

# Eric Wood Cases A and B analysis:

The following are issues that need to be addressed in reference to the Eric Woods Cases A and B. Please provide as much detail as necessary to answer the questions below completely. Please reference each question. You do not have to repeat the questions but please identify the section letter and number in your answers. You may use spreadsheets or any other aids in your explanations. All supporting data should be footnoted and references may be attached.

## Questions:

### A.

- 1) What is your perception of an Entrepreneur and how would you characterize Eric Wood and why?
- 2) Why did Eric go into business? Discuss some of the reasons why you want to go into business and compare this to why you think Eric Wood decided to go into business. If any, do you think that the reasons will affect the person's chances of success/failure and explain your answer?
- 3) Eric was an employee and then became an employer. Identify and evaluate the differences, including the problems and benefits, in each and how their roles differ. Also, how can the transition occur?
- 4) Show a time line of Eric Wood's activities per the two cases.
- 5) What are the risks/opportunities that one has to evaluate when deciding whether or not to launch their own business? What was the process Eric used?
- 6) What is Eric's strategy and do you think it is sustainable in a competitive environment?

### B.

Refer to the article The Five Stages of Small Business Growth.

- 1) Do you agree with the five stages as described in the above article? Support your comments.
- 2) What can small business do to enhance its chances of success as it moves through each stage of the business cycle? From the information provided in the two (2) cases, where do you think Eric was in the stage analysis in reference to: (please explain your reasons for your statements)
  - a) Human resources
  - b) Finance
  - c) Marketing

3) Explain the factors that are associated with growth and identify the issues that Eric had to deal with and your opinion of his decisions. How would you have handled the same issues of growth?

4) What are the concerns of disengagement?

### **C.**

1) Do you agree with the way Eric structured the financing and purchase of his different ventures? Please support your statement. Show how you would have positioned yourself being in the same situations? Refer to both Case A and B in your analysis.

### **D.**

1) Identify from the 2 cases, (A and B), what opportunities, treats, strengths and weaknesses that were apparent or that you could infer from the cases. These should be shown in a table format.

2) What are the short term and long-term effects of Eric declaring bankruptcy? Explain the issues of operating leverage and the situation that Eric is in, in terms of his operating leverage.

1) How does Shaw add value to Eric's company (this should be answered from a quantitative and qualitative perspective)? **Attach your calculations.**

### **E.**

1) At the beginning of the Eric Wood Case A, the author describes the decision(s) that Eric must make over the weekend. Put yourself into Eric's situation and outline your decision. In your discussion include:

- a. Cash flow analysis
- b. A discussion of the risks and benefits of the decision
- c. The alternatives to buying SSC

In conclusion, summarize the issues of growth, ownership, operating leverage, financial leverage, from the aspect of a small business owner using all the information from the Eric Wood cases, and the other articles that you have read in this class, outside readings, personal knowledge and the discussions that we had in class.

### **Incorporate the following issues into your paper**

Major issues:

- HR
- Control
- Responsibility
- Functional units
- Finance-cash

- Marketing
- Delegation
- Technology
- Personalization
- Flexibility
- Efficiencies v. inefficiencies
- Value of planning, people
- Goals- how they change