



Ski Resort

BUSINESS PLAN MOUNTJOY, LLC

84 Junction Way Ogden, Utah 84111

Mountjoy will provide a welcome alternative to the traditional ski resort experience. By supplying extra-wide powder skis to its clients, the company will enable them to glide through the area's pristine powder with confidence. Mountjoy's experienced and well-trained guides will provide expert instruction. The company's private on-mountain cabin will serve as an elegant setting for a catered lunch. With superior customer service and attention to detail, Mountjoy will deliver an experience that is unequaled in the marketplace.

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EXECUTIVE SUMMARY

Mission

Mountjoy will provide its clients with the best powder skiing experience in America.

Company Overview

Founded by Emmett Metterley in January of 1999, Mountjoy is positioned to bring the highest level of service to the ski industry. The company has negotiated to purchase the assets of Ogden Powder Cats (OPC), an established snowcat ski company in Ogden, Utah, with a sixteen-year operating history. Acquiring OPC's assets will give Mountjoy exclusive commercial access to the best powder skiing and snowboarding terrain in the state. Located immediately north of the Powder Mountain Ski Area, OPC's 10,000-acre Forest Service permit area receives over 600 inches of the lightest snow in Utah every year. With Mountjoy's professional management, the company will transform OPC into a world-class operation.

Mountjoy will provide a welcome alternative to the traditional ski resort experience. By supplying extra-wide powder skis to its clients, the company will enable them to glide through the area's pristine powder with confidence. For those clients who require assistance with their powder skiing or snowboarding technique, Mountjoy's experienced and well-trained guides will provide expert instruction. The company's private on-mountain cabin will serve as an elegant setting for a catered lunch. With superior customer service and

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attention to detail, Mountjoy will deliver an experience that is unequalled in the marketplace.

Industry

The market for adventure skiing has grown substantially over the last decade as more consumers actively seek experiences that involve physical challenges in outdoor environments. Mountjoy will capitalize on this trend by providing untracked snow conditions within a full-service environment that allows its clients to indulge in their powder skiing or snowboarding fantasies.

Market

Mountjoy's target market consists of skiers and snowboarders who enjoy deep powder conditions and consider themselves to be of intermediate, advanced, or expert ability. Visitors are already attracted to Ogden by its reputation for champagne powder, and Mountjoy will offer the ultimate powder experience without the ski area's crowds or lift lines. The size of the local target market is estimated at 600,000 skier visits per year, and Mountjoy plans to capture one half of one percent of this market by its fifth year of operation.

Competition

Mountjoy will not be the only snowcat ski company in Utah, but it will be the only one located within ninety miles of Ogden. The company's exclusive Forest Service permit will prevent any direct competitors from entering the local market.

Development

Mountjoy has organized as a Utah Limited Liability Company and closed on a first round of financing in the amount of \$700,000.

Operations

Mountjoy will earn its first revenues during the 1999/2000 season. With two new snowcats, a renovated cabin, and terrain that is three times larger than OPC's current usage area, Mountjoy will be positioned to deliver on its promise of providing the best powder skiing and snowboarding experience in America. A comprehensive marketing campaign will be designed to increase market demand and justify the addition of a third snowcat during the company's third year of operation.

Financial Projections

Fiscal Year	2000	2001	2002	2003	2004
Revenue	446,075	541,666	710,932	895,780	1,081,655
Cost of Services	162,590	246,997	315,453	381,096	394,745
Operating Expenses	208,617	189,986	211,381	234,211	256,303
Interest Expenses	61,669	59,367	55,537	44,131	33,291
Net Income	13,199	45,316	128,566	252,100	397,315

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MANAGEMENT

Emmett Metterley, Chief Executive Officer, Manager, Member

Mr. Metterley has worked in the outdoor recreation industry in Europe, Canada, and the United States for 15 years and holds a master's degree in Wilderness Risk Management and an M.B.A. in Entrepreneurship from the University of Utah. He is a Level II mountain guide and has led ascents throughout Switzerland, France, Canada, and the United States. Mr. Metterley has taught skiing in St. Moritz, Switzerland, and Mont Tremblant, Canada, home of the prestigious Northern Rocks Ski School. As an instructor in Provo, Utah, he refined a new method of teaching telemark skiing originally developed by Mr. Morgan Smithson of the Provo Ski Company. Mr. Metterley is a certified Level III avalanche forecaster with the American Avalanche Institute, the highest certification available. He is also certified as a Wilderness First Responder and has been an active rescuer since 1986. He served as the Operating Officer for Club Hagenstrasse in Provo, a multi-million dollar German ski-tour company catering to an affluent clientele. In this capacity, he personally guided clients on snowcat skiing tours. Mr. Metterley successfully founded and grew a nonprofit organization in Heber City, Utah, dedicated to outdoor education and skill building.

A profile of the company's advisory board may be found in the Appendix.

MARKETING

Service Description

Mountjoy's Forest Service permit area near Pioneer Trail in the Wasatch National Forest will offer 10,000 acres of Ogden's legendary champagne powder. With more than 600 inches of snowfall per year, this area features Utah's deepest snowpack. Mountjoy's open glades and world-class tree skiing will offer challenging terrain for intermediate through expert skiers and snowboarders.

