

Big Mountain Resort

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January 5, 2021

Summary

- Present the business problem.
- State the proposed solution.
- Discuss the model analysis.
- Conclude with project findings.

Problem Statement

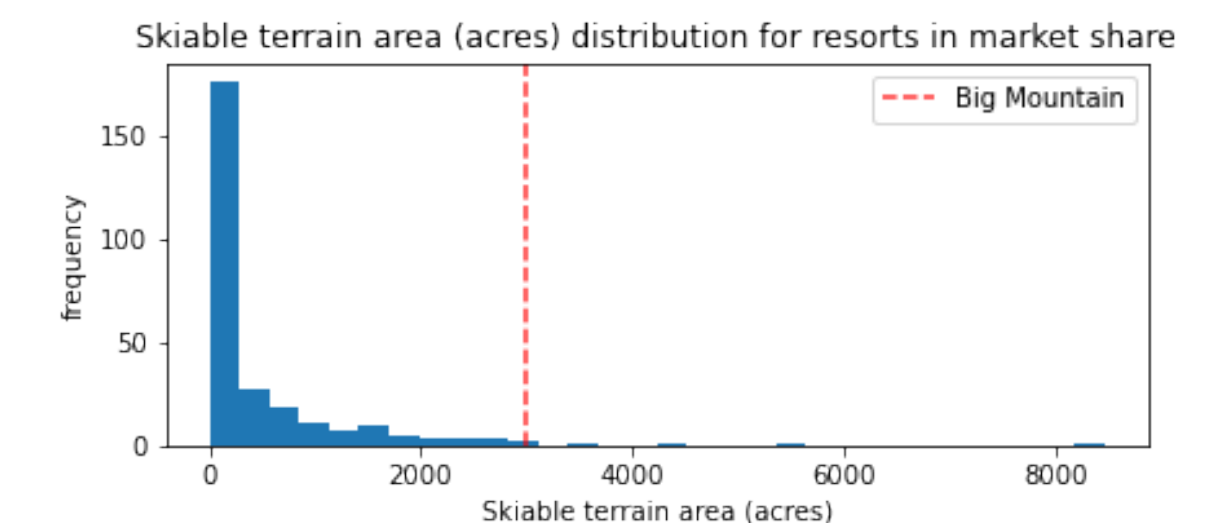
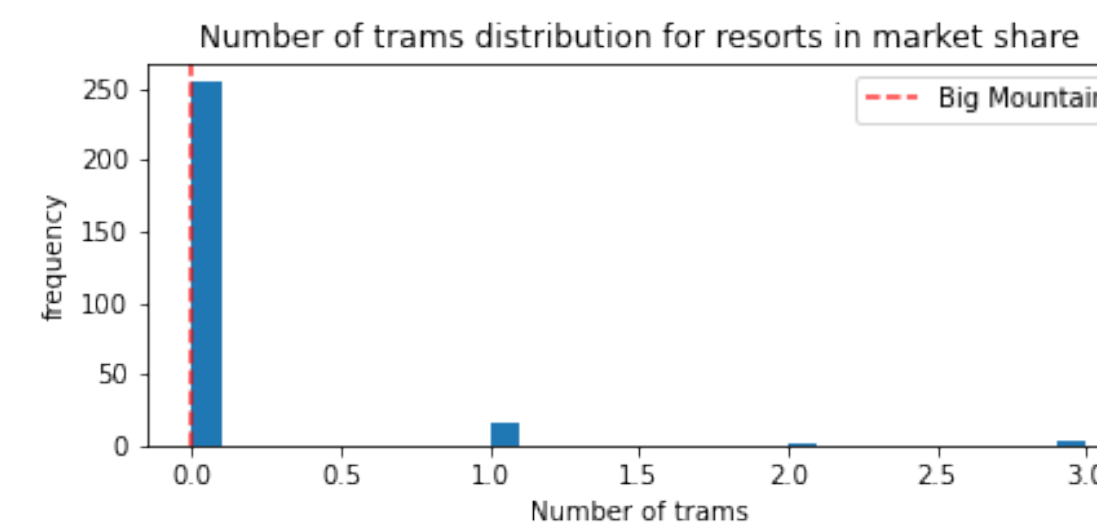
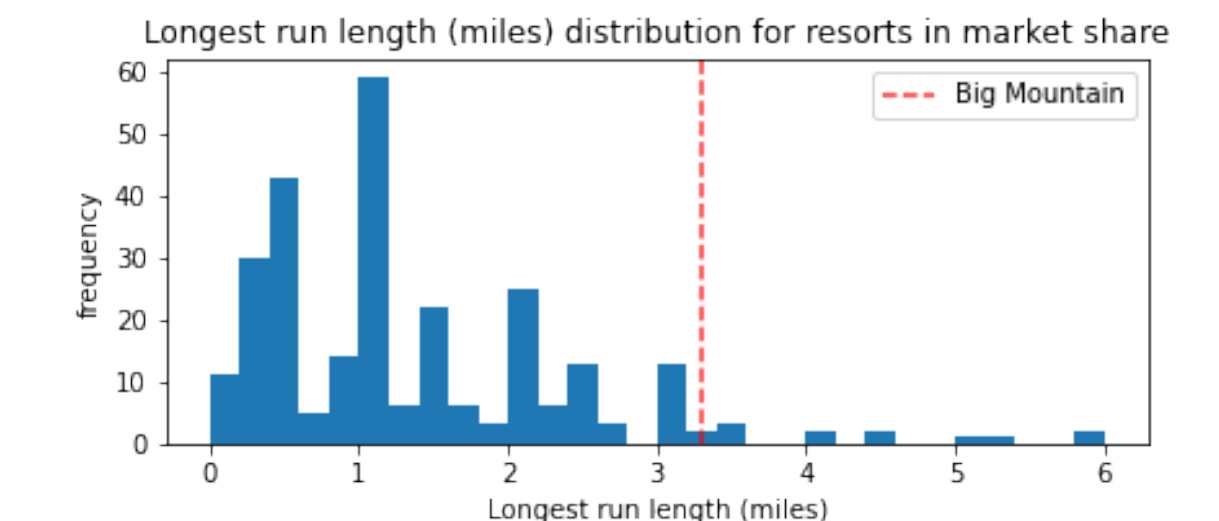
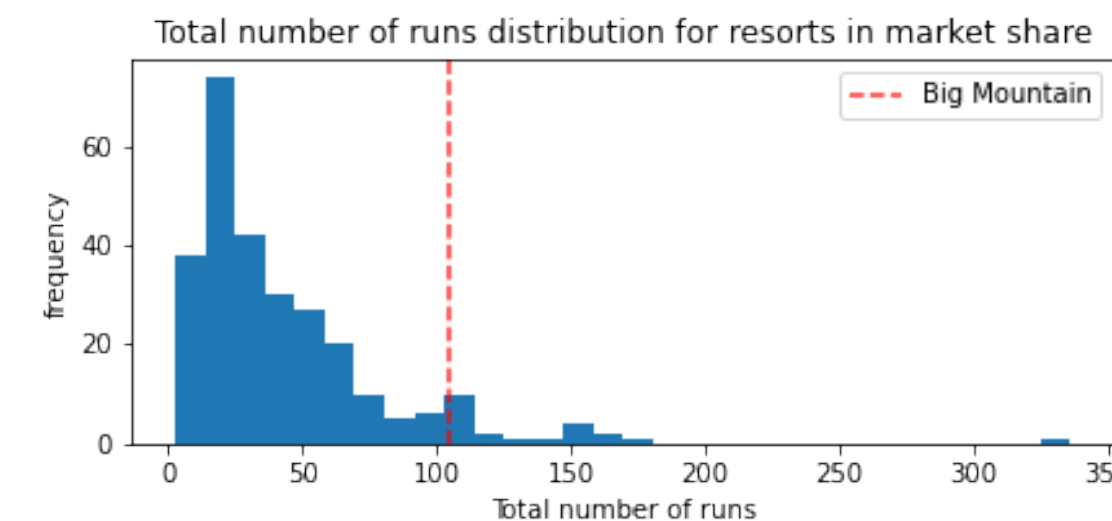
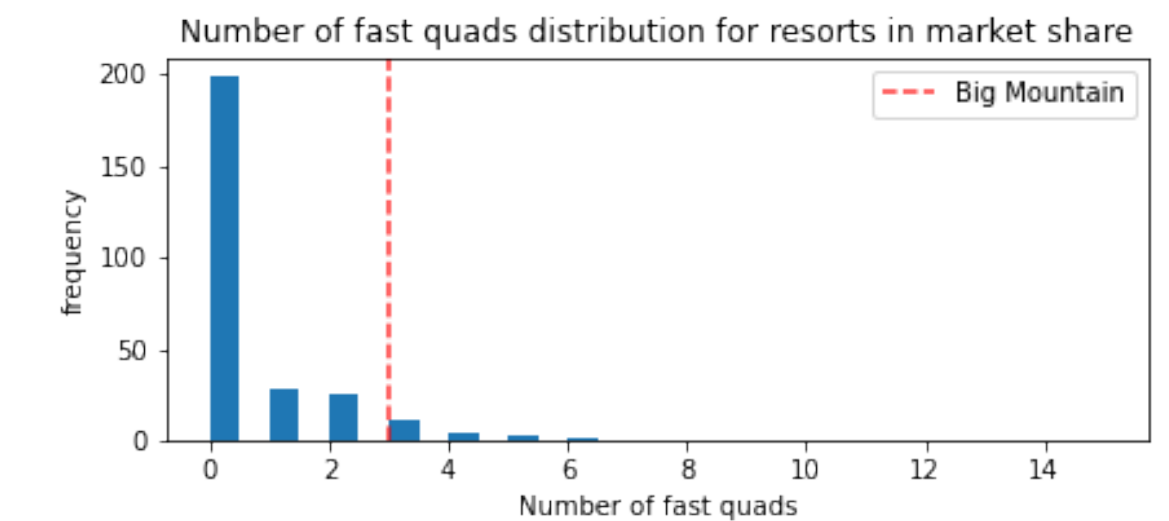
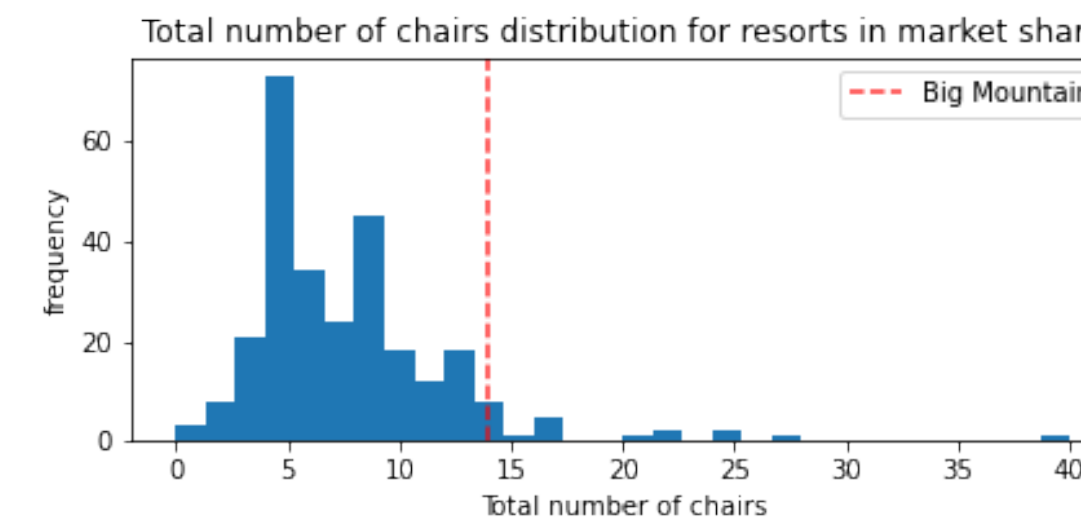
