

The american fur company case study examples

[Business](#), [Company](#)



The Central Issue

The central issue in this case is the dominance of the American Fur Company in the fur trade. The case outlines the rise of Astor from a paid worker to a millionaire in the fur trade and the tactics that he employed in ensuring that he downplayed the efforts of other fur trading companies.

Recommended Course of Action

Since Astor had ensured that the other fur trading companies' efforts in the trade, the government should have passed and enacted laws that outlawed extrapolated prices of goods and equitable pay for the fur. These government efforts should have included deploying civil officers to the west to oversee respect for citizens, officers, general policy and laws.

Basis of Recommendation

Despite the efforts of the government to enforce written laws in the west, the American Fur Company disobeyed and continued engaging in prohibited acts such as intoxication using alcohol, which impaired the bargaining power of the local Indians. This was so because the government did not have representatives in the west, and Astor paid off the few that were deployed there. The company also took this advantage to interfere with the other companies through the use of incentives that ensured that the Indians were indebted to the American Fur Company. In my opinion, deploying more civil authority representatives to the west ensured that the Company obeyed the rules and regulations set by the government.

Reasonable Alternatives

- Increasing taxes on the profits made by the company – in my opinion, the company could have translated this burden to the Indians by charging even higher prices.
- Controlling the harvesting of beavers – the civil authorities had not been deployed to the west, therefore, the companies would not obey the civil laws
- Standardization of price – the increasing prices of commodities traded for fur could have increased indifferently with the pelts

Significant factors

- Behavioral and classical theory – these theories describes Astor's personal characteristics and managerial/leadership styles.

Discussion

Astor's internal drive to achieve in the fur trade, from the time he worked and saved for \$2 a-week to the million achievements is in conformity with the behavioral management theory. The classical theory also describes his authoritarian management approach. In order to reduce the dominance of the American Fur Company, the aforementioned recommendations are key.