Mountjoy will provide its clients with specialized Volant powder skis and B-Line snowboards in order to maximize their enjoyment of the deep, untracked snow. By assuming OPC's Professional Ski Instructors of America (PSIA) ski school certification, Mountjoy will enable its guides to offer clients high quality instruction. With powder skis and expert coaching, every client will be equipped with the resources necessary to ensure an enjoyable day on the mountain.

Prior to skiing, clients will be asked to visit Mountjoy's office in order to fit their boots to the company's powder skis, complete a short questionnaire regarding their skiing ability and sign a liability waiver. On the morning of their trip, clients may elect to depart from Mountjoy's office or arrange for one of the company's vans to pick them up directly from their lodging. In either case, their powder skis will have already been adjusted and loaded onto the vans. After a short drive to the company's staging area within the Wasatch National Forest, clients and their guides will board heated snowcats and begin a twenty-five minute journey into the heart of Mountjoy's ski terrain.

During the initial ride up the mountain, the lead guide in each snowcat will distribute digital avalanche transceivers and small backpacks to each client that contain snow shovels, water, and room for personal items such as cameras, camcorders, or additional layers of clothing. By the time the guide has finished explaining Mountjoy's safety procedures, the snowcat will have reached the top of the first run.

Depending on the experience level of the clients, the lead guide will either demonstrate appropriate powder skiing technique on a forgiving slope or escort clients directly to Mountjoy's more advanced terrain. Each lead guide will be accompanied by a second guide who follows clients down the hill, providing additional assistance and coaching when necessary.

After a morning of approximately five runs, clients will ski to Mountjoy's on-mountain cabin, where they will



be greeted with a catered lunch including hot soup and beverages. The cabin will feature a dining area, comfortable reading chairs, and a restroom. Those who feel too tired to continue skiing in the afternoon may choose to sit by the warm stove and enjoy a book from Mountjoy's library or ride with their snowcat operator in the front of the vehicle.

The afternoon will typically consist of five additional runs, allowing most clients to ski 10,000 vertical feet per day. In most cases, clients will have finished skiing by 4:00 P.M. and will arrive at Mountjoy's office or their lodging by 4:30 P.M.

Within two weeks of their trip, clients will receive letters of thanks from Mr. Metterley that contain return postcards inviting them to provide feedback on the quality of Mountjoy's services.

A table of Mountjoy's proposed services is provided below:

Mountjoy's Services

Terrain

600 inches of snowfall per year

Deepest and lightest snow in Utah

10,000 acres of open glades and tree skiing

- 10% expert
- 60% advanced
- 30% intermediate

Amenities

Door-to-door transportation available

Custom fitted ski equipment

- Extra-wide powder skis in two configurations
 - Alpine
 - Telemark

Client safety equipment

- Digital avalanche transceivers
- Snow shovels
- Avalanche probes

Private on-mountain cabin

- Dining area
- Library and reading chairs
- Restroom

Food

Lunch

- Hot beverages
- Catered gourmet food

After-ski

- Hot cider



- Fresh Cookies

Learning

Snow safety presentations
Local history and geography
Ski and snowboard instruction

- Demonstration and coaching
- Videotaping and review

INDUSTRY & MARKETPLACE ANALYSIS

Industry Analysis

Mountjoy will compete in the recreational services industry. Between 1995 and 1996, consumer spending in the industry rose by 78 percent. In a 1995 Gallup Poll survey on the use of recreation and leisure time, 79 percent of respondents in the high income bracket listed "seeking adventure" and "being with nature" as primary motivations. The adventure travel segment alone accounts for over \$10 billion in annual revenue and is the fastest growing segment of the travel industry. W. Norman, President of the Travel Industry Association believes that "American[s]... are looking for new ways to challenge themselves, to push their physical energies to the edge and face nature at its boldest moments."

The ski industry is responding to this trend with significant investments in services that appeal to adventure skiers and snowboarders. Peterson Resorts has purchased a snowcat ski company that offers backcountry skiing on Peterson Pass. In addition, Category III, Peterson's newest expansion area, is intended to attract adventure skiers with ungroomed slopes designed to simulate backcountry conditions. Ogden's Pioneer Ridge expansion is targeted toward a similar market, as are Winter Park's Circle Cross, The Ridge at Provo, and Provo's Highlands Peak and Highlands Bowl areas. Like Peterson Resorts, the Provo Ski Company has also acquired a neighboring snowcat ski operation.

Snowcat and helicopter ski companies are becoming increasingly popular with consumers. Canadian Mountain Holidays (CMH), the largest helicopter ski operation in the world, consistently sells out its fleet of thirty helicopters every year. During the 1996/1997 season, the helicopter skiing business in British Columbia alone amounted to more than 55,000 skier visits, or approximately \$55 million in revenue. Intrawest Resorts, the largest ski company in North America, acquired CMH in January of 1999, signaling its confidence in the growth potential of the adventure skiing market.

