“Managing Revenue and Costs to Implement Strategy: The Conference Organizer’s Dilemma”

Abstract: This instructional case describes a situation in which revenues include both a fixed and variable component. The situation illustrated is common among nonprofits that have sponsor/donor revenues as well as client-service revenues. The case provides students with an opportunity to explore cost-volume-profit relationships in greater depth than usual textbook illustrations and reinforces their understanding of the important link between revenues, costs and activities, and how all these relationships connect to strategy.