

A Tree Dies and a Pub Suffers

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Abstract

Jim Foster, the owner of the Selwyn Pub in Charlotte, NC, had just been forced to cut down a signature element of his successful Pub, a 100 plus year-old tree in the middle of his outdoor patio. Replacing the over 100' tree with another tree of equal or near equal size was impractical. He could pave over the hole left by the tree and simply use umbrellas, construct a non-retractable awning over the space left by the tree, or construct a retractable awning over the space. As a former accountant, Foster had kept careful records of daily revenue and the effect of weather on each day's revenue. He thought that he could build a model to determine the value of each alternative based on revenue, profit, and weather conditions to help him with his decision.

Learning Outcomes

In completing this assignment, students should be able to:

1. Develop an Excel spreadsheet which models the various elements of the decision and to determine the best course of action from a financial perspective.
2. Identify and evaluate qualitative variables which might impact the decision.
3. By using both quantitative and qualitative data, decide on the best course of action.

Application

This decision case illustrates the value of using both quantitative and qualitative data in making a decision. This case well suited for undergraduate courses in marketing management, corporate finance, managerial finance, managerial economics, managerial accounting, and data analytics.

Key Words

accounting, finance, data analytics, marketing

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