Problem Statement Worksheet (Hypothesis Formation)

What changes can Big Mountain Resort make to improve their ticket price value and increase revenue by 10% over the previous season by either reducing cost or supporting a higher ticket price?

H

1 Context

Big Mountain Resort, a ski resort located in Montana, sees about 350,000 skiers and snowboarders each year. They have recently installed an additional chair lift to help increase the distribution of visitors across the mountain, which increased their seasonal operating costs by $1,540,000. The resort needs a new way to select a better value for their ticket price by capitalizing on its facilities, rather than simply basing their pricing on the market average.

2 Criteria for success

- Implement new process to calculate ticket price before season starts that effectively leverages current facilities.
- 10% increase in revenue compared to previous season through either a reduction in cost or an increase in ticket price.

3 Scope of solution space

- Analyze CSV file from database manager to identify underutilized assets and terrain features that give Big Mountain Resort a market advantage.
- Create algorithm to calculate ticket price based on specific potential advantages.

4 Constraints within solution space

- Not having access to past and present financial data may prevent accurate revenue comparison.
- Limited data regarding facility amenities may reduce ability to identify all resort assets.

5 Stakeholders to provide key insight

Jimmy Blackburn – Director of Operations
Alesha Eisen – Database Manager

6 Key data sources

CSV file received from Alesha Eisen, Database Manager

H D E I P