

# [Case of the software proposal](https://assignbuster.com/case-of-the-software-proposal/)

Issue: Why should Middleton fund an IS project with “ intangible” benefits? Discussion: Dennis Devereaux, Chief Information Officer (CIO) and Vice President of Information Systems planning, Max Vargo, are executives at Middleton Mutual Insurance Company which is based out of Philadelphia, PA. This is a large diverse corporation that has a vast number of holdings and conducts business on a grand scale both geographically and financially. Dennis and Max are in the process of trying to introduce a new expert system for the underwriting department which will have a price tag of at least a million dollars. The system will be specifically geared towards the property and casual department directed by Linda Hayes. It would give the department a much needed base of information which would in the long run cut cost by reducing time spent on research for underwriting tasks. If implemented the system would create a baseline of information to the department that would be filled with knowledge and expertise from the present expert staff.

The underwriting staff will also be able to add new information. This system will include topics that previously would have to be researched on a regular basis and information on subjects that are currently unknown to new underwriters. The process of underwriting is tedious and costly, a problem which could be remedied with the addition of this system. At this time, Middleton’s underwriting department is being run by three experienced and knowledgeable employees: Roger Lerch, Lucy Townsend, and Henry Ballard. All three will be retiring with the next 18 months leaving the department with a lack of expertise. Executive officers, Bill Hayes, president of the company and Hal Atkins, the Chief Financial Officer are concerned about the cost of the system in relation to the immediate tangible results, or lack there of, given in the proposal.

They are basing their decision on their position to approve projects that are not able to practically pay for themselves immediately, given last quarter’s results. In the end the company faces a challenge of securing valuable knowledge in a manner in which it can be passed on countless times and benefit the company in many ways. Max and Dennis are still attempting to push the program and are considering other avenues, such as neural networks, and looking for backdoor ways to acquire funds for the system; like office supply funds. What began as a simple sell has turned into a financial problem for what should be the next logical step in the evolution of this company.

(Kizza, 2007) Kizza, Joseph Migga (2007). Ethical and Social Issues in the Information Age, 3rd Ed (London: Springer-Verlag London Limited. )