

## La importancia de la evaluación comparativa para los gestores y propietarios de áreas de esquí : Una herramienta estratégica desconocida

The Importance of Benchmarking to Ski Area Managers and Owners:  
A Strategic, Under-used Tool"

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## "El crecimiento no es solamente ser más grande y generar más ingresos, es también ser más eficiente (y más rentable) en nuestras operaciones."

Steve Paccagnan, Presidente y CEO  
Kicking Horse Mountain Resort, BC, Canada  
Mayo 2011

"Growth is not just about being bigger and generating more revenue,  
it is also about being more efficient (and more profitable)  
in our operations."

Steve Paccagnan, President and CEO  
Kicking Horse Mountain Resort, BC, Canada  
May 2011



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**Is benchmarking something we do on a regular basis?**

YES! Every time you buy!



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YES! Every time you buy:



## Is benchmarking something we do on a regular basis?

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## ¿Que es la evaluación comparativa?

" La evaluación comparativa es el proceso con el cual una compañía mide sus productos, servicios, y prácticas en comparación con sus competidores más grandes, o con las compañías reconocidas como líderes en su industria."

Fuente : Enciclopedia of Small Business [www.referenceforbusiness.com](http://www.referenceforbusiness.com)

What is benchmarking?

"Benchmarking is the process through which a company measures its products, services, and practices against its toughest competitors, or those companies recognized as leaders in its industry."

Source: Encyclopedia of Small Business [www.referenceforbusiness.com](http://www.referenceforbusiness.com)



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## ¿Que es la evaluación comparativa?

" La evaluación comparativa es una de las mejores herramientas de un gestor para determinar si la compañía está realizando funciones y actividades particulares de manera eficaz, mismo si sus costes coinciden con los costes de sus competidores, o mismo si sus actividades y procesos de negocio internos necesitan ser mejorados”

Fuente: Enciclopedia of Small Business [www.referenceforbusiness.com](http://www.referenceforbusiness.com)

What is benchmarking?

"Benchmarking is one of a manager's best tools for determining whether the company is performing particular functions and activities efficiently, whether its costs are in line with those of competitors, and whether its internal activities and business processes need improvement."

Source: Encyclopedia of Small Business [www.referenceforbusiness.com](http://www.referenceforbusiness.com)



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## Is benchmarking a new buzz word?

NO!

*"In the 1970s, Xerox was the largest manufacturer of copiers in the world. However, Japanese manufacturers were making better copiers, selling them for less, and making a good profit. This prompted the company to directly compare itself with its direct and best competitors to determine what it could do to increase productivity while decreasing costs.*

*"Benchmarking really began in its modern form with the introduction of competitive benchmarking at Rank Xerox around 1976."*

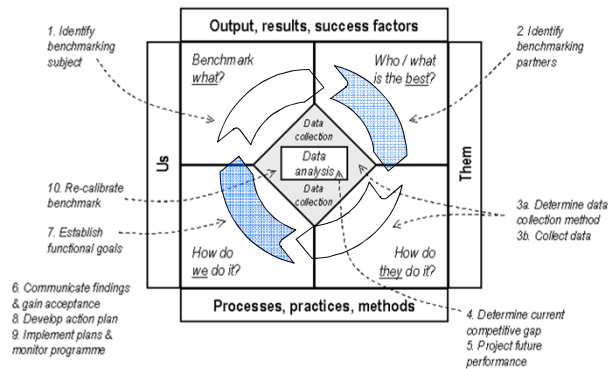
Source: Joseph Blakeman, University of Wisconsin-Milwaukee



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## Rand Xerox Benchmarking Template



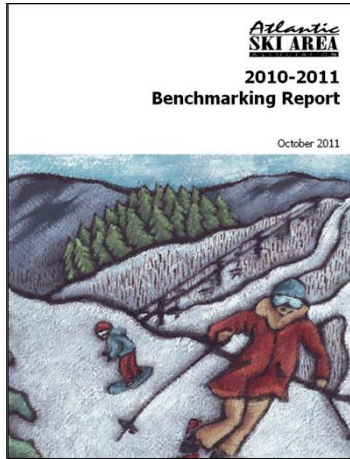
Source: Rob Phaal, University of Cambridge



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## A Business Case



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## A Business Case

Client: Atlantic (Canada) Ski Area Association

Number of ski areas: 9 areas (out of 11) are members, 7 areas are involved

Objectives: Compare (regionally) by size of area



- \* marketing strategy
- \* financial indicators
- \* capital investments
- \* wages and salaries