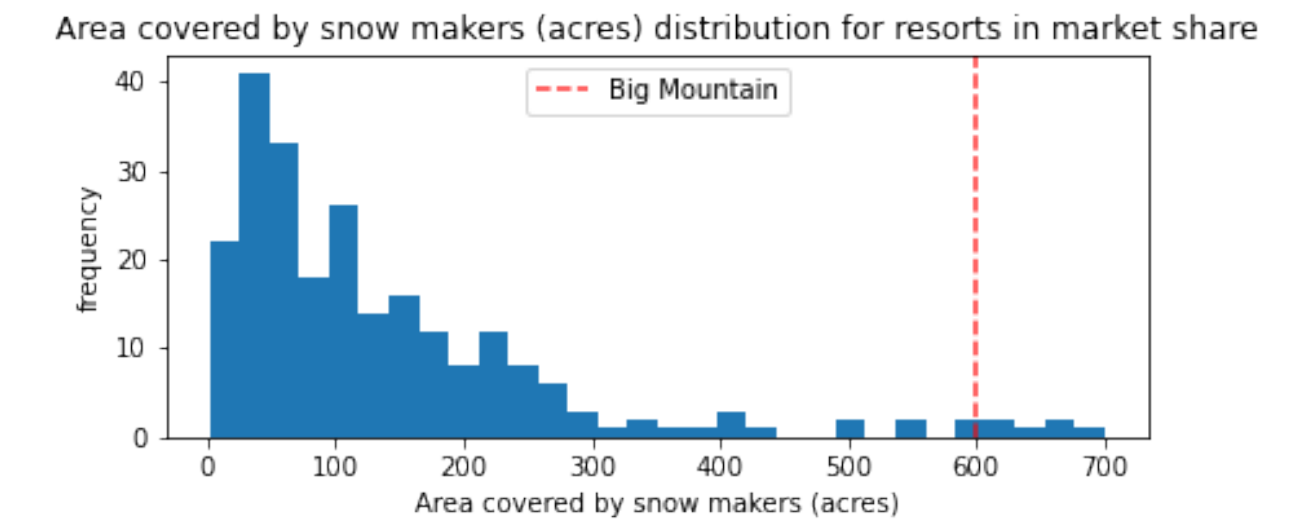
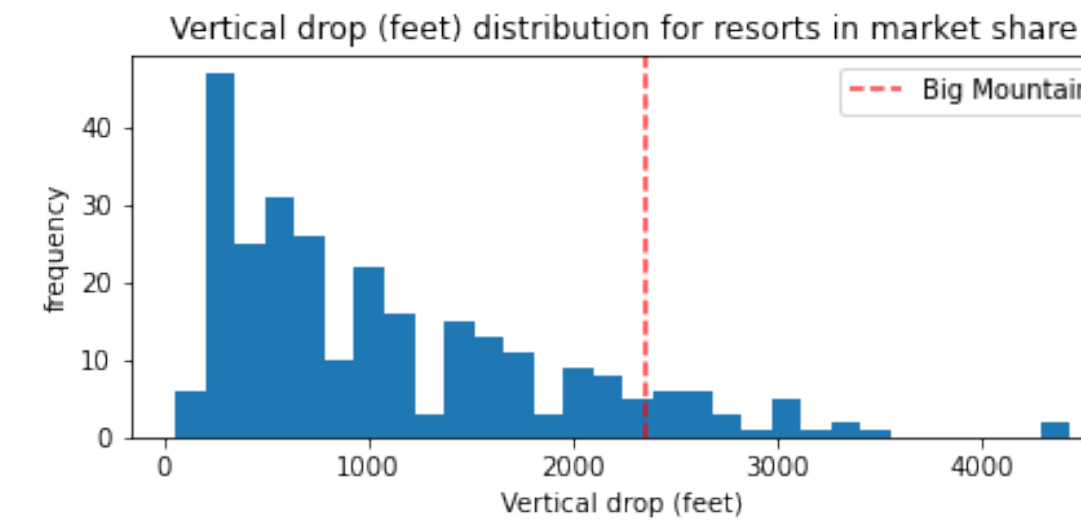
- **Business problem:** How can Big Mountain Resort increase revenue by \$1.54 million in one year to pay for a new ski lift?
- **Context:** A new lift was constructed, adding an additional \$1,540,000 in costs. Big Mountain Resort tends to charge higher ticket prices than other resorts to handle costs.
- **Options:**
 - Can a higher ticket price be justified by the facilities at Big Mountain?
 - Are there areas where costs could be cut?

