

Guided Capstone Project - Big Mountain Resort

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# Problem Statement Worksheet (Hypothesis Formation)

**<How Big Mountain Resort can reduce the additional operating cost of 1.54 million as the earliest by cutting the cost without undermining the ticket price. >**

## 1 Context

<Big Mountain Resort wants to know how to cut the maintenance cost. Which facility require the extra maintenance and whether it is using frequently and the possibility of cutting down non capitalizing facilities instead of increasing the price>

## 2 Criteria for success

< Cutting down the non capitalizing facilities instead of increasing the price. Shut down rarely used trails, snow making machine and less income areas. Also expand unused skiing areas and weekend price increase.Cut down the surface level chair lifting option with the usage of Quads chairlifting>

## 3 Scope of solution space

<Address the additional expenses by cutting the cost or select a better value for the ticket price. Increase the weekend price.>

## 4 Constraints within solution space

<Meet the timeline as earliest.

Cost of non operating days.

People should use their facility if there is any increase in price.

Different transportation method and Market trend >

## 5 Stakeholders to provide key insight

<Tourism industry, Government, NGOs, Local community members >

## 6 Key data sources

<Identify possible factors leading Huge maintenance and collect the past data.,

Collect the data of different types of transportation cost.

Collect the data of advance booking, single people skei cost, difference between the fast moving and slow moving chair lift, how many people are using the night skei, Snow machine usage in one year etc..>

# Outline

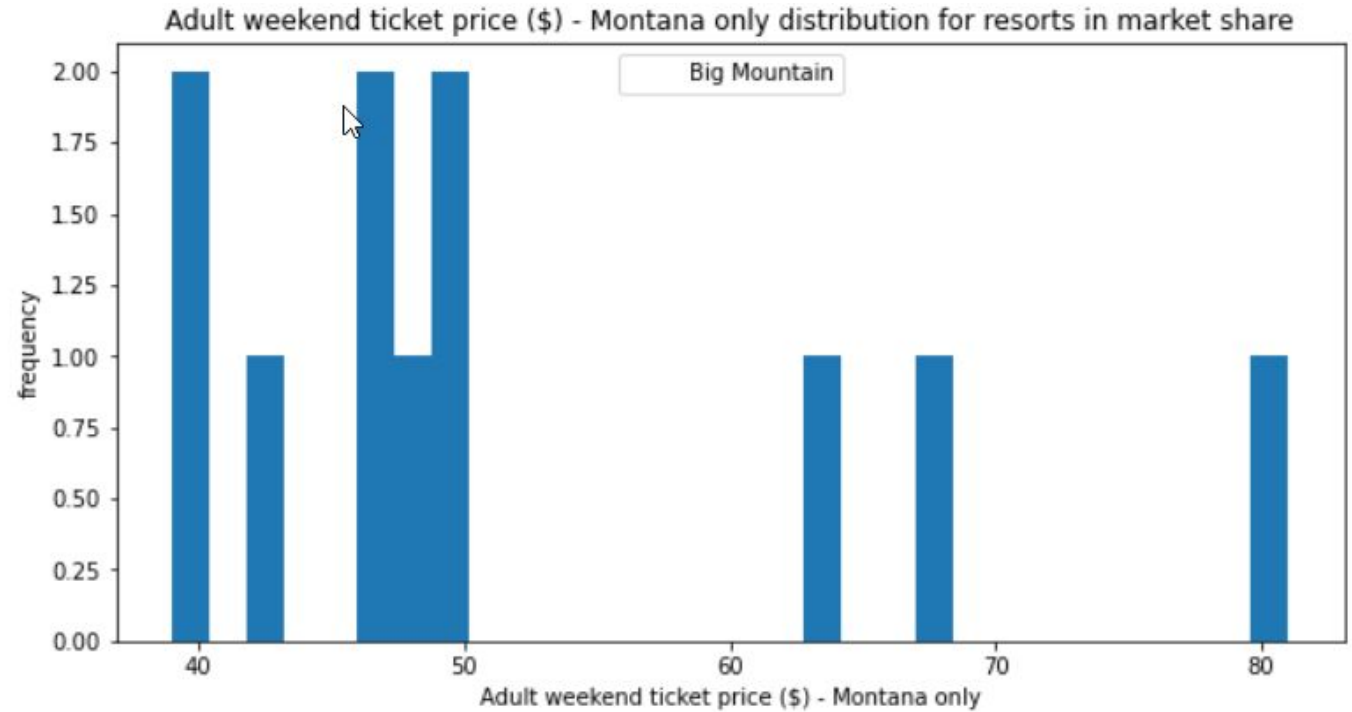
- Introduction to the Big Mountain Resort data set
- Recommendation and key findings
- Modeling results and analysis (3-4 slides)
- Summary and conclusion (1 slide)