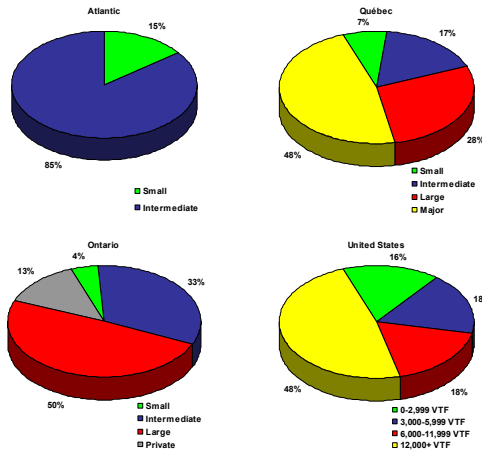


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## A Business Case



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Table I-Overall Situation

	ASAA Atlantic Ski Areas Association	ASSQ Association des stations de ski du Québec	OSRA Ontario Snow Resorts Association	NSAA National ski Areas Association
<b>2008-09</b>				
Skier-visits (SV)	69,653	52,554	70,358	70,935
Days of operation	97	92	92	93
	\$000 %	\$000 %	\$000 %	\$000 %
<b>Revenues</b>	<b>1,585</b> 100.0	<b>1,211</b> 100.0	<b>2,625</b> 100.0	<b>2,800</b> 100.0
Direct Operation Expenses <sup>2</sup>	714 45.0	734 60.6	1,560 59.4	1,607 57.4
Gross Margin	871 55.0	477 29.4	1,065 40.6	1,193 42.6
Administration, Marketing and General Expenses	498 31.4	329 27.2	1,002 38.2	474 16.9
EBITDA	373 23.6	148 12.2	63 2.4	719 25.7
<b>2007-08</b>				
Skier-visits (SV)	68,415	59,781	69,624	74,490
Days of operation	96	97		96
	\$000 %	\$000 %		\$000 %
<b>Revenues</b>	<b>1,461</b> 100.0	<b>1,308</b> 100.0		<b>2,943</b> 100.0
Direct Operation Expenses <sup>3</sup>	760 52.0	763 58.3		1,694 57.6
Gross Margin	701 48.0	545 41.7	NA	1,249 42.4
Administration, Marketing and General Expenses	404 27.7	383 29.3		514 17.5
EBITDA	297 20.3	162 12.4		735 24.9

Sources: ASAA 2008-2009 Benchmarking Report; Étude économique et financière des stations de ski du Québec : Saison 2008-09; OSRA 2008-2009 End-of Season Report; 2008-09 Economic Analysis of United States Ski Areas, Special Tabulations, RRC Associates





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Table 2-Revenues

	ASAA			ASSQ			OSRA			NSAA		
	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV
<b>2008-09</b>												
Revenues	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV
Ski (Ticket)	853	53.8	12.25	655	54.1	12.46	1,328	50.6	18.87	1,364	48.7	19.23
Restaurants	245	15.5	3.52	200	16.5	3.81	368	14.0	5.23	430	15.4	6.06
Bars	63	4.0	0.94	129	10.7	2.25	42	1.6	0.64	126	4.6	1.80
Snow School	134	8.5	1.91	129	10.7	2.25	278	10.6	3.85	126	4.6	1.80
Retail	48	3.0	0.69	27	2.3	0.53	22	0.8	0.31	59	2.1	0.83
Rental	204	12.9	2.93	82	6.8	1.57	146	5.6	2.08	499	17.8	7.03
Other Activities	38	2.4	—	116	9.6	—	441	16.8	—	320	11.4	—
<b>Total</b>	<b>1,585</b>		<b>22.21</b>	<b>1,211</b>		<b>20.83</b>	<b>2,625</b>		<b>31.04</b>	<b>2,800</b>		<b>34.96</b>
Revenue/SV												
<b>2007-08</b>												
Revenues	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV	\$000	%	\$/SV
Ski	828	56.7	12.10	705	53.9	11.78				1,381	46.9	18.54
Restaurants	244	15.3	3.27	230	17.6	3.84				457	15.5	6.14
Bars	49	3.4	0.79	136	10.4	2.27				119	4.0	1.60
Snow School	113	7.7	1.65	31	2.3	0.51	NA			64	2.2	0.86
Retail	47	3.2	0.69	65	4.9	1.08				591	18.0	7.13
Rental	180	12.3	2.63	144	11.0	—				391	13.3	—
Other activities	20	1.4	—									
<b>Total</b>	<b>1,461</b>		<b>21.06</b>	<b>1,308</b>		<b>19.46</b>				<b>2,943</b>		<b>34.26</b>
Revenue/SV												



