

Big Mountain Resort

A Financial Strategy Overhaul

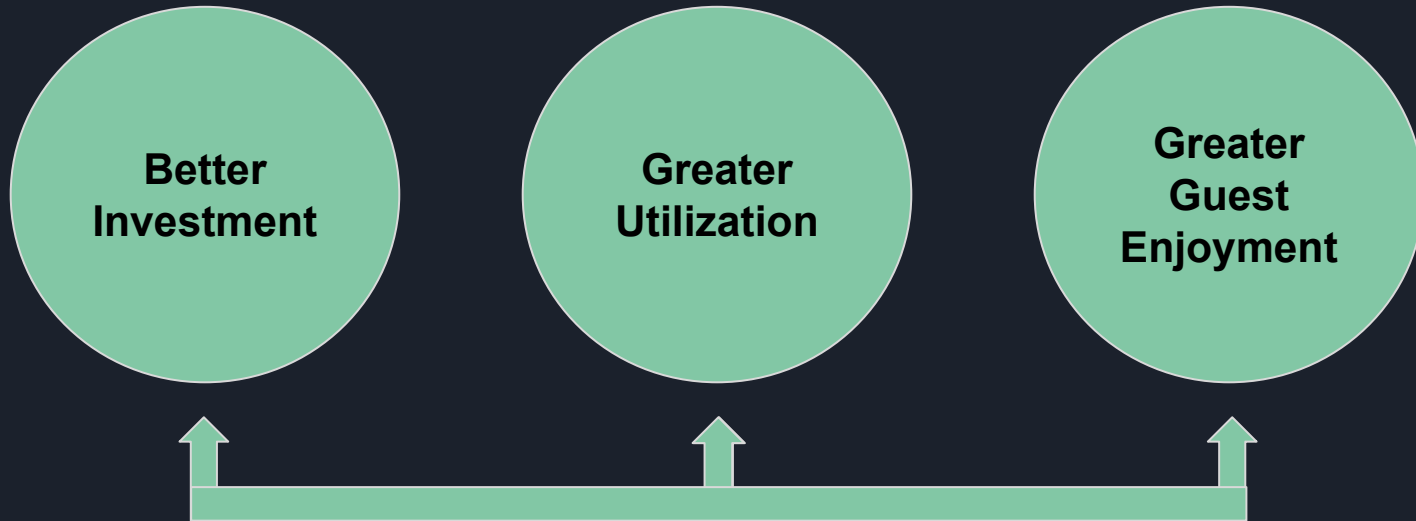
By: Zachary Kaiser





Problem Statement:

What areas of Big Mountain resorts facilities can be addressed in order to produce a More well rounded pricing approach?



