

# Jack daniels

Business, Accounting



## Jack Daniel's Case Analysis I.

Identify Symptoms 1. Jack Daniel traditionally gave the slop for free for decades, then established a price of \$2 per thousand gallons, and then raised to \$4. Because of the low prices and availability of the feed, farmers began to expand their business. Water was being polluted by the excess amount of cattle being raised. 2. Jack Daniel informed farmers it would stop delivery until proper environmental improvements are made. However, there was no formal written contract stating Jack Daniel will continue delivering the slop.

. A low demand of whisky occurred, because consumers turned to lighter beverages. This resulted in Jack Daniel's "dry house" method which disposes of thick slop. 4. Layoffs were made in Jack Daniel. 5. Angry employees may form a union 6.

Farmers were angry, having no slop to feed their cattle. 7. The farmers moved the feedlots and improved the environmental conditions. Farmers state that Jack Daniel promised them slop if they fixed the water pollution problem. 8. Jack Daniel denies making such promise. II.

Root Cause . There is no written contract between the farmers and Jack Daniel stating the terms and commitments they have for each other, such as, Jack Daniel providing the thick slop for the farmers for affordable prices, and the farmers preserving the environment. III. Stating the issue 1. What actions should be implemented in order to meet each side's needs, while keeping both Jack Daniel and the farmers' businesses afloat? IV. Alternatives 1. Jack Daniel could return to selling its traditional whiskey with thick slop.

In doing so, it could raise the price of thick slop to the farmers to cover the expenses it takes to make it. Positive: The farmers can feed the cattle.

Negative: a. The feed will not be at a bargain price which will lead to farmers looking for alternatives. This result to more tension between the farmers and Jack Daniel. b. Jack Daniel will only be wasting its time and money in making the whiskey because demand for it has dropped.

. The farmers should find an alternative feed for the cattle. Positive: a. Jack Daniel will continue to make its dry house method with no thick slop and keep its business afloat. b. The tension between the tow might break.

Negative: a.

Farmers will have to seek alternative means of feeding the cattle and may have to down size its recent growth. b. Tension might only increase. 1. Jack Daniel could hold to its promise that it would stop delivery unless the farmers made environmental improvements, which the farmers invested heavily on doing so. Positive: a. Tension will clear between the two.

b. The farmers will have their feed. Negative: a. No written contract made. Jack daniel is not obligated to support the farmers. The free ride never lasts forever. V.

Best Alternative There was no formal contract between the two. JD and the farmers should sign an ethical and legal contract stating their terms if any. But again JD is not obligated to do anything. VI Recommended action and follow up If the farmers like to take legal action, it will only trigger more tension and go no where in court because there is no written claim to back

them with. JD might be seen as unethical on breaking their promise but there was no proof that they had a promise and they have been doing a favor to the farmers up until now. If the farmers find no other alternative to feed cattle, they should form a business proposal for JD that fit their needs while keeping their own business afloat.