Not only are consumers demanding better ski conditions, but they are spending more money on their ski vacations as well. The National Ski Areas Association reports that total industry profits per skier increased more than 50 percent from 1995 to 1996. On average, destination skiers spend three times more money than day skiers and typically ski six days per trip, making them the most profitable consumer group on the mountain. Because they tend to return to the same resort year after year, destination skiers are a more profitable long-term revenue source than day skiers. The 1997/1998 Profile of Utah Skiing reports that the median income of Utah skiers increased by 16 percent from prior season levels to \$87,200 per household. Moreover, the number of skiers who report incomes over \$100,000 increased by 6 percent during the same twelve month period to 43 percent of all Utah skiers. These consumers are capable of paying what is necessary to ensure an enjoyable ski vacation.

Marketplace Analysis

Approximately 80 percent of Ogden's winter visitors are destination skiers. Recognizing the revenue potential



of this market, the American Skiing Company recently purchased the Ogden Ski Area and its surrounding properties. During 1998 alone, the company spent \$9 million expanding the mountain's terrain and investing in local real estate. By December of 1999, it will have completed construction of the Grand Summit, Ogden's largest luxury hotel and condominium project to date.

According to the local Chamber of Commerce, Ogden draws more than 350,000 visitors to the area each winter. The resort boasts 1.05 million skier visits per season, ranking it as the fourth most popular ski area in Utah. Its world renowned reputation for powder skiing draws winter visitors who care more about the quality of ski conditions than they do about shopping, nightlife, or any other activities that are unrelated to skiing.

Customer Analysis

Mr. Metterley has spent years working in the outdoor recreation industry. Throughout his experience, the increasing market demand for a high level of service has become apparent. Mountjoy will address this demand with the best service offering in the industry at a price that is competitive with other snowcat ski companies and is significantly less expensive than helicopter skiing.

Mountjoy's target market is the intermediate to expert Ogden skier or snowboarder who seeks adventure and deep powder conditions. The size of this market is considerable, as demonstrated in the figure below using data obtained from the 1997 National Skier/Boarder Opinion Survey:

Powder Mountain	Skiers who seek	Skiers rated	Size of local
Ski Area	adventure or new	intermediate or	market
1997/1998 skier visits	challenges	above in ability	605,535
(1.05 million)	(79%)	(73%)	

With only 1,450 skier visits per season, OPC currently has a local market penetration of only two tenths of one percent. Mountjoy's management projects a market penetration of one half of one percent by its fifth year of operations.

As skiers and snowboarders become less tolerant of the long lift lines and poor snow conditions available at ski resorts, they are seeking alternative service providers who can guarantee excellent snow conditions and truly memorable experiences. Mountjoy is uniquely positioned to deliver on this promise.

Competitor Analysis

Mountjoy will face competition from helicopter ski companies, other snowcat ski operators and traditional ski resorts. For clients to receive the same level of service from a helicopter ski company, they would spend three to four times as much money and would assume the higher risk associated with transportation via helicopter. Existing snowcat operators charge comparable prices to Mountjoy, but offer significantly less terrain, inferior snow conditions and lower levels of service. Ski resorts deliver a completely different experience and simply cannot provide comparable powder skiing conditions. Detailed descriptions of Mountjoy's primary competitors may be found in the Appendix.

Barriers to Entry

With a Special Use Permit from the Forest Service, Mountjoy will secure an effective monopoly within the Ogden area. Because Forest Service policy allows only one such permit per forest zone, it will be impossible for direct competitors to enter the local market. As the only snowcat ski company within ninety miles of Ogden, Mountjoy will enjoy an enviable position.



MARKETING STRATEGY

Positioning

Mountjoy's primary points of differentiation will be its superior service and snow conditions. With the deepest and lightest snow in Utah, Mountjoy's future permit area is recognized throughout the industry as the best powder skiing terrain in America. The benefits of an on-mountain cabin, custom-fitted powder skis and well-trained guides will further enhance the experience.

The figure below illustrates Mountjoy's positioning with respect to its primary competitors.

Company	Service	Price Per Day	Location	Size of Permit Area
Mountjoy	Snowcat	\$245	Ogden	10,000 acres
Johnson Ridge Snowcat Tours	Snowcat	\$125	Ski Cooper	1,200 acres
Peterson Snowtours	Snowcat	\$255	Ptarmigan Pass	1,200 acres
Provo Mountain Powder Tours	Snowcat	\$245	Provo Mountain	800 acres
Heli-Ski	Helicopter	\$630	Telluride	N/A

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No other snowcat or helicopter ski companies in Utah currently offer services that are as comprehensive as those proposed by Mountjoy. The company will always enjoy the advantage of its superior terrain, and will continually strive to improve its excellent service.

Pricing

Mountjoy's basic daily rate will be \$245 per person. A detailed pricing structure is given in the table below.