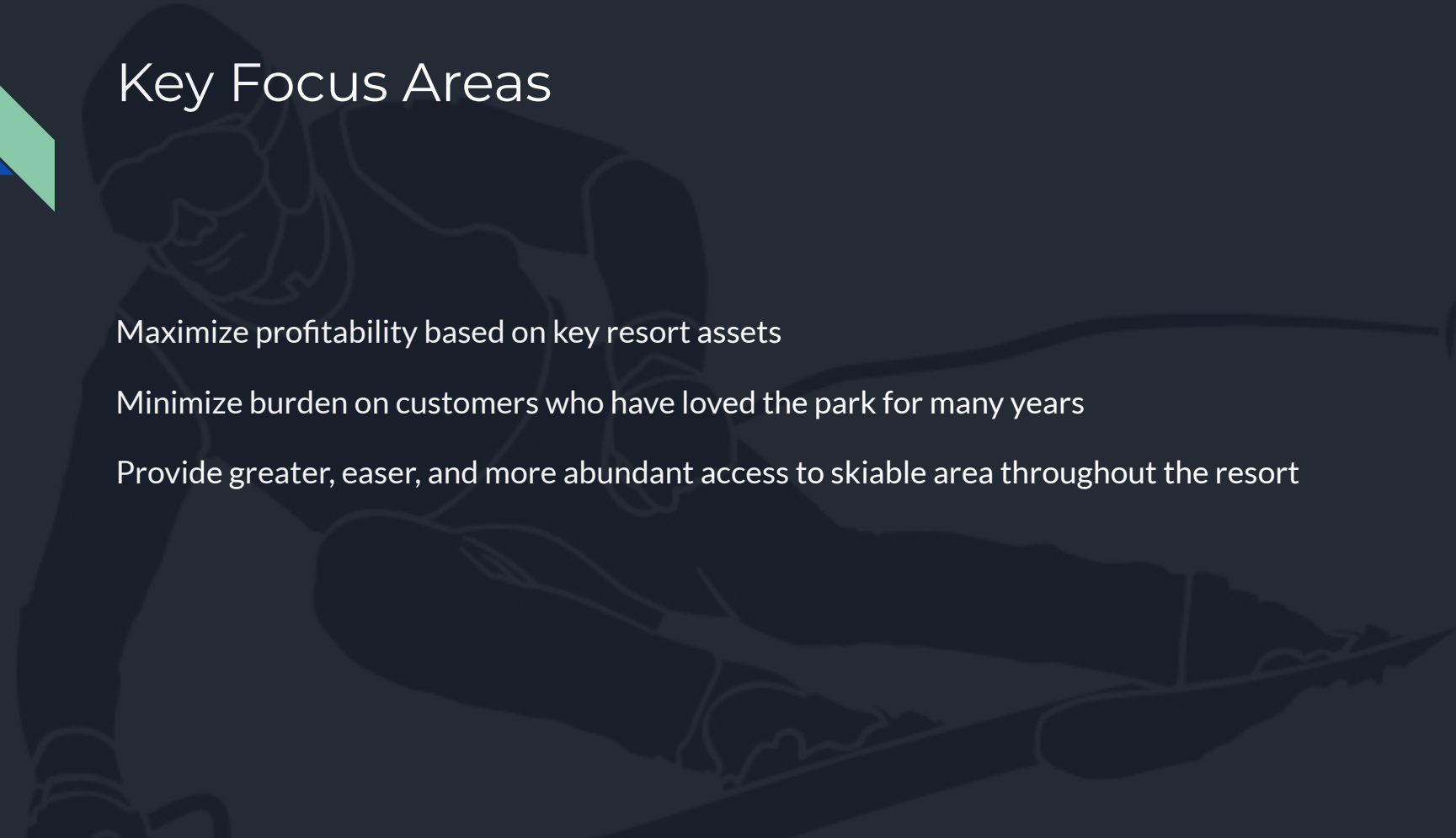


Key Focus Areas

Maximize profitability based on key resort assets

Minimize burden on customers who have loved the park for many years

Provide greater, easier, and more abundant access to skiable area throughout the resort

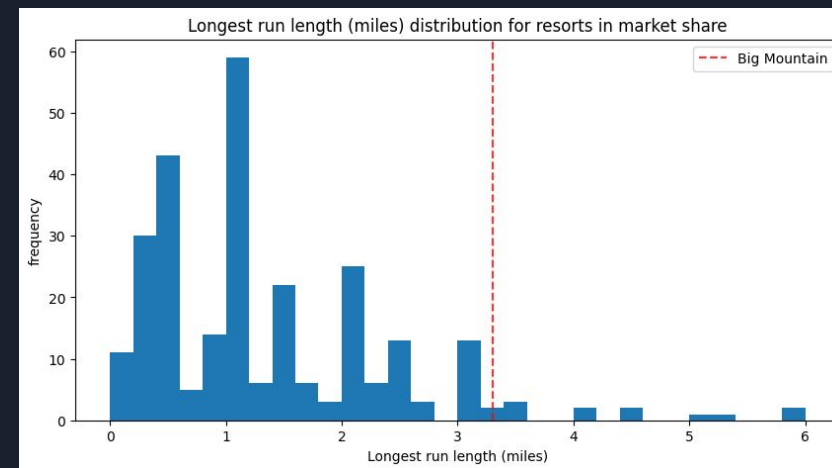
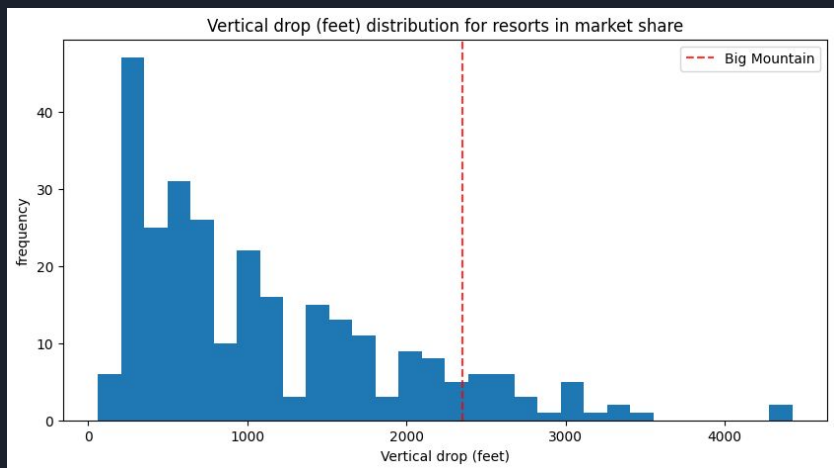
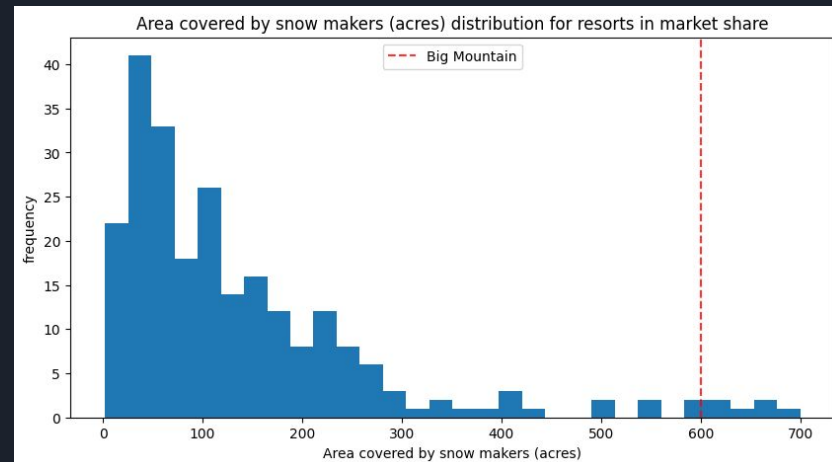
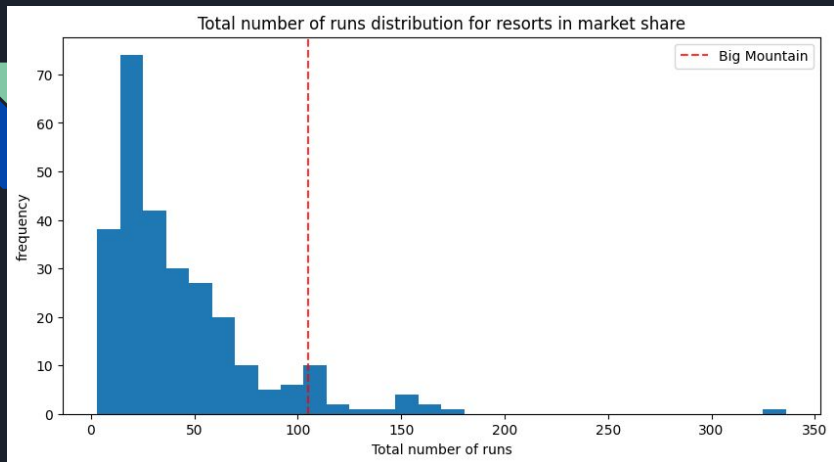




