

Mammoth Mountain on quest to reinvent itself

By Aleksandra Gajewski, Mammoth Times

Mammoth Mountain Ski Area Chairman and CEO Rusty Gregory introduced the company's new executive management officials last week. With that announcement, he also launched the company's strategic plan to move forward on what he said was "Mammoth 3.0—catching the third wave."

Gregory said again that he will remain as the CEO of the company and the new leadership team will report to him.

The management team consists of Greg Dallas as chief operating officer of Mammoth and June Mountain Ski Areas; Erik Forsell as chief marketing officer; Mark Clausen as chief financial officer; and Ron Cohen as chief administrative officer.

A fifth officer, yet to be determined, will act as chief operating officer of hospitality.

With the new management team, Gregory hopes to go from a defensive attitude into an offensive one.

"We were doing the right thing playing defense," Gregory said. "But a new wave of opportunity is building."

In launching "Mammoth 3.0," Gregory said he and his team will focus on key strategies to market the ski area as "Southern California's Mountain Home."

In achieving this rebranding, the executive management team and their respective departments will adopt a series of new (and some not so new) strategies.

The overall strategy will consist of five main objectives: to become the loudest and most active voice of any mountain

resort community in the Southern California marketplace; to curate social experience and heighten social engagement; to focus on excellent service throughout each department; to maintain a rewarding and fun working environment; and to re-establish financial strength and stability.

Gregory said he is removing himself from day-to-day operations and will focus “exclusively on attracting investment capital.”

He said his focus will be on finding financial strength, stability, and paying off the remaining debt.

“We actually don’t have too much debt, we just don’t have enough operating income,” he said. “This is the area I’m focusing on.”

He said he wants to find investments that pay dividends back so he can have money for more investment into the company.

“We are not selling the company,” Gregory said. “Some day, Barry [Sternlicht] will sell his interest – that’s what private equity does.

“By the way, that’s what all ownership does. Dave McCoy sold his interest in the company. Took him 60 years ... and he deserved the big dollars he got out of it. Barry Sternlicht will deserve the value that we could create for him because we were able to use his investment in the company and we need to attract different investments.

“I have a proposal on my desk from a big, institutional company to give us \$350 million. That would pay off all of our debt, leaving us something around \$150 million to invest.

“Now, I’m not saying that I have finalized that deal, or that we want the terms of that deal, but that is what I’m doing.”

Gregory reflected on the ski area’s history and divided it up into parts (Mammoth 1.0 and 2.0). He reflected on the ups and downs in each time period, focusing on the last seven years.

After what he called Mammoth's "best year (2005-06), the ski area, along with the town, experienced seven challenging years, each year bringing a new set (or a combined set) of unique obstacles.

"The last seven years have presented us with a series of hardships; drought, lawsuits, town bankruptcy, and global financial meltdown, and the ensuing recession have left their mark on all of us," Gregory said.

Despite Mammoth Mountain paying off \$50 million in debt, investing \$70 million in capital, introducing air service (with seven flights a day at its peak), among other things, the morale of the mountain, the town of Mammoth Lakes, and the community as a whole was at an all-time low, he said.

"We feel like we hit the bottom," Gregory said.

Why? According to Gregory, it's because the community has been on the defense.

"This whole sentiment, this whole notion of playing defense comes from facing the challenges of shrinking resources and the hardships that we faced over the last seven years.

"It's a natural human experience, intensified by a small, rural community that we're in with a fragile economy, and by the politics that come from [living in a small town.]

"All of that pervades our existence."