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Heli-Ski	Helicopter	\$630	Telluride	N/A

Single-day tickets		Multi-day tickets	
Full day	\$245	5 full days	\$1,000
Full day with instruction	\$255	10 full days	\$1,700
Half day	\$180	5 half days	\$750
Half day with instruction	\$200	10 half days	\$1,200

Partnerships

Mountjoy will cultivate the established relationship between OPC and the Powder Mountain Ski Area. A strong relationship with Mountjoy will complement the on-mountain offerings of the Powder Mountain Ski Area, whose customers often wish for more diverse activities and better powder skiing conditions than are available at the resort. In fact, Bobby Krug, Ogden's director of skiing, a former Olympic Gold Medalist and World Champion, has been referring clients to OPC for a number of years. Mountjoy expects to continue this friendly relationship and will recommend that its clients visit the resort prior to their snowcat skiing experience in order to acclimate to the high altitude environment.



Mountjoy will provide its clients with specialized powder skis made by Volant. This company manufactures some of the world's most respected powder skis and has entered into an exclusive supplier relationship with Mountjoy. In return for very competitive pricing, the company's clients and guides will ski exclusively on Volant skis, and Mountjoy will feature Volant's name and trademark on all of its marketing materials. The company has entered into similar agreements with B-Line snowboards, Marker, and Smith.

Mountjoy is also currently negotiating a partnership with the German ski association (Deutscher Ski Verband [DSV]). This relationship will allow Mountjoy to capitalize on the significant marketing capabilities of this powerful and well-organized association. The president of the DSV has expressed great interest in a formal relationship that would bring large groups of German skiing enthusiasts to Mountjoy on an annual basis.

MARKETING COMMUNICATIONS

Mountjoy has budgeted \$87,000 for marketing expenses during its first year of operation and an increasing amount thereafter. The company's initial marketing resources will be devoted to capturing the established local and national markets. Beginning in the second year of operation, the company intends to broaden its efforts to include international markets as well.

Trade Name

The company's option agreement with OPC includes the right for Mountjoy to use the Ogden Powder Cats trade name and client list. During its sixteen-year history, OPC has developed a loyal client base and a mailing list of more than two thousand names.

Direct Mail

Mountjoy will develop a high quality color brochure designed to convey the personalization and exceptional quality of the company's services. All of Mountjoy's marketing materials, including its brochures, will be designed with a common look and will feature the OPC Internet address and redesigned logo. The cost of brochure design, layout, printing, and postage is estimated to be \$28,500 during the first year. Brochures will be sent to prospective and repeat clients accompanied by personalized letters from the CEO. These names will be identified from OPC's client list and from mailing lists purchased from the Powder Mountain Ski Area at an approximate cost of ten cents per name.

Internet Web Site

In order to serve those members of the target market who actively search for information using the Internet, Mountjoy will redesign OPC's existing web site (www.ogdenpowdercats.com). The new site will include more detailed information than is given in the company's brochure and will allow potential clients to contact Mountjoy via e-mail. The cost of website development is not expected to exceed \$5,000.

Public Relations

In addition to the company's direct-mail campaign, Mountjoy will initiate a press relations campaign that targets local, national, and international newspaper and magazine writers. The company will send brochures and letters to publications such as the *Ogden Post* , the *Rocky Mountain News* , the *Wall Street Journal* , the *New York Times* , *Men's Journal* , *Outside* , *Ski* , *Skiing* , and *Powder* . One to two weeks after brochures and letters have been sent, Mountjoy will contact the appropriate representatives, offering complimentary ski days for those correspondents who would like to experience Mountjoy's service.



Advertising

Mountjoy will advertise on the local Ogden television channel at a cost of approximately \$5,600 per season, place company brochures in local hotels, advertise in local newspapers, and pay for listings in *Ogden Visitor's Guide* and *Ogden Magazine*.

Personal Selling

The CEO will conduct regional sales presentations for prospective corporate clients during the off-season. These exclusive presentations will be held by invitation only and will give the founders an opportunity to demonstrate Mountjoy's high degree of service. Beginning in the second year of operation, presentations will also be held abroad in order to capitalize on the CEO's extensive network of international contacts.

Videotape Production

The company will produce videotapes that include an introduction to Mountjoy's services and footage of spectacular powder skiing in the company's permit area. These tapes will run continuously in Mountjoy's office for the benefit of walk-in clients and will be available to prospective clients upon request.

Commissions

Mountjoy will cultivate relationships with Ogden lodging concierges and accredited travel agents, rewarding them for client referrals with free ski days and commissions where appropriate.

Moonlight Descents

Mountjoy will schedule complimentary moonlight descents once per month for influential members of the Ogden community and for those who have referred a substantial number of clients to Mountjoy. Occurring on Friday evenings and synchronized as closely as possible with the rising of the full moon, these events will take place after regular business hours. Guests will be transported via snowcat to the top of a gently sloping hill. The CEO will lead the group with a blazing torch down to the company's cabin where a roaring fire, hot drinks and a catered dinner will be available. For those who wish to make repeated descents, a snowcat will be on call to transport them back to the top of the hill. The entire event will be designed to showcase Mountjoy's high standards of service and to generate goodwill and future sales.

Post-Service Follow-Up

Within two weeks of each client's visit, Mountjoy will send a personalized letter of thanks that includes a return postcard requesting feedback and suggestions for improving the service. During late summer of every year, the company will send brochures to its former clients informing them of changes and improvements for the upcoming season and inviting them to return.