# Model Finding and Recommendation:

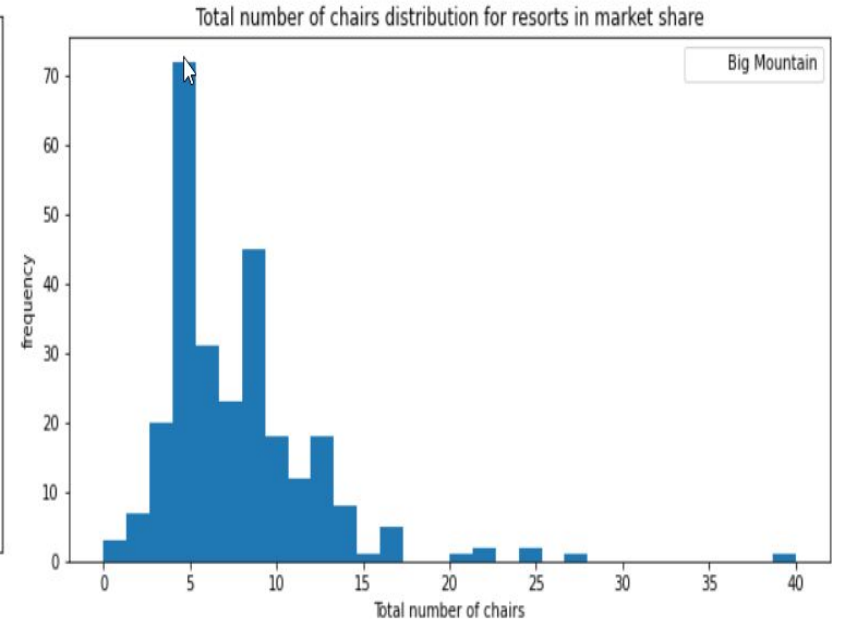
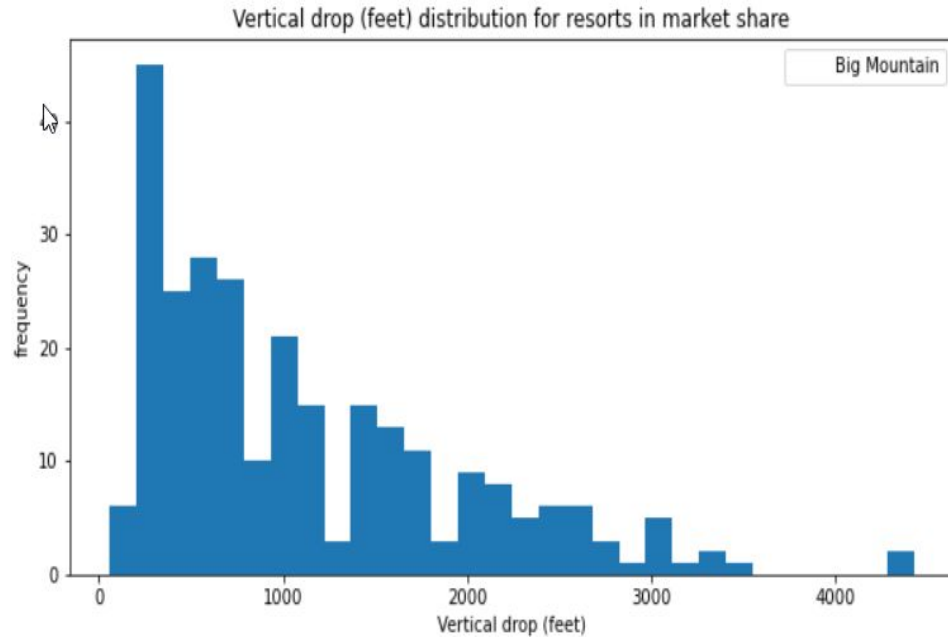
- Increase the ticket price upto \$6
- Increase the vertical drop by 150 feet and installing an additional chair lift
- Closing 1 run without revenue impact or upto 5 run with minimal revenue impact
- Add 1 run + 2 acres of snow making for an increase in ticket price \$0.07  
((\$119565 for the season))

