Fish and Chips[1]

Since 1995 the FastCar Manufacturing Company (FMC), a small rural Northern Ontario company, produced a refrigerated cube van vehicle designed to deliver frozen seafood. Affectionately dubbed the "bilgemobile", approximately 1,500 of these vehicles had been produced and were in service across Canada. FMC employed 500 persons; about 65 percent of the working population of the town.

What made the bildgemobile unique was the refrigeration unit that was controlled by a computer microchip manufactured by Macrohard. The advanced technology in the microchip automatically operated the air conditioning unit and maintained the temperature of the cargo bay of the bilgemobile to +/-0.008 degrees celcius – regardless of the outside temperature and regardless of whether the vehicle engine was turned off or on.

Recently FMC President Edward (Fast Eddy) Mitchel hired a researcher, Jim Geekmyster to redesign the microchip used in the bilgemobile such that it could also monitor and control fuel use of the vehicle. During the course of his research, quite by accident Mr. Geekmyster determined that if the temperature of the environment where the existing microchip was located fell below minus 30 degrees celcius or rose above 35 degrees celcius a bizarre silicone reaction could take place that would melt the electric circuitry that led to the cruise control resulting in an electronic override of the cruise system that had the same effect as opening the throttle fully, with no way to stop the acceleration. The Geekmyster determined, with some rather impressive yet confusing statistics that the probability of this happening was only about 5 percent – unless the humidity was above 80 percent, in which case the probability arose to *90 percent*.

Thus far, no accidents had been reported with the vehicles currently in service.

At this morning's staff meeting Fast Eddy was elated after being advised that his senior salesperson Jacob (Smilin' Jack) Doyle, currently in Mexico, had just inked an order for 50 vehicles for a major fish processing facility located in Mexico. This sale would mean that FMC would exceed its second quarter profit projections at a time when shares in similar companies were returning a slightly higher return on investment.

Fast Eddy, in making the announcement, "could find no reason why the company could not meet the order in the time required by the Mexican facility" and "could hardly wait until the Geekmyster redesigned the 'brains of the vehicle' to make it even more appealing to hot climate clients".

After the meeting Mr. Geekmyster sent an e-mail to Fast Eddy with his preliminary findings and suggested that "further studies should be undertaken on the effect of the combination of high humidity and high temperature before filling the order". Fast Eddy's

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[1] Case written by Dr. David H J Delcorde, School of Management, University of Ottawa, 2006. This case is fictitious. Any similarities to individuals or institutions are purely coincidental.

reply was instantaneous: "Jim, your position is commendable, but premature. We have operated these vehicles in high humidity areas such as the insufferable Ottawa Valley in summer for years and never experienced one such incident. Please carry on with your great work, but let me know of any further findings."

After signing off the e-mail to Jim, Fast Eddy thought about Jim's findings. FMC had always prided itself as being a socially responsible company operating with the highest of ethical standards. At the same time, he needed this sale to generate the return on shareholders' investments in FMC to secure their continued financial investment. He now pondered a dilemma: does he fill the order or not fill the order?