Sponsorship

Mountjoy will actively support local clubs and charitable organizations by donating free ski days and hosting special events.



DEVELOPMENT

Timeline

Mountjoy's development activities can be divided into two phases as outlined below. The development period began January 1, 1999 and ends December 14, 1999. Phase I activities were funded with seed money contributed by the founder. Phase II began with the exercise of Mountjoy's option to purchase OPC's assets. It has been funded by the proceeds of the companies first round of financing.

1999 Jan 1		Jun 1		Dec 15
	<i>Phase I</i>		<i>Phase II</i>	
Organization		Office Space		
Seed Funding		Insurance		
Legal Counsel		Marketing and Sales		
Option Agreement		Vehicles		
Due Diligence		Snowcats		
Exercise of Option		Equipment		
Closing				

1999

Jan 1		Jun 1		Dec 15
	<i>Phase I</i>		<i>Phase II</i>	
Organization		Office Space		
Seed Funding		Insurance		
Legal Counsel		Marketing and Sales		
Option Agreement		Vehicles		
Due Diligence		Snowcats		
Exercise of Option		Equipment		
Closing				

Phase I (January 1, 1999 to May 31, 1999)

Organization

Mountjoy organized as a Utah Limited Liability Company (LLC) on January 11, 1999.

Seed Funding

Mountjoy's Phase I expenses are funded by a \$100,000 capital contribution from its founder, Mr. Metterley. These funds have covered all expenses incurred during Phase I of the development period.

Legal Counsel

Mountjoy has retained Jackson, Smith, and Barney as its legal counsel. Based in Provo, Utah, the firm specializes in corporate law.

Option Agreement

Mountjoy signed an option agreement with OPC on January 26, 1999 that entitles the company to purchase OPC's assets, trade name, and client list at the end of the 1998/1999 winter season. The option was exercised by Mountjoy on May 31, 1999.



Due Diligence

In January of 1999, Mr. Metterley began an ongoing due diligence process facilitated by the current proprietors of OPC. Mr. Metterley has been briefed with regard to management and sales tasks, and has joined current OPC employees in guiding ski trips. This process will continue throughout the development period.

Closing

Mountjoy will close on its purchase of OPC's assets on Friday, August 20, 1999.

Phase II (June 1, 1999 to December 14, 1999)

Office Space

Mountjoy will lease permanent office space in Ogden, Utah. Office renovations are expected to last as long as two months and cost \$30,000. The approximately 1,000-square-foot facility will be used for administrative duties and storage of ski equipment.

Insurance

Mountjoy will acquire a comprehensive array of insurance policies prior to commencing operations, including general business insurance, key man insurance, snowcat and vehicle insurance, health insurance, workers' compensation insurance, general liability insurance and property damage insurance for the company's on-mountain cabin.

Marketing and Sales

Mountjoy will begin its marketing and sales campaign during the summer of 1999. Details may be found in the Marketing section.

Vehicles

The company will sell OPC's existing vans and will lease two vans on a seasonal basis.

Snowcats

Because OPC's aging snowcats are incapable of climbing steep slopes and are unsuitable for Mountjoy's improved service level, the company will replace them with two newer leased models built by Bombardier. An experienced fabricator will be retained to build custom twelve-passenger cabins at an estimated cost of \$30,000 each.

Equipment

The company will purchase all outdoor equipment necessary to conduct its business prior to commencing operations. This includes technical, communications, and safety equipment as well as specialized Volant powder skis.



OPERATIONS

Personnel

Management

Emmett Metterley serves as Mountjoy's Chief Executive Officer. He will begin drawing a \$60,000 annual salary beginning June 1, 1999.

Guides

During its first two operating seasons, Mountjoy will employ six guides on a full-time basis. In addition, the company will maintain relationships with qualified part-time guides who are able to work when needed. All guides will be trained in ski and snowboard instruction, mountain safety procedures, snow stability evaluation techniques, and customer service skills. Mountjoy's lead guides will possess at least five years of industry experience, Emergency Medical Technician certification, and training in snowcat operation and maintenance. Guides will be compensated at a rate of \$90 to \$110 per day.

Administrative Assistant

Mountjoy will employ a seasonal administrative assistant beginning November 1, 1999 at the equivalent of an annual salary of \$25,000. The assistant's duties will include answering the company phone, accepting reservations from clients and performing general administrative tasks.

Service Delivery

Transportation

Mountjoy will transport its clients from their lodging or the company's office directly to its staging area in the Wasatch National Forest. Morning half-day trips will depart at 7:15 A.M. , full-day trips at 7:45 A.M. , and afternoon half-day trips at noon.

Equipment

In order to ensure their comfort, Mountjoy will request that clients use their own ski boots and poles. Prior to skiing, clients will visit Mountjoy's office in order to allow for custom fitting of their boots to the company's powder skis. In addition to powder skis, Mountjoy will provide each client with a small backpack, digital avalanche transceiver, shovel, avalanche probe, and personal water bottle. The company will also keep a limited number of telemark skis on hand for those clients who are skilled in their use. Snowboarding clients will be asked to provide their own boots and boards.

