

SLIPSTREAM
SYSTEMS



Business Proposal

Thomas Kutina

Company Overview

Introduction

With a large and relatively affluent population base in Denver and the surrounding area, the Colorado ski resorts have enjoyed great success and are among the premier ski resorts in the world. Unfortunately, the large number of people who visit these high end resorts often results in extraordinarily long lift lines that can extend upwards of an hour. These lines especially affect local skiers who have purchased season passes and ski almost every weekend. These people are often avid skiers and often become frustrated with dealing with long lines every week. Slipstream Systems is a text/web subscription service that allows users to enter the resort name into their cell phone and receive instant feedback on the wait times for each lift at the resort. The website will present compiled data and provide line forecasts and trends so that guests may better plan trips to the mountains.

Mission Statement

At Slipstream Systems, our mission is to provide instant and reliable lift line information via cell phone text so that Colorado locals may enhance their skiing experience by being able to spend more time on the slopes and less time in line. This will allow them to better choose which is the best time and place to ski at any particular mountain of the five mountains owned by Vail Resorts that are covered by the Colorado Pass.

Product and Service

Features

Through our texting service, a guest can have instant access to lift line information almost anywhere on the mountain. To receive our service, potential customers will first subscribe on our website by providing their cell phone and credit card information. In addition, customers will also have the option to sign up for our service when purchasing a Colorado Pass from the Vail Resorts web page.¹ Once subscribed, customers will be able to text a number as well as the resort name and they will instantly receive a list of the resort's lifts. Customers can text at any time throughout the season to receive information. Each lift that is listed will provide information on its status as well as the current wait time. This will be possible by installing RFID sensors at the beginning and end of each lift line to track the amount of time it takes a person to get through to the lift itself.

Benefits to the Customer

The benefit to the customer is that the lines often change throughout the day, and while one section of the mountain might be packed like sardines, another could be left reasonably open. Although many ski resorts have already put up approximate wait times at points in the line itself, unfortunately this does little to help the guests; by the time they ski down to the lift it is too late to do anything if there are too many people. By providing this service, guests can choose which part of the mountain is best or which parking area to gear up at. This will also benefit Vail Resorts by providing the company

¹ www.vailresorts.com

with a competitive advantage and would add value to customers by letting them avoid long lines and thus enhance their experience at the resort. This is a distinct advantage over previous systems such as posting lift information on large trail maps throughout the resort.

In addition, we will have a website that will track and compile all the lift information over time so our customers will be able to see estimates of a particular day's lines based on past statistics of days with similar conditions for that time of year etc. It will create a sort of Lift Line Almanac so that both locals and tourists can better plan their vacations to avoid large crowds.

Marketing Plan

Customer Research

I am currently utilizing online Colorado skiing-related forums such as newschoolers.com and COskiing.com to get feedback on the feasibility of this project. In addition, I plan to conduct interviews with people onsite at the resorts and around the CU campus, as a significant portion of my target market will be made up of local college students. I have also emailed the Vail Resorts public relations manager to get additional feedback on the idea.

Target market strategy

Our target market will be focused primarily on Colorado locals who have purchased the Colorado Pass (5-mountain Pass). This group will be located primarily in the Denver metro area as well as in the surrounding towns, particularly college towns

such as Boulder and Ft. Collins. This target market is specific in that people who purchase passes are typically local skiers who go to the resorts frequently enough to merit purchasing an expensive pass for the season. In that they ski frequently, our target market will tend to share a common view on the hassle of lift lines, especially on days with heavy tourist traffic. As skiing is a common bond for my target market, I will use that avenue to advertise through skiing-related channels such as online forums, ski shops, and the resorts themselves.

Positioning

Our positioning strategy is to create the image that we are a company of Colorado local skiers who recognize the frustration involved with lift lines and want to help out our fellow skiing community. We want to show we understand this problem as we are also affected by it and are offering a solution for other skiers. Our advertising will be more personal and we want to try to connect with our target market on a communal level. Our print advertising will include real images of excessive lift lines at one part of the mountain compared to almost empty lifts at another end, with the date and time presented to show they are actual photos taken at the same time.

Pricing Strategy

We will be utilizing the market penetration method for our pricing strategy. Much of our success will be based on word of mouth, so we will enter the market with low subscription prices and special offers in an attempt to get the word out as quickly as possible. After our first season, we will incrementally increase the prices for our

subscription service. Pass and ticket prices tend to increase every year, so our target market is already conditioned to be used to the raised prices.

Sales Strategy

Our subscription service will be managed through our website; this is where our customers will be able to sign up for our service either monthly or for a whole season. Our advertising will encourage customers to visit the website to sign up for our service. Again, our primary focus is that we want our customers to feel like they are part of the local skiing population and by signing up for the service they are helping both themselves as well as the rest of the target market. We will set up booths with an Internet capable laptop at local events such as ski movie premiers and Boulder Freeride meetings, in which people can sign up for our service on the spot while an employee is present to address concerns and answer any questions.

Competitive Advantage

The niche market we are attempting to serve is currently completely unrepresented by any other product or service that would act as competition to our business. Although there are signs posted at some ski resorts that post approximate wait times, they are in limited areas and are not updated in real time. The advantage of Slipstream Systems is that skiers can access this information anywhere or at any time as long as there is cell service. Reception should not be much of an issue, as it takes a minimum amount of service to send a basic text message, and Vail Resorts has installed cell towers on its property, ensuring that most of the in-bounds skiing area is covered.

Even if competition arises after we open, our collective database will continue to give us the advantage as we will be able to forecast future crowds based on past data for a particular date.

Figure 1-Basic mockup of what a print ad would look like in a magazine or a flier.



