

Problem Statement Worksheet (Hypothesis Formation)

What opportunities exists for Big Mountain Resort to select a better value for their ticket price through cutting operating costs by 10% or higher ticket price in this season.

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1 Context

Big Mountain Resort, a ski resort located in Montana, offers spectacular views of Glacier National Park and Flathead National Forest, with access to 105 trails. Every year about 350,000 people ski or snowboard at Big Mountain. This mountain can accommodate skiers and riders of all levels and abilities. These are serviced by 11 lifts, 2 T-bars, and 1 magic carpet for novice skiers. The longest run is named Hellfire and is 3.3 miles in length. The base elevation is 4,464 ft, and the summit is 6,817 ft with a vertical drop of 2,353 ft. Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by \$1,540,000 this season.

The business wants some guidance on how to select a better value for their ticket price. They are also considering a number of changes that they hope will either cut costs without undermining the ticket price or will support an even higher ticket price.

2 Criteria for success

For increasing revenue , there are two options :
reducing operating costs by 10% or a better value for resort ticket

3 Scope of solution space

the focus will be the changes that either cut costs without undermining the ticket price or will support an even higher ticket price.

4 Constraints within solution space

Ticket price has to be less than average price of resorts in its market segment.

The market average does not provide the business with a good sense of how important some facilities are compared to others.

5 Stakeholders to provide key insight

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Alesha Eisen (Database Manager)
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6 Key data sources

a single CSV file

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