Cabin

After a thorough remodeling during the summer of 1999, Mountjoy's on-mountain cabin will be ideally suited to provide a welcome respite after a morning of powder skiing. Its features will include a dining table, cast iron stove, comfortable reading chairs, and a modern propane-fired incinerating toilet.

Safety Procedures

All guides will use two-way radios to remain in constant communication with each other and the company's office. Guides will carry comprehensive first-aid kits in their backpacks and will keep large items such as



rescue sleds and oxygen canisters in the snowcats. In an emergency, injured parties may be transported down the mountain in a snowcat or flown directly to the hospital via helicopter.

The company's guides will conduct regular snowpack and snow stability evaluations supervised by Mr. Metterley, a certified Level III avalanche forecaster. Using meteorological data, snow pits, and advanced stability measures, they will carefully monitor the snow conditions on all of the area's major slopes. The thoroughness of these procedures will allow Mountjoy to expand its operations into more challenging terrain than is currently utilized by OPC.

Growth

Mountjoy's fifteen-square-mile permit area will encompass approximately 10,000 acres and will be five to ten times larger than the permit areas of competing Utah snowcat ski operators. The company's exceptional service quality and aggressive marketing strategy are projected to generate enough demand by the third year of operation to require the addition of a third snowcat.

FINANCIAL SUMMARY

Income Statement

The following chart summarizes the projected financial performance of Mountjoy over the five-year period ending in April of 2004.

For the year ending April 30 (Amounts in Dollars)	2000	2001	2002	2003	2004
Revenue	446,075	541,666	710,937	895,780	1,081,655
Cost of Services	162,590	246,997	315,453	365,339	394,745
Gross Margin	283,485	294,669	395,483	530,442	686,910
% of Revenue	64%	54%	56%	59%	64%
Operating Expenses	208,617	189,986	211,381	234,211	256,303
% of Revenue	47%	35%	30%	26%	24%
Interest Expense	61,669	59,367	55,537	44,131	33,291
Net Income/(Loss)	13,199	45,316	128,566	252,100	397,315
% of Revenue	3%	8%	18%	28%	37%

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Balance Sheet

The Balance Sheet provides an overview of the company's use of the proceeds of its first round of financing.



April 30 (Amounts in Dollars)	2000	2001	2002	2003	2004
Current Assets					
Cash	192,655	185,702	163,176	222,401	371,924
Accounts receivable	16,828	20,280	26,618	33,539	40,498
Total Current Assets	209,482	205,983	189,794	255,940	412,422
Intangible Assets					
Goodwill/Non-compete	195,000	195,000	195,000	195,000	195,000
Organization costs	13,000	13,000	13,000	13,000	13,000
Accumulated amortization	13,961	29,561	45,161	60,761	75,494
Net Intangible Assets	194,039	178,439	162,839	147,239	132,506
Fixed assets	395,457	428,165	582,550	647,558	710,066
Accumulated depreciation	29,137	101,722	190,816	274,971	331,553
Net fixed assets	366,320	326,443	391,734	372,587	378,513
Total Assets	769,841	710,865	744,367	775,766	923,441
Liabilities					
Total Current Liabilities	18,642	20,921	23,484	26,231	28,750
Bank Loan Liability	551,484	493,669	430,272	360,757	284,532
Capital Lease Liability	102,422	71,793	88,988	35,897	18,889
Total Liabilities	672,548	586,383	542,745	422,884	332,170
Members' Capital					
Beginning of period capital balance	106,228	151,066	258,192	446,664	736,616
Contributions	-	-	-	-	-
Net income/ (loss)	-8,935	-8,458	-5,144	7,057	13,581
Distributions	-	-18,126	-51,426	-100,840	-158,926
Total Members' Capital	97,293	124,482	201,622	352,882	591,271
Total Liabilities and Members' Capital	769,841	710,865	744,367	775,766	923,441

April 30 (Amounts in Dollars)	2000	2001	2002	2003	2004
Current Assets					
Cash	192,655	185,702	163,176	222,401	371,924
Accounts receivable	16,828	20,280	26,618	33,539	40,498
Total Current Assets	209,482	205,983	189,794	255,940	412,422
Intangible Assets					
Goodwill/Non-compete	195,000	195,000	195,000	195,000	195,000
Organization costs	13,000	13,000	13,000	13,000	13,000
Accumulated amortization	13,961	29,561	45,161	60,761	75,494
Net Intangible Assets	194,039	178,439	162,839	147,239	132,506
Fixed assets	395,457	428,165	582,550	647,558	710,066
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Total Members' Capital	97,293	124,482	201,622	352,882	591,271
Total Liabilities and Members' Capital	769,841	710,865	744,367	775,766	923,441



