# Problem Statement Worksheet (Hypothesis Formation)

**How will Big Mountain Resort decide on a fair ticket price and reduce operational costs while staying competitive within the sector and not being overpriced out of the market?**

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## 1 Context

With an additional operating cost for Big Mountain Resort of $1,540,000, the resort must find ways to not only cover the cost of the new ski lift while making a profit for the FY2024 season. While raising the ticket price is a means of generating revenue, Big Mountain will have to be creative in developing a strategy for being profitable. Problem: How does Big Mountain Resort decide on a competitive ticket price while also cutting operational costs?

## 2 Criteria for success

1. **Reduce operational costs by $1,540,000 (the additional costs brought on by the new chair lift).**
2. **Raise ticket prices to help pay for the new lift and operational expenses.**
3. **Find ways to increase the number of patrons/visitors to the mountain resort.**
4. **Develop a new market strategy for these improvement.**

## 3 Scope of solution space

1. Reduce operational costs by $1,540,000
2. Increase ticket prices that will contribute to paying down this debt.
3. Make operational changes that will help save money ie: close down the magic carpet, only open the most popular trails to reduce the cost of maintaining and grooming other trails.

## 4 Constraints within solution space

1. **Raising the ticket price so high that it deters visitors as they will go to other nearby resorts to save money. This would decrease profits and would be detrimental to the operations.**
2. **The operational changes need to enable Big Mountain Resort to save money to pay for the new ski lift. If the operational changes reduce visitor attendance or decrease profits it will be considered a failure.**

## 5 Stakeholders to provide key insight

1. Jimmy Blackburn, Director of Operations
2. Alesha Eisen, Database Manager
3. Big Mountain visitors/patrons
4. Surrounding community as it is the economy of the small town

## 6 Key data sources

**Metadata CSV file for ski resorts across the United States. This file will be uploaded to Python in order to conduct statistical analysis and other analyses in order to meet the goals of this project and help solve the business problem.**

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