

Task 1

A1. Summary of Key Events, Patterns, and Underlying Structure

Summary

Initially, Wilde's Bramble thrived in local markets, owing to the high-quality products they offered. However, the subsequent rise in demand led to rapid expansion, with the couple leasing more farmland to cope with the increased orders. This growth, however, led to financial strain, as they heavily relied on credit cards, accumulating a significant amount of debt that eventually resulted in a mortgage on the farm. To manage cash flow challenges, Calla resorted to taking an external job.

Iceberg Breakdown (w/o Illustration)

Visible (Above the Water)

Key Events:

- Organic food company founded by Alder and Calla Wilde.
- Initial success at local farmers' markets.
- Increased demand, leading to expansion and leasing more farmland.
- Relying on a credit card for financing.
- Mortgage on the farm and Calla taking an external job for cash flow.

Patterns:

- Positive growth followed by financial strain due to increased production demands.
- Accumulation of debt and reliance on external income for cash flow.

Invisible (Below the Water)

Underlying Structure:

Management Decisions:

- Rapid expansion without considering long-term financial implications.

Financial Management:

- Overreliance on credit cards without a sustainable plan.

Cash Flow Dependency:

- Need for external income to manage immediate cash flow challenges.

Implicit (Deeper Below)

Entrepreneurial Risk:

- Inherent risk associated with starting and expanding a business.

Lack of Financial Planning:

- Absence of a robust financial plan and risk mitigation strategy.

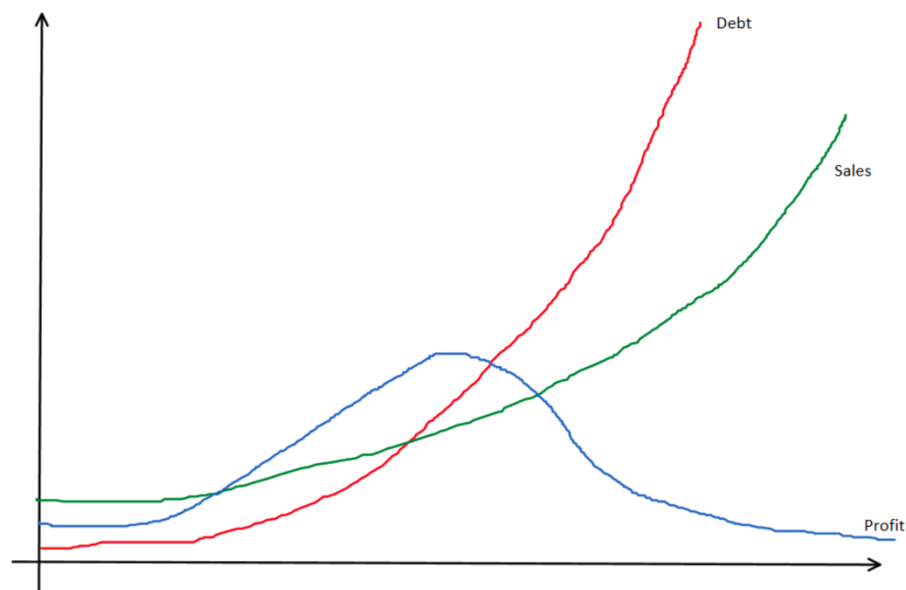
Market Dynamics:

- Need for understanding and adapting to the changing dynamics of the organic food market.

A2. Behavior Over Time

Graph

2.



Explanation

I selected the second graph because the journey of Wilde's Bramble can be concluded based on the distinct phases, each highlighting different aspects of its entrepreneurial evolution. Initially, the company enjoyed success and growth, expanding in response to rising demand for its exceptional organic products. However, this growth also brought financial strain as the business increasingly relied on credit cards, resulting in significant debt accumulation. This financial burden led to a noticeable decline, symbolizing the negative impact of debt. Meanwhile, Calla's decision to take on external work aimed to address cash flow challenges.

A3. Analysis

The analysis of Wilde's Bramble, using the Iceberg Tool and Behavior Over Time graph, reveals a complex problem. While the initial success and subsequent expansion are typical for growing businesses, the underlying structure exposes significant issues related to management decisions, financial mismanagement, and cash flow dependencies. The rapid expansion without a comprehensive financial plan has led to a web of intricate challenges.

The Behavior Over Time graph illustrates the interconnected nature of these issues. The positive slope representing sales and profit evolves into a steeper slope reflecting increased demand and expansion. However, this growth triggers financial strain in the profit margins, causing a flattening or plateau in the graph as debt accumulates. The negative slope that follows signifies a decline directly correlated with the burden of accumulating debt. The erratic line introduced by external income to manage cash flow issues depicts the fluctuating nature of the company's financial stability.

The Iceberg Tool delves deeper, exposing implicit factors like entrepreneurial risk, lack of financial planning, and the need to understand market dynamics. These implicit elements contribute significantly to the visible and invisible challenges faced by Wilde's Bramble.

In essence, the analysis highlights a systemic problem where surface-level events are symptomatic of deeper structural issues. Addressing the financial strain requires a comprehensive approach that not only tackles the visible symptoms but also delves into the root causes. The interplay between key events, patterns, and underlying structures emphasizes the importance of strategic financial planning and risk management in sustaining and navigating the complexities of entrepreneurial ventures.