

Big Mountain Resort

Jesús Ayala





Problem Statement

- What changes can Big Mountain Resort implement, adjusting ticket prices and/or operations, in order to offset the \$1,540,000 in increased operating costs expected for the current season?



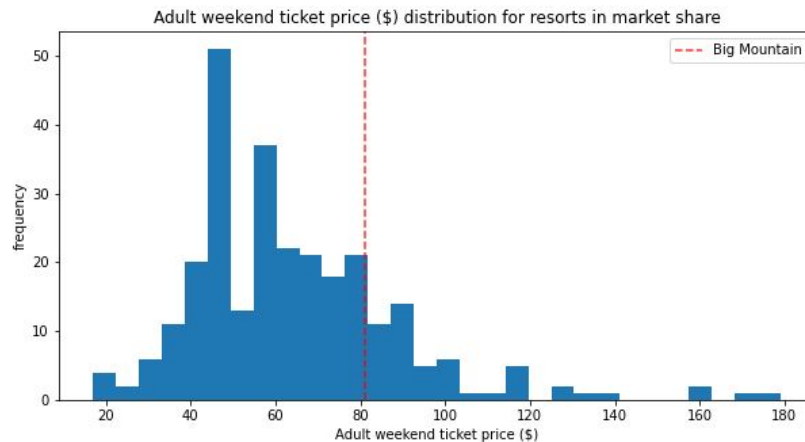
Recommendation

- Increase ticket prices to the predicted value of \$96.
- Add a new run (and accompanying lift) that extends the max vertical drop by 150 feet.



Underselling Tickets

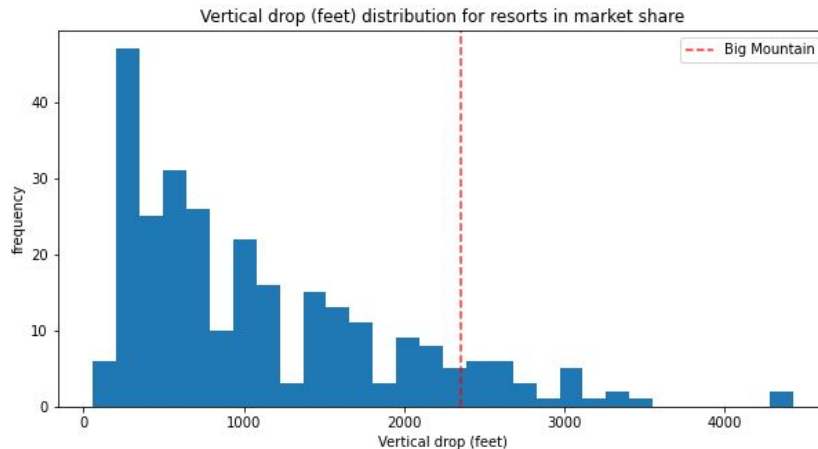
- Current price of ticket is \$81.
- Predicted ticket price of \$96.
- \$10 error in prediction.
- \$26M increase in revenue.



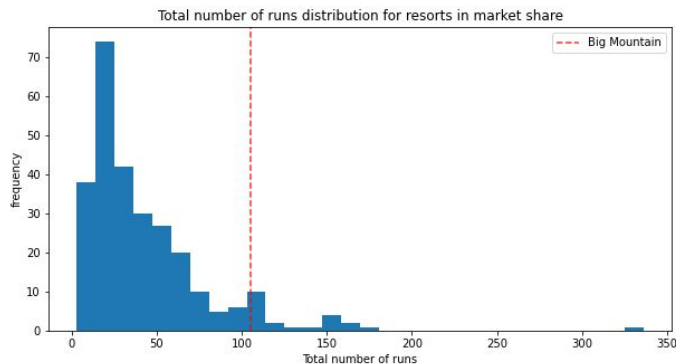
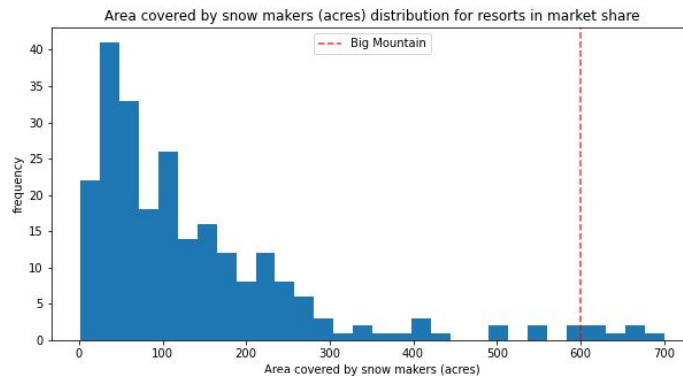
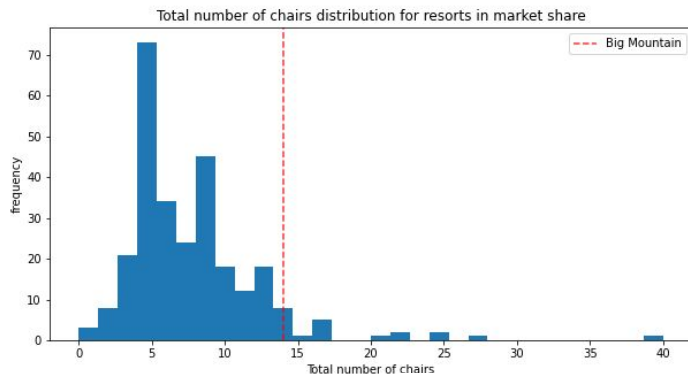


More Value In Facilities

- There is more value in facilities than perceived.
- Scores high on key features
 - Vertical drop
 - Number of lifts
 - Snow making area
 - Number of runs



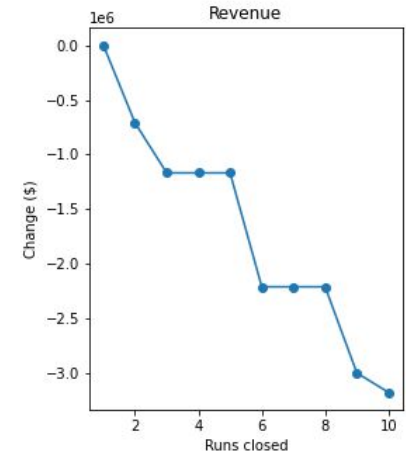
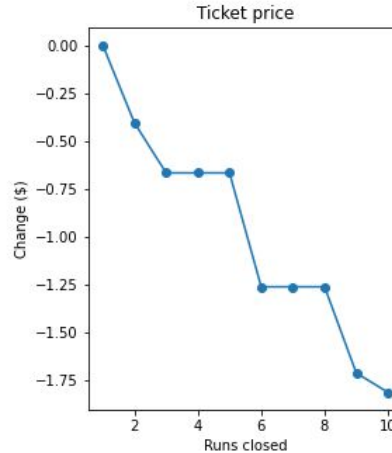
More Value In Facilities (cont.)





Positive Scenario

- Decreasing number of facilities lowers predicted ticket price.
- Scenario
 - Add a run
 - Add a lift
 - Extend vertical drop by 150 ft.
- Potential impact: +\$3.5M





Better Valuation of Resort

- Understanding of facilities in national scope.
- Better valuation of Big Mountain Resort ticket prices.
- Potential of +\$29.5M in revenue.
- Offset \$1.54M in increased operational costs.
- Predict prices for future changes.