Statement of Cash Flows

For the year ending April 30 (Amounts in Dollars)	2000	2001	2002	2003	2004
Cash flows from operating activities:					
Net income/(Loss)	13,199	45,316	128,566	252,100	397,315
Adj. to reconcile net income/(loss) to cash					
Depreciation and amortization	87,682	88,185	104,694	99,755	71,315
Changes in operating assets and liabilities:					
(Increase)/decrease in accounts receivable	(16,828)	(3,453)	(6,338)	(6,921)	(6,959)
Increase/(decrease) in accounts payable	16,356	2,279	2,563	2,747	2,519
Net cash provided/(used) by operating activities	100,409	132,326	229,486	347,681	464,191
Cash flows from investing activities:					
Purchase of fixed assets	(310,457)	(32,708)	(89,385)	(65,008)	(62,508)
Other investing activities	(175,000)	-	-	-	-
Net cash provided/(used) by investing activities	(485,457)	(32,708)	(89,385)	(65,008)	(62,508)
Cash flows from financing activities:					
Principal payments	(76,094)	(88,444)	(111,201)	(122,607)	(93,233)
Contributions	640,000	-	-	-	-
Distributions	-	(18,126)	(51,426)	(100,840)	(158,926)
Net cash provided/(used) by financing activities	563,906	(106,570)	(162,627)	(223,447)	(252,159)
Net increase/(decrease) in cash	178,858	(6,952)	(22,527)	59,226	149,523
Cash - beginning of period	13,796	192,655	185,702	163,176	222,401
Cash-end of period	192,655	185,702	163,176	222,401	371,924

For the year ending April 30 (Amounts in Dollars)	2000	2001	2002	2003	2004
Cash flows from operating activities:					
Net income/(Loss)	13,199	45,316	128,566	252,100	397,315
Adj. to reconcile net income/(loss) to cash					
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Cash - beginning of period	13,796	192,655	185,702	163,176	222,401
Cash-end of period	192,655	185,702	163,176	222,401	371,924

Use of Proceeds

The company will use the proceeds of the first round of financing (i.e., \$700,000) in the following manner:

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- 1. \$305,000 (approximately one half of the proceeds) will be used by the company to purchase the assets of Ogden Powder Cats, a Utah corporation ("OPC"), pursuant to the terms and conditions of an option agreement dated January 26, 1999. As more fully described in "The Business Plan," this transaction will provide the company with its initial working assets and will allow it to assume OPC's former Special Use Permit in the Wasatch National Forest.
- 2. \$200,000 will be used by the company for other capital expenditures, including, but not limited to:
 - a. The replacement of snowcats.
 - b. Powder skis and safety equipment for clients.
 - c. Lease of an additional van.
 - d. The renovation of the on-mountain cabin.
- 3. \$145,000 (approximately one-quarter of the proceeds) will be used by the company for working capital. These funds will be roughly allocated as follows:
 - a. Marketing expenditures (budgeted at approximately \$90,000).
 - b. Office lease (approximately \$20,000).
 - c. Reserve (\$35,000).

APPENDIX

Advisory Board

John Wise

Mr. Wise is Chairman of the Board of Managers of SPAS and a founding Member of the Stone Pine Companies. Mr. Wise is also Chairman and Chief Executive Officer of FCM Fiduciary Capital Management Company, a registered investment advisor, and Consolidated Capital of North America, Inc., a company involved in steel fabrication and steel service center operations. Mr. Wise was Chief Executive Officer of Laidlaw Holdings, Inc., an investment services company, from January 1995 until November 1996. For more than 15 years prior to July 1990, Mr. Wise was engaged in investment banking activities with Shearson Lehman Hutton Inc. and its predecessor, E. F. Hutton & Company, Inc. Mr. Wise served in various capacities with Shearson and E. F. Hutton, including Executive Vice President and Director, Managing Director, Head of Direct Investment Origination and Manager of Corporate Finance. Mr. Wise also serves as Chairman of the Board of Directors of Silver Screen Management, Inc. and International Film Investors, Inc., which manage film portfolios. Mr. Wise is also a director of MacDonald Pharmaceuticals, Inc., a publicly held company, LMC Corporation, a privately held manufacturer of low ground pressure vehicles, Hamilton Lane Advisors, HSLP Investment Management LLC, and Rockland Lane Private Equity Fund PLC, an Irish Stock Exchange listed investment partnership. Mr. Wise graduated from the University of Michigan in 1965 with a B.S. degree in Business and Economics and from Harvard Business School in 1968 with an M.B.A. in Finance.

Christopher Walker

Mr. Walker is a Partner of Utah Venture Management (UVM), a venture capital firm located in Logan, Utah. He is Vice President of UVM Equity Fund V, a new \$6 million venture fund investing in start-up companies throughout Utah and New Mexico. Mr. Walker was formerly Executive Vice President of the Logan Technology Incubator, a not-for-profit business whose mission is to council and fund promising technology-based start-up companies during the early stages of their development. Mr. Walker holds an M.B.A. from the University of Utah.



Maxwell Stokes

Mr. Stokes holds an M.B.A. in Entrepreneurship from the University of Utah. He is the Marketing Director for TeleConnect, Inc., a high-tech telecommunications start-up company in Ogden, Utah. His responsibilities include establishing a market penetration strategy, evaluating new markets, analyzing the competitive nature of the industry, and spearheading a marketing communications campaign. Prior to his work at TeleConnect, he was a consultant with RRC Associates, a market research firm specializing in the ski industry. Clients of Mr. Stokes at RRC included Peterson Resorts, Intrawest Resorts, and Booth Creek Holdings.

