

## Problem Statement Worksheet (Hypothesis Formation)

**What can Big Mountain Resort (BMR) do to maintain or exceed their profit margin of 9.2% this ski / snowboarding season? What is their expected profit margin after initiating recommended changes?**

### 1 Context

BMR recently installed an additional chair lift which increases their operating costs by \$1.54 million dollars this season. Investors want to maintain or exceed their profit margin of 9.2% this season.

### 2 Criteria for success

Maintaining or exceeding profit margin of 9.2% this season.

### 3 Scope of solution space

Scope of solution space focuses on utilizing their new lift to increase customer visits to BMR. This includes extending operating hours based on night skiing, annual snowfall, and maximizing the number of days the resort can stay open in a season.

### 4 Constraints within solution space

Potential constraints could be due to adverse weather conditions. With global warming, there might be a shorter skiing season.

Furthermore, increasing operating hours might potentially increase costs as more manpower is needed to operate BMR.

### 5 Stakeholders to provide key insight

1. Director of Operations, Jimmy Blackburn
2. Alesha Eisen, the Database Manager.

### 6 Key data sources

A single CSV file from Ms. Eisen that contains metadata from 330 resorts sharing the same market share as BMR.