will affect them if they want to get a new job. The other companies will be hesitated to hire someone who broke the rules.

Even though that their intention was to make their company looks better but it might be the opposite. The others will not look at it from this point and they will see that they broke the rules and did not respect the people that they are working with. Going with other systems that give them more control is not a good option at this point since there are not other good options to consider and Agrico already spent so much money with AMR. So, it is not a good idea to switch now. It will cause them a financial hardship.

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