



**Minutes from Business Outlook Breakfast
January 14, 2009 7:30 – 8:30 a.m.**

Ed MacArthur – Native Excavating

2007 was a banner year and in comparison business was down 40% in 2008 and appears to be down 68% in 2009. In comparison with a more normal year, 2006, business was down only 15% in 2008 but 50% in 2009. Architects and engineers that he talked to were not seeing much getting started and were reducing their staffs. General contractors are seeing consumer demand for discounts and many contractors are advertising for business which then have not had to do in the recent past. Few out of town jobs. Many positives overall: great time to upgrade staff, housing/rentals are available, downtown truck traffic is minimal, good time to hire for construction projects. Time to take a breath and reorganize to see what can be improved in your business. Great learning experience for younger business owners/contractors.

Katy Martin – Resort Quest

This is a challenging time for partners, too – last year it seemed that Steamboat was affected more than others, but not anymore. 2008 finished ahead overall. December alone was down 10-20% (higher decrease was expected). Down 26% for the whole season, utilizing 30-40% heavy discounting because consumers are demanding deals ‘driving the bus’ and spending only at discounts. Compared to last year, it now takes 2.5 times longer to generate a general trip booking, and four times longer for a ski-specific booking. One third of all bookings are given at a promotional rate. Benefits for Steamboat: snow, flight program, priority on bookings and increasing marketing efforts. This is an opportunity for innovation – cross training teams to help each other and provide the best customer service. Guests become active evangelists – we can all be active marketers by utilizing Steamboat forums online! Write press releases for prweb.com and tell friends; contribute to a blog, make videos to post online, post pictures on Ficker, write reviews for Trip Advisor, be a Steamboat fan on Facebook, submit photos to TV news networks. Get people talking about Steamboat.

Jim Cook – Colorado Group Realty

Look back over the last 40 years at the 5-6 economic debacles to take things in stride. Resort areas are typically the last to be affected and the first to come out of the difficult times. Predicting turn around by the end of the second quarter in 2010. Pay attention to your perception – it becomes your reality/self-fulfilling prophecy. Know that the press has been a large contributor to the negativity over the current situation. Money is available, you have to work harder and smarter for it. Interest in downtown leasing is good, new tenants are very satisfied. Make an effort to support local retailers. Know that rent is a fraction of your business. Residential market (2 handouts): perception is that

bottom is falling out, reality of sales at 92% of list price, better selection of inventory than ever, money is available, now is the best time in the world to buy. Steamboat is a bargain compared to other resorts. International market needs to be embraced in the future.

Mike Poirot – Steamboat Ski Corporation

Difficult to compare numbers from last season because booking patterns are drastically different. Consumer Confidence Index (survey of 5,000 people monthly) reports all time low of 38 (compared to 88 last year). Retail spending is way down, thus cost cutting and job loss. US dollar is strengthening. Lower cost of fuel is the silver lining bringing air fare costs way down. Bookings are closer to travel time (2-3 months ahead of time vs 1-7 days now). Snow and deals are motivators. Sticking with strong brand (Western Heritage, community) and connection with customers (friendly, guest satisfaction). Utilizing database efficiently to target specific areas for TV, radio and print ads as well as cheap flights (Houston, Dallas, Chicago, Atlanta, NY). Biggest markets are TX, NY, Chicago. Appealing off-sets to travel costs (bag vouchers). Also focusing on extended drive market (\$99 for 3 days Pow Pow Platter with Winter Park and Copper). In general being more innovative and aggressive with marketing. Ski Time Square rebuild will be 2010 earliest.

PJ Wharton – Yampa Valley Bank

Fascinating last three months; great study on the impacts of fear. Estimating that we have at least 12, maybe 36 months more – 2010 will be a telling year. The consumer has the negotiating and choice power now. Regulations for banks are higher than ever (14 examinations this year alone) – have confidence in your local banks. As a small business owner, go talk to your banker now to find out what they are doing since every bank is different. Fraud is up, get online banking and check your accounts daily. Talk to mortgage broker to refinance with the current great rates.

Next Business Outlook Breakfast – February 11th @ Rex's