# Modeling results and analysis

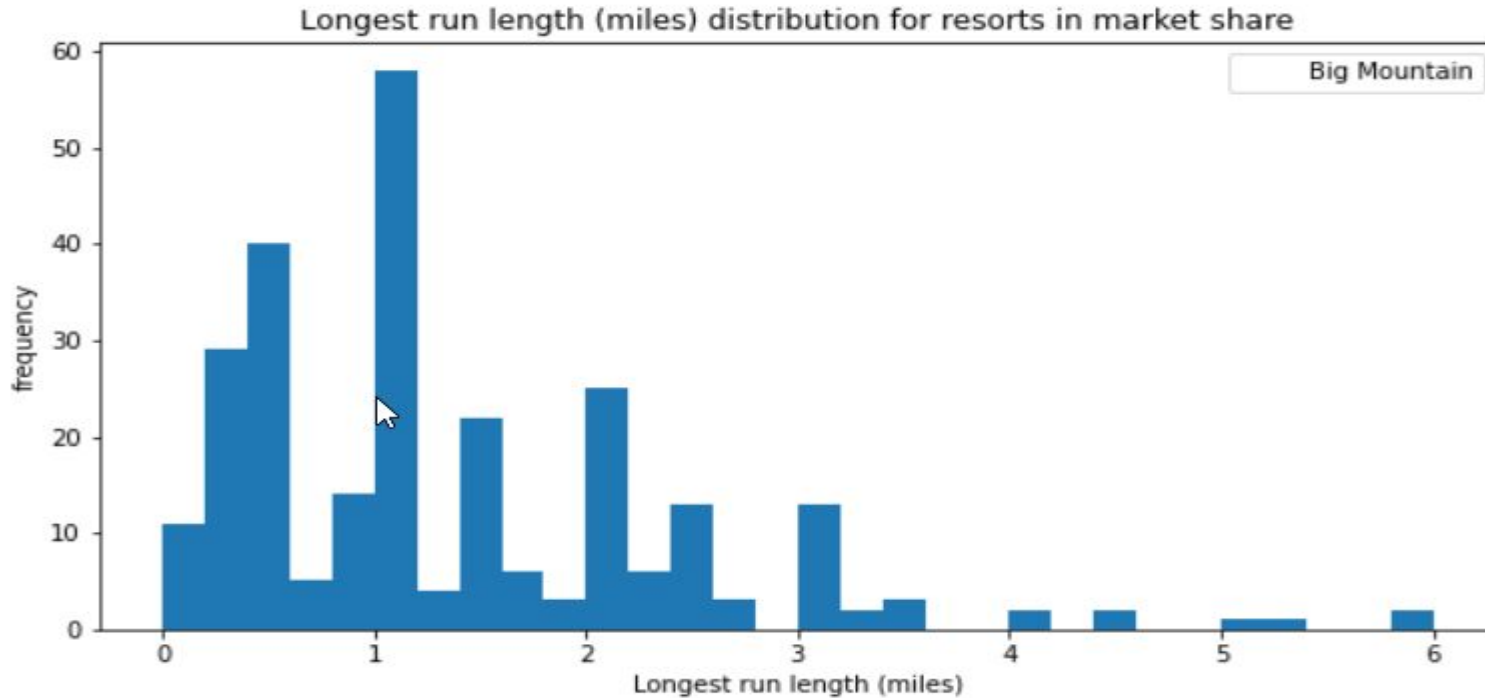
1: Increase  
the ticket price



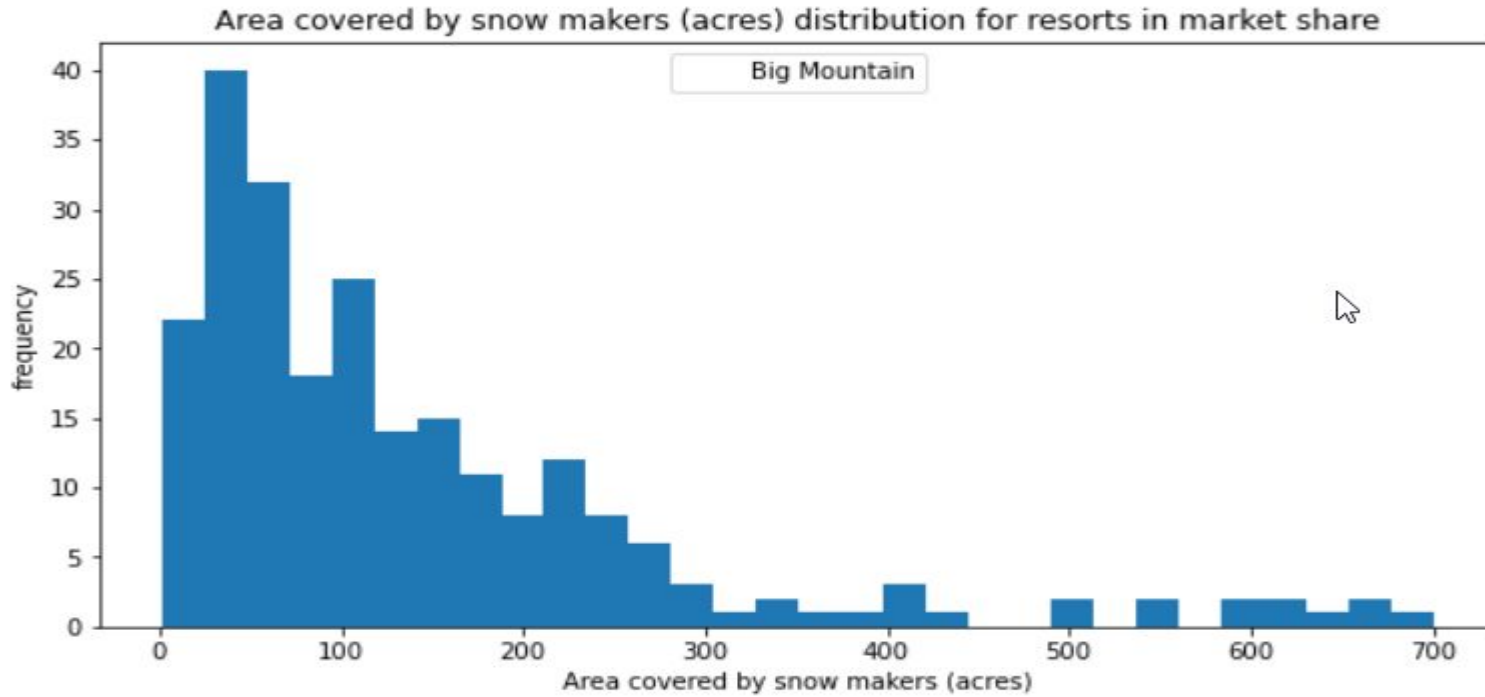
2: increase the vertical drop by 150 feet and installing an additional chair lift



### 3: Closing 2 and 3 runs successively reduces support for ticket price and revenue



#### 4: Increase 2 acres of snow making without any additional expense





## Summary and conclusion

Big Mountain can improve their financial poster by increasing the ticket price upto \$6 and/or reducing operating cost by cutting down upto 5 runs with minimal impact to revenue