

Case study of agri tech company essay sample

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



AGRI-TECH PRODUCTS COMPANY

(CASE ANALYSIS)

EXECUTIVE SUMMARY

Agri-Tech Products Company is a firm that specializes in the production and marketing of agricultural-based products. It normally enters into royalty agreements with inventors or scientists for new products developed by them. This company was approached by Dr. Renato Melgar to produce and market the Rapidgrow — a soil treatment in pellet form which increases the growth rates of two- three species commonly used in reforestation in Asian countries by 30-70 percent in a span of 6-18 months. The product direct cost is estimated at P0. 0288 per tablet. And if this product will be out in the market, Dr. Melgar estimated that the foreign market of Rapidgrow is to be about 1. 5 million hectares per year 93% of which is for Indonesia and the rest for Thailand and Malaysia.

POINT OF VIEW

The top management of the Agri-Tech Products Company is in the position to make the final decision if they are going to accept the proposal of Dr. Renato Melgar

TIME CONTEXT

October 12, 1989 was the day when Dr. Melgar of the Institute of Biotechnology of an Agricultural College approached the Agri-Tech Products Company for the production and marketing of Rapidgrow, therefore, it is the time to be analyzed the situation.

STATEMENT OF THE PROBLEM

Should the Agri-Tech Products Company accept the proposal of Dr. Melgar to produce and market Rapidgrow? If yes, should it purchase the equipment or subcontract the product of Rapidgrow?

STATEMENT OF THE OBJECTIVES

To identify the advantages and disadvantages of the product and if the said company are going to profit if they are able to produce and market it. To determine whether the proposal can really help the potential buyers of the product To determine if it can't contribute to the pollution in our environment To identify the benefits can be get by the company in the Rapidgrow production

AREAS OF CONSIDERATION

STRENGTHS

New machinery costing P 437 500 (During the year 1989 the exchange rate of us dollar and peso was P12. 50/dollar because the peso kept falling)

Correct minimum wage for the laborers (as of 1989 the minimum wage for the workers was P 89 according to the Republic Act 6727)

WEAKNESSES

The assurance of paying the P340, 000. 00 payable upon signing the contract and royalties based on gross sales.

OPPORTUNITIES

Potential buyers

THREATS

Competition

Unsureness to the demand of the said pellet because it is not 100% sure if the potential buyers can really buy the product.

ALTERNATIVE COURSES OF ACTIONS

I. Make a rational decision whether it can benefit the company or not

Advantages Disadvantages

To avoid the mistake that can cause of You can hurt the feelings of Dr. Melgar

losing the company for not accepting his proposal in the very first thing

II. Before releasing it in the market, test and identify it by yourself if it's really effective

Advantages Disadvantages

To prevent from regretting your decision additional cost to be spend from accepting the proposal

To have also the proof while producing marketing it to the people

III. Hired a legal consultant to ask some advice and suggestions

Advantages Disadvantages

So that your decision is precise if not Additional salary cost for the might right consultant You can seek for advice to avoid the mistakes that can result to bankruptcy

CONCLUSION/RECOMMENDATION

Conduct some experiment or test before producing and marketing it to the market so that in that way you can say that it is effective when you're going to market it already, you can attract potential buyers.

CONTINGENCY PLAN

Hiring a consultant is the second option if the first option in the alternative course of action did not work because by hiring adviser can help you to decide for the better for your company to avoid loses.

PLAN OF ACTION

Activity

Person/Unit Responsible

Time frame

Job interview for the applying

consultant

Top manager

1-2 weeks

Conducting of the test

Owner/Top manager

2-3 weeks

Make a research about the product

Owner/managers

1-3 weeks