

## Northern Lights: A Student-Run Cafe

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### Synopsis

The lack of practical late-night dining options had been a huge void on the Cliffside campus, a smaller, residential campus of Northern University. Tom Johnson, a business honors student, decided to explore his hunch that this was a vastly unmet need. After several years of research, planning, and organizing, a student-run café opened in April 2010. A series of financial, management and marketing changes made the café a growing success in the 2010-2011 academic year. The key issues facing the café management involved the need to increase new student awareness of the café's presence on the Cliffside campus, to increase student knowledge of the café offerings and hours and get them to try the cafe, to get students to come back again once they try it, and to foster usage of the café as a place to hang out, not just to buy food.

### Learning Outcomes

The outcomes of this case are:

1. Analyze an organizational structure and procedures used in developing a new business based on principals of management.
2. Develop a P&L for a business when given revenue and cost information.
3. Use the results of business in the first year to develop a business strategy for a subsequent year of a new business.
4. Develop a Pro Forma Profit and Loss Statement based on the business strategy.

### Application

This case is appropriate for undergraduate or graduate, Principles of Management, Marketing Management or Managerial Marketing, and Entrepreneurship courses. While students are asked to develop a P&L as an exercise, this is not an Accounting case.

### Key Words

Marketing, management, entrepreneurship, financial statements

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