

# 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.

## 3 Scope of solution space

For this analysis we will focus only on the datasets provided and on industry knowledge. Luckily the data provides useful information on number of runs, ticket prices, projections, etc. We will keep the scope to this information.

## 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.