

SUMMERLIN MASONRY

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Case Objectives and Use

This field researched case was designed to illustrate for students some of the ramifications of partnership agreements in small businesses, and invite them to consider alternative business forms. Students will learn how the owner of Summerlin Masonry overcame adversity to now own and manage an ethically run, successful company. The case asks students to identify components involved in analyzing how this business is currently positioned and whether a contemplated business expansion is well advised.

This case is intended for use in undergraduate and graduate courses in small business management, entrepreneurship, or strategic management. It may also be appropriate for a business ethics course at the undergraduate level.

Case Synopsis

Summerlin Masonry is a residential masonry company located in the Bryan-College Station, Texas Metropolitan Statistical Area (MSA). The company specializes in rock, both real and fake, brick, glass block, and tile work. Summerlin Masonry mainly works on houses in upper-middle class neighborhoods, but occasionally works on commercial jobs as favors to builders. The company has performed very well in its first two years of operation.

While the company has been performing very well, it has not been without problems. Due to deceptive practices of his former partner when he was with B&S Masonry, the owner has become indebted to the IRS. They are holding him responsible for the entire debt of payroll tax checks that were not deposited, plus penalties and interest. After many months of communication with the IRS, the owner has begun to lower his debt and fully intends to repay the entire debt for his partner's mishap.

In the past two years, Summerlin Masonry has doubled its business. Due to the high demand for the business's services, expansion into new locations and markets are being considered.

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