

# Economics and good management team



**ASSIGN  
BUSTER**

What is the Organization Type of ICEDELIGHTS? Why? Icedelights is a typical administrative type of organization. Their policies can be characterized as rational, there is a full development emphasis, there is also some innovation but not as much as a promotion type of company and there is also some risk but no absolute uncertainty. Icedelights take careful decisions before of each step. Despite the fact that there are many people willing to take over the Florida market they decide that they have to wait until they are able to provide full support to the new California franchisee and then they will expand.

Their basis for success is a carefully planned adaptation to environment and their pattern of growth is linear. 3. Is the ICEDELIGHTS opportunity a good one? This looks like a very good opportunity as long as the assumptions made by Paul, Mark and Eric are correct. a) There seems to be big demand for the Florida market by investors b) Icedelights seems to be doing well in Boston since they are considering of opening new stores there. c) The company keeps growing with franchisees opening in California and in Oregon. This will help establish a good name for the company but also make it more popular to the public. ) The Florida's population will grow in the future and thus the market will expand. e) Icedelights will provide them with good support 4. What are the key risk elements? a) The Florida's population growth: The Florida's population is projected to grow. However, there is a risk that this may not be the case so that if the population sinks then their market will also decrease. b) Icedelights may not provide the support that has claimed. c) Icedelights does not have a reputable name as the three

friends believe. d) A difference in personalities between the three can have negative consequences in the decision making.

By reading the text we understand that there is a friction going on between them in some cases. e) The competition in the icecream business maybe bigger than they have considered. f) Flordia market may not offer a good potential for an ice cream business. g) The deal with icedelights does not make a good business sense and will not bring the desired profits. h) This may not be the best option for their own careers. i) Their skills and resources will prove that are not adequete for this type of business. j) They will not be able to work well together and thus be good and effective business partners.

5.

Did they pull together a good management team? The three of them seem to make a very good management team. All of them are about to finish their MBAs from HBS but also have a very diverse background with undergraduate degrees in different disiplines; from european history to economics and accounting. However, apart from their academic credentials, they also have relevant job experience. Eric has worked as an international auditor, financial analyst, manager and the most notable one he has been an associet in McKINSEY where he did analysis in financial performance and profitability of product-line as part of the stretgic plan of the company.

According to his resume he one of those reponsible for a big success of reducing the cost of annual production by \$5 million. Mark has also worked for McKINSEY as a consultant and as an investement banker in Morgan Stanley in M&A. Paul has also job experience in corporate finance. They are

all very enthusiastic for running their own business. Now is yet to see how these three will form an effective management team together. The group dynamics is a complicated issue that can not be studied merely by looking at somebody's resume.