

Big Mountain Resort

Problem Statement

Raymond An

1. Context

- a. Big Mountain Resort has found their operating costs increasing to \$1,540,000 this season due to an additional chair lift for increased distribution of visitors across the mountain. Find a solution to recoup the operating costs while maintaining the business profit margin at 9.2% for this years' annual revenue.

2. Criteria for Success

- a. Profit margin needs to be kept at 9.2%

3. Scope of solution space

- a. Explore the possibility of profit margins increasing by opening the resort to hiking during off seasons
- b. Investigate the effectiveness of the additional chair lift towards the profit margin
 - i. Could better distribution mean that there will be a higher turnover rate for customers?
 - ii. Is it possible to increase ticket rates slightly to compensate for the increased operating costs?
- c. Marketing for additional customers

4. Constraints

- a. Seasonal business

5. Stakeholders to provide key insight

- a. Director of Operations, Jimmy Blackburn,
- b. Alesha Eisen, Database Manager.

6. Required key data sources

- a. Provided CSV file from Alesha Eisen.