Problem Statement Worksheet (Hypothesis Formation)

What changes can be made this season to offset the $1,540,000 operational cost increase by cutting costs without undermining the ticket price or supporting a higher ticket price?

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1 Context

Big Mountain ski resort in Montana provides access to 105 trails for 350,000 skiers and snowboarders annually. Big Mountain utilizes 11 lifts, 2 T-bars, and 1 magic carpet to provide access to the trails, and installed an additional chair lift. The new lift increased operating costs by $1,540,000 this season. Premium features that increase ticket price and operational changes that could reduce costs need to be identified to for offsetting the cost of the new lift this season.

2 Criteria for success

- Increase ticket prices and/or decrease operational costs by a cumulative $1,540,000 this season.

3 Scope of solution space

- Identify premium features unique to Big Mountain resort compared to similar resorts in the region that could increase ticket prices
- Identify operational practices not shared by similar regional resorts that could be changed or eliminated to reduce operational costs

4 Constraints within solution space

- Higher ticket prices may reduce the number of guests purchasing tickets
- Reducing operational costs may result in a decline in quality driving away potential customers

5 Stakeholders to provide key insight

- Director of Operations - Jimmy Blackburn
- Database Manager - Alesha Eisen

6 Key data sources

CSV file from Database Manager's relevant column data:

- Region, vertical_drop, trams, fastEight, fastSixes, fastQuads, quad, triple, double, surface, total_chairs, Runs, TerrainParks, LongestRun_mi, SkiableTerrain_ac, SnowMaking_ac, daysOpenLastYear, averageSnowfall, AdultWeekday, AdultWeekend, projectedDaysOpen, NightSkiing_ac

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