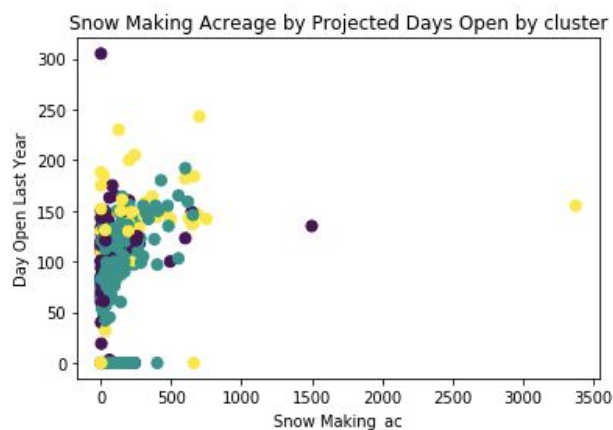


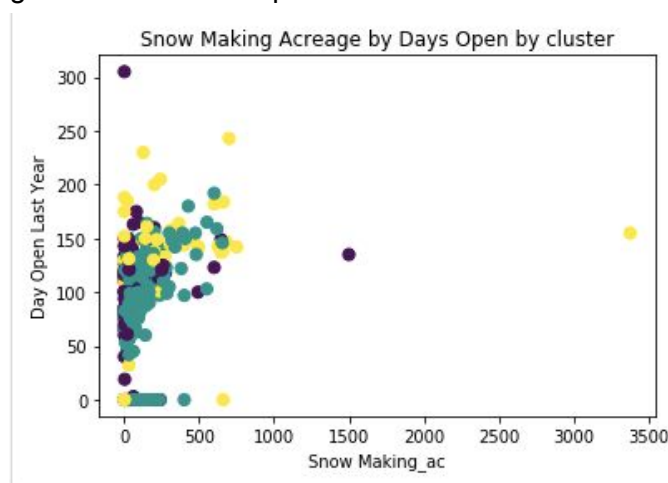
Big Mountain Resort in Montana recently added a new chair lift which will increase operating costs by \$1,540,000 per year. The current business profit margin is 9.2% and the resort would like to find a way to keep this margin stable. This project focused on how to increase revenue for Big Mountain Resort. For following projects it would be a good idea to look at yearly maintenance and operating costs and whether these could be lowered.

In analyzing the prices of the weekend adult tickets, a linear regression fitted the adult weekend ticket price to the amount of \$84.22. This price is based on the prices of adult weekend tickets at other ski resorts. The current price of an adult weekend ticket at Big Mountain Resort is \$81. I would therefore recommend that the price of the adult weekend ticket price be raised.

Based on the graph below, there is some evidence that increasing snow coverage via snow making machines could modestly increase the number of days that the resort is open. Increasing the number of days the resort is open could possibly increase gross revenue depending on the amount that this increases operating costs.



An increased average amount of snowfall does not necessarily mean that the resort will be open for much longer than others so projected snowfall can't necessarily be used to predict how long the resort will be open for the season.



Having more total chairs seems to have a positive relationship with the number of days the resort is open. A cost benefit analysis including the operating costs associated with additional chairs could give more insight into whether more total chairs would have a net positive effect on the profit margin for Big Mountain Resort.

