Problem Statement

How can we increase this year's profit in at least $1.540.000 to recover the increased operating costs resulting from the investment in a new chair lift?

1 Context

Big Mountain Resort is a ski resort in northwest Montana They recently installed a new chair lift to help increase the distribution of visitors across the mountain. This increased their operating costs by $1,540,000. Every year about 350,000 people ski or snowboard at Big Mountain. The business profit margin is 9.2% and the investors would like to keep it there. The business wants recommendations on recouping the increased operating costs from the new chair this season.

2 Criteria for success

Finding a solution that would generate enough revenue to cover the cost of the investment in the chair lift. In addition, we need to keep our profit margins to 9.2%

3 Scope of solution space

Anything that can potentially increase revenue. We will look into increasing the prices of the tickets although there can be other solutions like investing in advertisement or making the season longer.

4 Constraints within solution space

The limitation will probably come from the lack of financial data to support our business proposals since there is limited information on the dataset provided. Thus, our proposals might be met with reticence by the C-Level team if they are not realistic.

5 Stakeholders to provide key insight

Currently we only have information about two key stakeholders.

- The Director of Operations, Jimmy Blackburn
- Alesha Eisen, the Database Manager.

6 Key data sources

Our key data source is a dataset that contains information from 330 resorts in the US that can be considered part of the same market share as Big Mountain Resort.

This dataset comes in CSV file that we got from the database manager