

## The Industry Report

### For the mountain resort industry

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#### 'Snow Trumps Everything' Says NSAA's Berry On Convention Eve



Michael Berry

Timing, for a change, was pretty good. The media's trumpeting of America's economic woes didn't roll out in earnest until the 2007-08 ski season was largely cast in history - potentially even a record.

"Snow trumps most issues at the end of the day," National Ski Areas Association President Michael Berry told *The Industry Report* on the eve of the 2008 NSAA convention, Wednesday through Saturday (May 28-31) in San Francisco.

Berry took a look at the state of the industry at convention time and previewed what conventioners will sink their teeth into this week beyond sea food and chocolate. NSAA is a trade association representing 332 ski areas of all sizes.

"That doesn't mean the ski industry is recession-proof at all, and if the economy remains unsettled by fall, we could face some issues. But if there's ever a good time for a down cycle, it is probably right now." He noted, quite correctly, that "we've survived gas crises before and have always found a way."

Snow was the story for the season just ended. "There really was great snow across the northern tier of the country, so it's possible we will set a record when the final numbers are in." The record was set in the 2005-06 season when skier days hit 58.9 million. "We could nudge into the 59-60 range."

Berry was cautious about predicting a record at this point because there were a few soft spots, though it's all relative. "California's rough start will probably mean that state's numbers could probably fall less than its 10-year average. It was a great season, but there still could be an asterisk on it.

"There's no reason to be over confident during economic downturns, particularly if it lingers, but skiers and snowboarders always have made it a priority to do whatever they have to can do to get to the mountains," he says. "They know it beats watching the tube on a Saturday afternoon. They might take shorter or closer trips, but they know how to prioritize things like what we offer them."

One plus going for the industry heading into the convention and next season is that it appears "we have finally solved the season pass pricing riddle and are making those passes extremely affordable."

The conundrum has been how can ski areas keep volume steady while growing the yield. "The analysis has been intense over the past decade, and has been fine-tuned each season," Berry points out. "Now, we know we're on the right track as volume of season pass sales has been steady and yields have been rising for the past three consecutive seasons."

Berry says there is no "dominant issue" at the '08 parlay and the subjects and themes of platform presentations and workshops cover a wide range.

"But, two issues stand out as dilemmas for us," he explains. "The most poignant issue, perhaps, is the H2B visa cap problem for returning foreign workers. We had the best of both worlds in the recent past not only for finding people to work in food service and maintenance jobs, but also in the highly skilled ski instructor venue that can significantly affect revenues."

The H2B working visa, for those readers not directly dealing with it, is a nonimmigrant visa which allows foreign nationals to enter into the U.S. temporarily and engage in nonagricultural employment which is seasonal, intermittent, a peak load need, or a one-time occurrence.

"Having the other workers available is nice, but now we're talking Level II and III instructors from Chile, Europe, Australia, and New Zealand that have become an important part of a ski area's revenue stream," Berry says. "There are many customers that expect to find their same instructor year after year and that affects their overall experience if that instructor has to stay home."

Another major concern at convention time is how we manage terrain parks now and in the future. Berry said NSAA's Terrain Park Task Force invested a great deal of time and energy this past year tackling the topics of park design, construction, operation and guest and employee education. One session will feature a terrain park litigation mock trial.

Other workshops center on the priorities of climate change; securing credit (led by a panel of bankers), and a CEO forum where industry leaders will meet with several professors from the University of California Haas School of Business to discuss strategic leadership and stakeholder management.

Berry says there always appears to be an over-riding issue at NSAA conventions year after year. "It's how much times change. It's never-ending change we have to deal with, not only at the resorts where most ski industry leaders work, but in society as a whole.

"Sometimes, because so many ski industry leaders live and spent all or most of their time at the end of a rural mountain road, it can insulate us from what's happening in our marketplaces."

Delegates will get a significant dose of the diversity message from platform keynoter Guy Garcia. His book *The New Mainstream* explains how Americans will eat, work, play, learn, and spend money in the 21st century. He will explain why an organization that ignores the lessons of the new mainstream is doomed to fail.

Berry has been on the job as NSAA Chief since 1992, and "with two teenagers, I'll be here for a while." What keeps him excited about his job year after year?

"I think it's because I have a young family. I see what they are doing now and it keeps me energized. I travel a great deal to different regions of the country and see what's happening and that has a role in keeping me committed.

"But, most of all, I have an absolute passion and interest in our sport." Then, he waxed rhapsodic about the "best ski day I've had in years just last month at Whistler." He didn't have to say anymore. We all understand.

**Written by Craig Altschul** on May 20, 2008