Recommended Changes

Based on the data from resorts across the country Big Mountain Resort seems to be undervaluing its offerings.

- Increase price slightly by \$1-2 per pass.
 - Estimated total guests of 350,000 this year expected, small price change won't be much to the customer but will add up over the course of the year. Easy Starting point
- Add Additional snow making
 - Not much change in terms of the modeling and data, however, could boost our reputation in having skiable terrain at the beginning and end of the seasons.





What does the previous slide show?

Big Mountain resort is consistently in the upper percentile for major offerings that are important to resort guests based on trends found in the data.

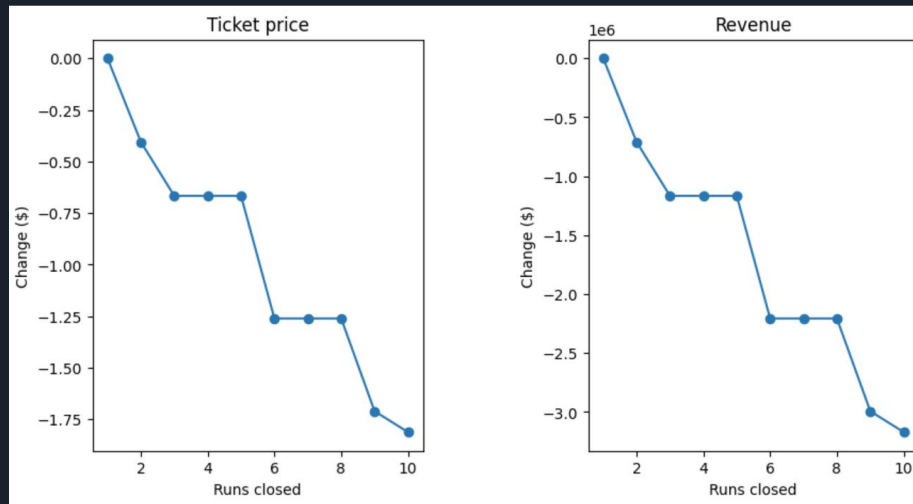
From skiable terrain, lift chairs, and vertical drops, to fast quads, snow makers, and longest runs, Big Mountain Resort has attraction for all levels.

What About Closing Runs?

Based on our model.

If we start closing runs, cost of ticket price goes down sharply at first, levels out at around 3 runs closed and then continues to drastically decrease there after.

Overall, closing runs to bring ticket price down is not a recommended path forward.





Increase Vertical drop and install new chair lift?

Plugging these changes into our model we get a recommended ticket price increase of 1.99.

With the expected visitors this year \$696,500 of increased revenue can be expected.

Depending on cost of ski lift, this may be a quick and viable way to increase profit.



Final Conclusions:

Based on our model we have two options below:

Low Risk: We can safely increase our ticket price by a small amount with what we currently offer with no effect on the customers. So this would be the easiest and safest option

High Risk: We can install a new chair lift and extend our vertical drop by adding a lower run. This would safely allow us to do a 2.99 price increase on-top of the adjustment in the low cost.

These options both will increase profit one has capital investment that must be compared to construction cost to prove its worth.