Recommendation and Key Findings

- Current ticket price: **\$81.00**
- Big Mountain's facilities and place in the US market supports a ticket price of **\$95.87!**
 - Added revenue: **\$25,917,500.00.**
 - Facilities considered: vertical drop, snow making area, number of chairs, number of runs, longest run, and fast quads.
- Recommendations:
 - **Increase vertical drop** by adding run 150 below resort. Install chairlift to bring skiers back up.
 - Added revenue: **\$3,474,638.00.**
 - Ticket price increase: **\$82.99.**
 - Explore closing runs to reduce ticket price.

Modeling Results: Big Mountain in the US Market

- Big Mountain's facilities support increasing ticket prices to **\$95.87**.
- Notice **higher place** amongst other facilities in other resorts in the US market. This explains high ticket price from the model prediction.

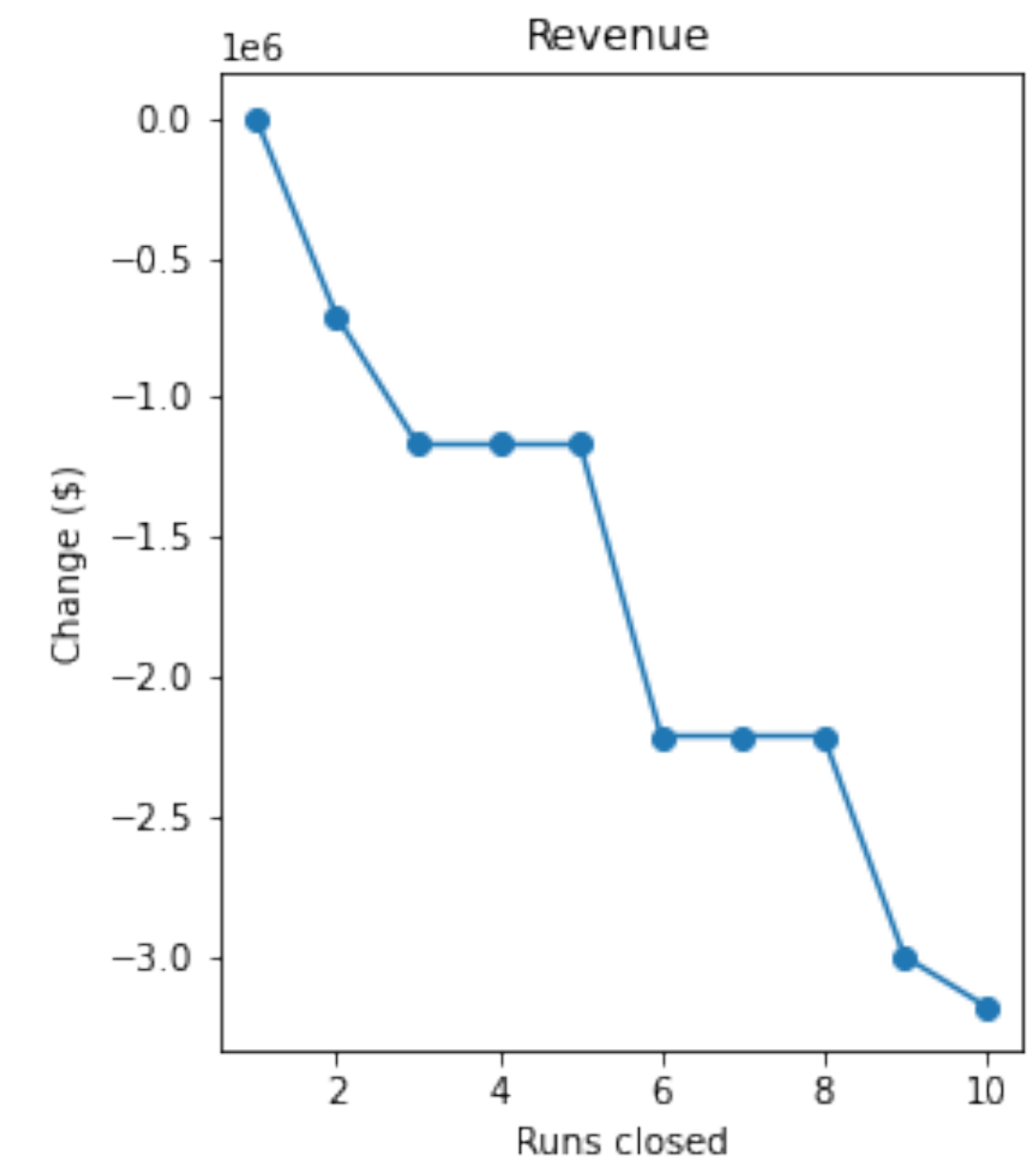
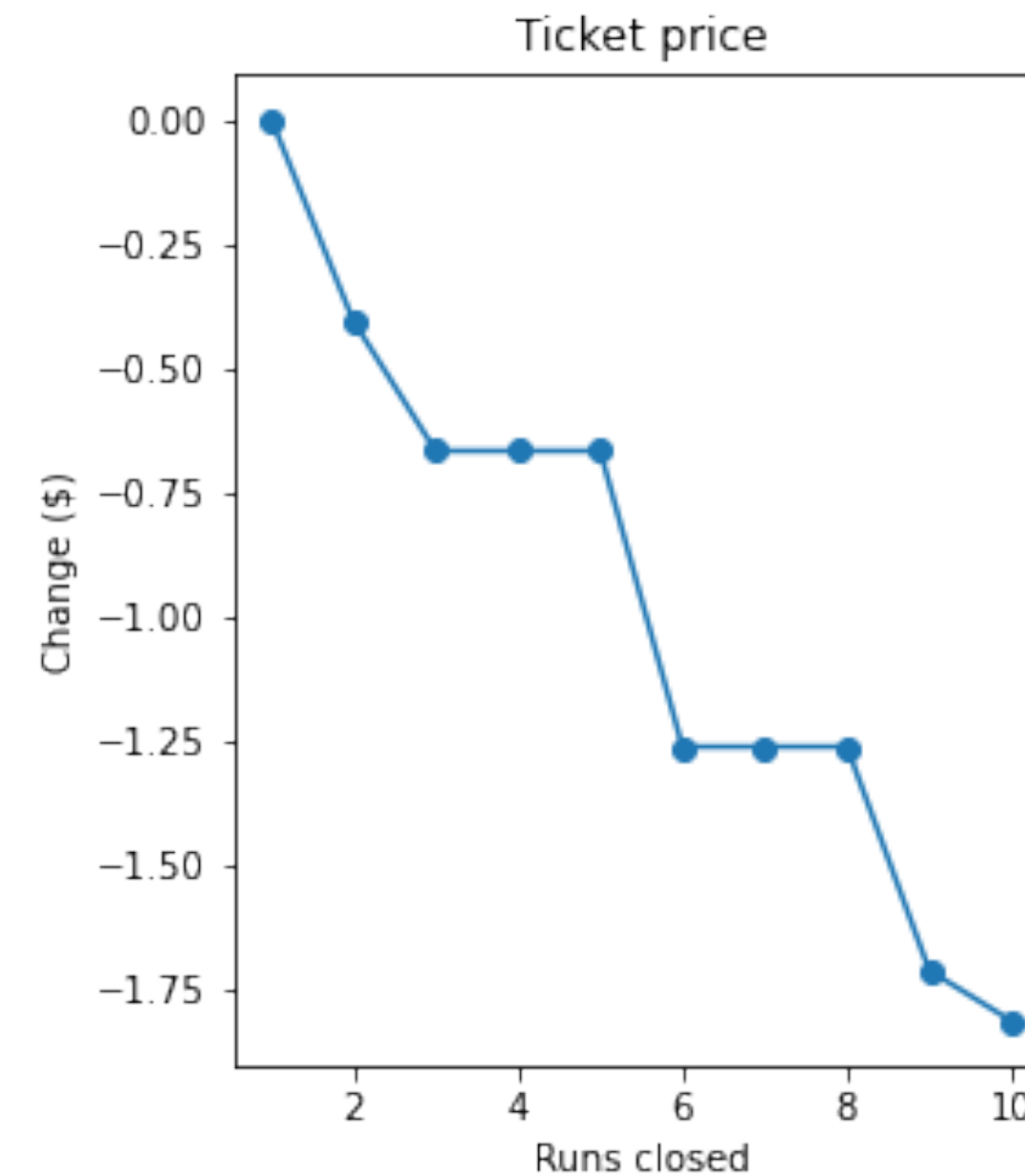


Scenario Analysis: Increase Vertical Drop

- **Proposal:** Increase vertical drop.
 - Add run extending 150 feet below resort.
 - Install additional chairlift to bring skiers back up.
- **Added revenue:** **\$3,474,638.00** annually.
 - Assumes 350,000 skiers skiing for 5 days.
- **Ticket price increase:** **\$1.99** to **\$82.99** per ticket.

Scenario Analysis: Remove Runs

- Ticket price can be reduced by removing runs.
- Plateaus in ticket price indicate a phased approach in run closures is best.
- Removing up to 10 runs amounts to:
 - Revenue reduction: **\$3 million.**
 - Ticket price drop: **\$1.80.**



Conclusions

- Presented model results and recommendations to increase revenue and decrease ticket price.
- Recommendations:
 - Increase vertical drop by building run 150 below resort and install additional chair lift to bring skiers back up.
 - Experiment with run closures to lower ticket prices.