

Shailaja PSW - GuidedCapstone Step 1.

Big Mountain Resort case study

Problem Statement Worksheet: What opportunities exist for Big Mountain Resort to effectively develop and implement a new pricing strategy that can maximize capitalization in their facilities investments to offset their recent additional operating cost by \$1.54M this season, and maintain the annual profit margin at 9.2%.	
Context: Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by \$1,540,000 this season. Every year about 350,000 people ski or snowboard at Big Mountain. This business profit margin is 9.2% and the investors would like to keep it there. The business wants to know the recommendations on increased operating costs from the new chair this season.	Constrain within solution space: Increased operating cost of \$1540000 for the additional chair,has to accommodate about 350000 visitors. it may not work if visitors increased dramatically. The dataset doesn't capture all possible factors that can influence supported ticket prices and revenues. The model assumes a free market
Criteria for success: Reduce the operation cost without affecting previous profit margin of 9.2% A machine learning model needs to be built using a rich ski-resort dataset of different competitors.	Stakeholders to provide key insight: Director of Operations - Jimmy Blackburn Database Manager - Alesha Eisen,
Scope of solution space: Increase revenue by focusing on ticket costs or number of days of opening and reduce operational costs by focusing on total skiable area, number of total runs.	Key data sources: CSV file contains information from 330 resorts in the US.