## A Business Case

Table 3-Lift, School Revenues and Expenses

	ASAA		ASSQ		OSRA		NSAA	
	\$000	%	\$000	%	\$000	%	\$000	%
<b>2008-09</b>								
Lift Revenue	853	100.0	655	100.0	1,328	100.0	1,364	100.0
Salary + Benefits <sup>1</sup>	274	32.1			367	27.6	516	37.8
Other Costs <sup>2</sup>	66	7.7			326	24.5	330	24.2
Gross Margin	513	60.1			635	47.8	518	38.0
<b>2007-08</b>								
Lift Revenue	828	100.0	705	100.0			1,381	100.0
Salary + Benefits	249	30.1					503	36.4
Other Costs	152	18.4					377	27.3
Gross Margin	427	51.6					501	36.3
<b>2008-09</b>								
Snow School	152	100.0	129	100.0	278	100.0	128	100.0
Salary + Benefits	84	55.3			173	62.2	86	67.2
Other Costs	4	2.6			20	7.2	1	0.8
Gross Margin	64	42.1			85	30.6	41	32.0
<b>2007-08</b>								
Snow School	127	100.0	136	100.0			119	100.0
Salary + Benefits	51	40.2					96	80.7
Other Costs	27	21.3					2	1.7
Gross Margin	49	38.6					21	17.6

4 - Lift Operations, Snowmaking, Grooming, Ticket, etc. 5 - Energy, Maintenance, etc.



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Table 4-Retail, Rental Revenues and Expenses

ASAA		ASSQ		OSRA		NSAA	
2008-09		2007-08		2008-09		2007-08	
\$000	%	\$000	%	\$000	%	\$000	%
<b>Retail Revenue</b>	<b>84</b> 100.0	<b>29</b> 100.0	<b>37</b> 100.0	<b>59</b> 100.0			
Cost of Goods	48 57.1		9 24.3	23 39.0			
Salary + Benefits	13 15.5		23 62.2	6 10.2			
Other Costs	1 1.2		0 0.0	1 1.7			
Gross Margin	22 26.2		5 13.5	29 49.2			
<b>Rental Revenue</b>	<b>227</b> 100.0	<b>87</b> 100.0	<b>183</b> 100.0	<b>499</b> 100.0			
Salary + Benefits	53 23.3		51 27.9	96 19.2			
Other Costs	9 4.0		20 10.9	8 1.6			
Gross Margin	165 72.7		112 61.2	395 79.2			
<b>Retail Revenue</b>	<b>202</b> 100.0	<b>61</b> 100.0	<b>531</b> 100.0				
Salary + Benefits	53 26.2		91 17.1				
Other Costs	27 13.4		6 1.1				
Gross Margin	122 60.4		434 81.7				



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Table 5-Food & Beverage Revenues and Expenses

ASAA		ASSQ		OSRA		NSAA	
2008-09		2007-08		2008-09		2007-08	
\$000	%	\$000	%	\$000	%	\$000	%
<b>F&amp;B Revenue</b>	<b>286</b> 100.0	<b>212</b> 100.0	<b>438</b> 100.0	<b>430</b> 100.0			
Cost of Goods	126 44.1		206 47.0	166 38.6			
Salary + Benefits	62 21.7		156 35.6	129 30.0			
Other Costs	10 3.5		29 6.6	29 6.7			
Gross Margin	88 30.8		47 10.7	106 24.7			
<b>F&amp;B Revenue</b>	<b>251</b> 100.0	<b>246</b> 100.0	<b>457</b> 100.0				
Cost of Goods	113 45.0		167 36.5				
Salary + Benefits	58 23.1		143 31.3				
Other Costs	12 4.8		12 2.6				
Gross Margin	68 27.1		135 29.5				



## A Business Case

Outcomes for management team: Operational (performance) indicators

- Market Share
- Total revenues
- Revenue per visit
- Revenue per department
- Gross margins



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## A Business Case

Outcomes for owner:

Performance indicators

- Overall situation
- Market share
- Variations in total revenue
- ROI
- Revenue/capital invested
- Management team goal(s) for next season
- Management team bonus



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## A Business Case

The conclusion of this analysis:

Different regions, different organizations  
Level of competition is not the same  
Important differences in client behaviour

Variance in terms of:

Revenue breakdown  
Overall gross margin  
General expenses  
EBITDA

Department revenues  
Departments' gross contributions



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## A Business Case

The conclusion of this analysis:

For a ski area of this size, if you are a  
US owner, you need a Canadian  
management team to run your area!



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## En Conclusión

Herramienta potente  
Proporciona información a la industria  
Proporciona indicadores de funcionamiento

Un estudio de la evaluación comparativa es:

- \* Fácil ponerla en obra
- \* Necesitará el compromiso de varias áreas de esquí
- \* Necesitará un compromiso por lo menos de tres temporadas

### In Conclusion

Powerful tool (especially if close to your reality)  
Provides (general) industry info  
Provides performance indicators (for management team, owners and partners)

A Benchmarking Study is:

- \* Easy to set up
- \* Will need the commitment of several ski areas
- \* Will need a commitment for at least three seasons



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## ¿Preguntas?

## Gracias de haberme invitado

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Photos: Voyages Gendron (Montréal)  
Julien Pettit  
Mathieu St-Cyr, Skier: Jordan Foley

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