Casey and Rita Madison

Mr. and Mrs. Madison founded Ogden Powder Cats in 1983. During the past sixteen years, their business has grown substantially. They have signed a noncompete agreement that prohibits them from competing with Mountjoy within the state of Utah and have also pledged their support as consultants to Mountjoy while the company establishes its presence in the marketplace. Mr. and Mrs. Madison are currently training Mr. Metterley in the operation of Ogden Powder Cats.

James Calloway

Mr. Calloway is President and Founder of the Adventure Travel Society. His company offers marketing consulting services to adventure travel and outdoor recreation firms worldwide. He has 25 years of experience in the outdoor recreation and tourism industry. Mr. Calloway has acted as a liaison for the outdoor industry, government agencies, and the private sector in the United States and around the world. He has also served as a recreation planning consultant to corporations and governments. Mr. Calloway founded the annual Congress on Adventure Travel and Ecotourism, the premier international industry event. He served as Executive Director of the Western River Guides Association for eight years, co-founded American Rivers, and was Chairman of American Wildlands.

Jack Bolten

Mr. Bolten is an Associate Professor in the University of Utah's College of Business. He has held a variety of senior management positions during his career in business, including Director of the acquisition and new ventures department for Owens-Illinois, President of a manufacturing subsidiary of General Electric, and Founder of National Computer Graphics, a software development company in the graphic arts and CAD/CAM markets. Mr. Bolten continues to provide management advice to Utah start-up companies. He holds an M.B.A. from the Wharton School of the University of Pennsylvania.

Jeffrey Wismer

Mr. Wismer is a certified public accountant and former associate of Deloitte & Touche LLP, a national public accounting firm. While at Deloitte & Touche, Mr. Wismer planned and supervised audit engagements for a wide variety of public and private companies. His financial accounting experience is complemented by several years of tax return preparation during which he was responsible for completing individual and partnership tax returns. Since leaving Deloitte & Touche, Mr. Wismer has served as a strategic marketing consultant for several nonprofit organizations and entrepreneurial start-ups.

Competitor Profiles

Provo Mountain Powder Tours

Like Mountjoy, the snowcat operation on Provo mountain utilizes a 12-passenger snowcat with two guides. Passengers are treated to an early morning ride on the gondola to the top of Provo mountain to reach the



company's staging area. Because their permit area only encompasses 1,400 acres of mostly southward facing terrain, true powder conditions are short lived. Rates for the 1998/99 season are \$245 per person per day and include the use of Volant powder skis.

The quality of service is as close as any competitors come to Mountjoy but the overall experience still does not compare. With less than fifteen percent of Mountjoy terrain, only half as much snow of greatly inferior quality, and without the luxury of an on-mountain cabin, Provo Mountain Powder Tours finds it difficult to live up to the high standards expected by its well-heeled clients.

Johnson Ridge Snowcat Tours

Johnson Ridge operates a single, 12-person snowcat near Ski Cooper, approximately 90 miles from Ogden. The service is priced at \$125 per seat.

Johnson Ridge is positioned at the lowest price point for snowcat skiing in the area. Its service appeals to those who require transportation into the backcountry but do not want to pay for additional services. Johnson Ridge offers only 1,800 acres of inferior terrain and often marginal snow conditions, yet typically sells out every season. The popularity of this service demonstrates that a substantial market exists for snowcat skiing in Utah and much of it is currently unserved.

Heli-Ski

Heli-Ski is the only helicopter supported ski service in Utah. Based in Grand Junction, approximately 300 miles from Ogden, it flies its customers to a permit area in the Sawatch mountains. Passenger space is sold at \$625 per seat, and up to five groups of three customers each may be shuttled by a single helicopter. Heli-Ski also charts its helicopter and guide to single customer groups for \$6,500 per day.

Heli-Ski provides a service similar to a flying bus, but is significantly more expensive than all other providers in Utah. While helicopters are undoubtedly quicker than snowcats, helicopter skiing involves lengthy waits at the bottom of a run, while additional groups who share the same helicopter are being shuttled to the top of their run. Due to the logistical problems associated with using one four-passenger helicopter among twenty skiers, Heli-Ski guarantees no more than 10,000 vertical feet per day. In addition, the operation of a helicopter may prove to be a serious liability, as evidenced by the pending lawsuit against Heli-Ski due to its recent crash with clients on board.

Peterson Snowtours

Peterson Resorts, Inc. owns Peterson Snowtours, a snowcat skiing operation that allows customers to backcountry ski on Peterson Pass, approximately 90 miles from Ogden. The service includes round-trip transportation by van, lunch, the use of powder skis, and one guide for up to ten customers. Rates for the 1998/99 season are \$240 per person per day.

Mountjoy offers a superior service at a similar price point. Not only do Mountjoy's clients benefit from the company's addition of a second guide for every group, but Mountjoy's terrain is far superior to that offered by Peterson Snowtours. Peterson Pass is well known as a snowmobile Mecca and is subjected to considerable traffic noise from the interstate. Moreover, the snow in this terrain is often compacted by wind and prone to very high avalanche danger.