Operations Plan

Operations Strategy

Slipstream Systems will operate by linking together a number of distinct systems to offer our service. There are three interlocking systems that need to work together for our business to run effectively. The first system is the scanners themselves, which are to be placed at each lift at the resorts. These will be radio frequency scanners that will have sufficient range to read the RFID tag embedded into each of the 2008/2009 season passes. These scanners will resemble the antitheft scanners at the entrance of many retail stores. When a skier enters the line queue, he/she will trip the sensor, which will start a timer. When that same skier trips the next sensor, located right before boarding the lift, the timer will stop and the wait time as well as the date and time of day will be sent to our company servers.

The second system utilized by our company is our software and web design. Our servers will process the data from each lift to create a running tab on the wait time of the lift. This streaming data will be fed to our website, which will be presented for our customers. In turn when users subscribe to our service, their information will be stored in the servers so they may utilize our cell phone texting service.

The texting system will be run through a third party business called Text Marks.² This company specializes in setting up automated texting for personal or business use and can be used for everything from trivia games to current weather forecasts. This company will act as the link between our service and the customers themselves. Text Marks is a

² www.textmarks.com

subscription program in which we can sign up for different packages based on how many outgoing messages are being sent per month.

Figure 2- Diagram breaking down the different systems that form our company.



Development Plan

Development Strategy

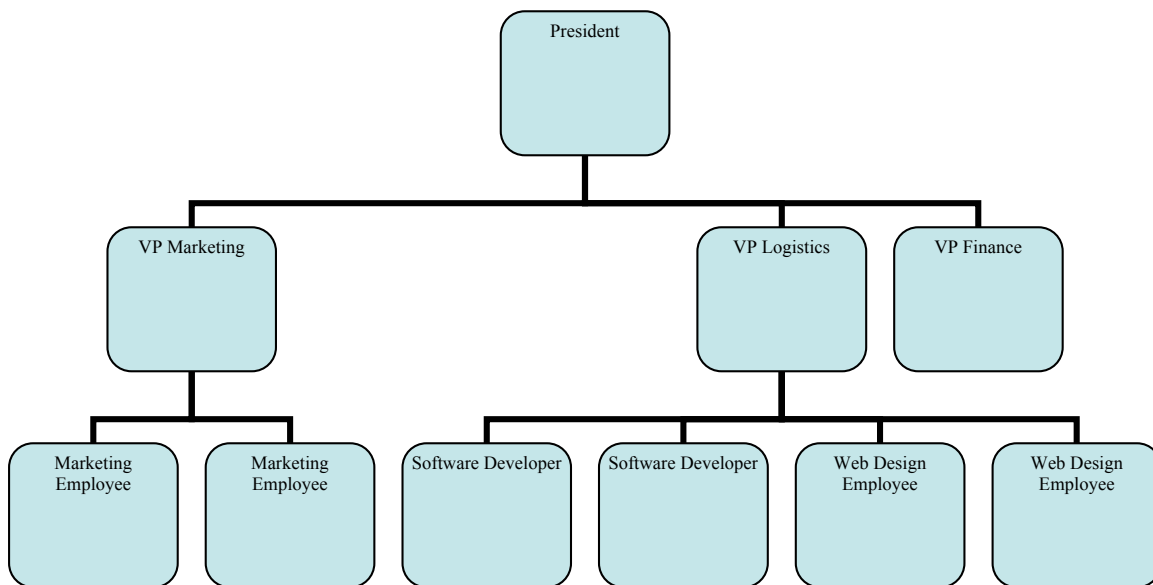
Our first goal in developing our business is to work with Vail Resorts to allow us to set up the sensors and run our operation on its property. Once we have the approval from Vail Resorts, we will need to find office space to house our employees as well as our servers. Our software developers will write the data management program or simply modify an over-the-counter program that will fit our needs. Once our servers are set up and the software is running, we then can launch our website which our web builders have designed and link our program to Text Marks. Once everything comes together to run smoothly, we will shift our resources to advertising.

Management

Company Organization

Our company will be organized based on the interlocking systems that allow us to run. As founder and president, my primary job will be to make sure each of these systems works properly and in conjunction with the others. I will also be in charge of public relations and working with Vail Resorts. Under my position, the VP Marketing will have two employees working for him. My marketing team will be in charge of all physical as well as electronic advertising and will set up booths to distribute fliers at events. In addition, I will hire a VP Finance to take care of funding and all other financial matters. I will employ a VP Logistics who will oversee a team of two or three software developers to write our data entry program and manage our servers. I will also hire two web builders to manage our website.

Figure 3-Diagram outlining the organization of our company's employees.



Funding

Funding Requirements

Initial funding is required for the purchase of the scanning equipment, our servers, overhead for office space, and the subscription to Text Marks. The cost of the scanning equipment will hopefully be partially covered by Vail Resorts, as our technology is similar to that of the company's current handheld devices. The server will be purchased from IBM, and we will buy the entry-level model with the lowest cost. The cost of the office space will consist of a monthly rental plus a deposit. In addition, the TextMark pro service is a monthly subscription charge. Employees will be paid based on the amount of responsibilities they have and will be flexible as the business starts up. As at Google Inc,³ employees will be offered bonuses for coming up with ideas that improve the business.

³ <http://www.google.com/corporate/history.html>

Smaller expenses will include initial advertising, web hosting, and purchasing the software program. The program will most likely be modified off-the-shelf software, rather than custom built, as the latter option is considerably more expensive.

Funding will be provided primarily from bank loans, but we will also explore other options such as angel investors and venture capitalists. In the event that the initial costs such as equipment purchases are too great we will explore a new direction: Instead of running Slipstream Systems as its own business we will take our plans and propose the idea to Vail Resorts and work with the company to implement the new technology, as we will initially be working exclusively with this company anyway.

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