



CENTRAL RESERVATIONS Service IMPLEMENTATION PLAN January 25, 2010

Overview

Based on a feasibility study completed by JW Clifford Marketing in November of 2009, Giants Ridge has elected to move to the next step in developing a central reservation service (CRS) for the resort. The service would include both a call center operation and an online reservations service for the resort and appropriate lodging within the surrounding region. An independent service provider would operate the service within the resort region, under contract with Iron Range Resources.

It must be noted that there is a possibility that this process may yet result in a determination by Giants Ridge that this initiative is no longer feasible, desirable or that sufficient support from the area businesses is not available to move forward at any stage in the process. To accommodate this possibility our work outline is proposed in multiple phases and Giants Ridge will have the option of terminating the engagement at the end of any of the phases.

Goals

Our goal will be to develop all of the plans, policies and requirements needed to:

A) Establish a high quality reservations service intended to maximize utilization of the available bed base in the Giants Ridge area and in turn maximize attendance at Giants Ridge.
Gain the support of the area businesses required to support the business.

B) Introduce the concept to the constituents and modify the program as needed to insure success and support.

C) Present the plans to any agencies or organizations involved in the approvals needed by Giants Ridge to support the project.

D) Develop a Request for Proposals (RFP) that can be used to solicit bids for the operation of the central reservations service.

E) Provide support and guidance to Giants Ridge through the awarding of the service contract and the initial implementation of the service.

Phases

1. Business Plan Development

- A business plan will be developed for the operation of the reservations service which will cover the following:
 - The scope of services to be provided by the CRS.
 - The service levels required by the CRS including call answering times, inventory update schedules, hours of operation and anticipated staffing requirements.
 - Identify insurance requirements for the business plan that will also be included in the RFP.
 - Staffing position skills and experience requirements needed to meet the objectives of the resort along with proposed job descriptions.
 - IT systems, software, telecom and other IT services required to operate the service.
 - IT requirements for interfacing to other systems needed to acquire lodging inventory for sale and to develop vacation packages to market in both the call center and online.
 - Recommended operating budgets including anticipated revenues from fees and/or commissions from area businesses participating in the service.
 - Establish recommended policies for the operation of the CRS including commissions, deposits, payment processing procedures, accounting methods and reporting requirements.
 - Determine the key performance goals of the service that will be used to evaluate the benefits of the service to Giants Ridge and participating businesses for management and funding purposes.
 - Recommend an organizational structure for oversight of the CRS operation by Giants Ridge including operational standards needed to protect the brand reputation of Giants Ridge and participating businesses.
 - Define procedures to modify the service agreements between Giants Ridge and the organization operating the CRS, once established, to insure the long-term satisfaction of all parties with the relationship or the processes needed to modify the relationship.
 - Anticipated potential support levels for any subsidization required by Giants Ridge to insure the success of the CRS will be determined at this stage of the process and will be a part of the decision to move forward with the initiative.
 - A proposed contract outline will be developed at this stage that will serve as the basis for the final service contract.
 - Identify potential real estate locations for the CRS and gather lease cost estimates to be used in development of the business plan and RFP.

2. Introduction to Area Businesses

- Once the business plan has been completed, a set of documents will be created that can be used to present in sufficient detail the proposed CRS service to all constituents whose support will be needed for the successful implementation and operation of the service.
- Meetings will be held with the anticipated constituents based on the recommendations of Giants Ridge to measure the support, gain input for plan modifications and identify potential flaws in the plans that will need adjusted in order for the project to succeed.
- The modification requests will be reviewed with Giants Ridge and an agreed to set of revised plans will be developed. Adjustments will be reviewed with constituents for one last round of input.
- The final and approved set of business plans will become the basis for the development of an RFP in the next phase of the engagement.

3. Request for Proposal Writing

- Once the business plan has been completed and accepted to the satisfaction of Giants Ridge, a draft RFP will be written and presented Giants Ridge and Iron Range Resources for approval. The final RFP will be produced and distributed by Iron Range Resources according the standard operating procedures for the state of Minnesota.
- Responses to the RFP will be handled according to the standard procedures used by Iron Range Resources. Once a list of candidates has been compiled by Iron Range Resources the proposals will be reviewed by JW Clifford Marketing and a set or recommendations on who we feel is the best qualified candidates will be provided to Giants Ridge and Iron Range Resources for consideration in the selection process.
- A draft contract will be developed JW Clifford and presented to Giants Ridge and Iron Range Resources for consideration in development of a final contract by the appropriate offices of the state of Minnesota. JW Clifford Marketing will work with Giants Ridge, Iron Range Resources and the stat of Minnesota to develop the final contract to be used in the awarding of the project with the understanding the JW Clifford is not a law firm and will only be providing business advice in this role.
- Iron Range Resources will make the final selection for the project according to the policies and procedures that they have established for such contracts.

4. Implementation and Start-up Support

- Once the contract for the CRS has been awarded JW Clifford Marketing will meet with the designated operators to review the full history of this initiative and provide them with guidance and assistance in the implementation of the service.

- JW Clifford Marketing will monitor the progress of the implementation for the first 30 days of the process as a part of this engagement. If JW Clifford needs to remain engaged beyond that time, a separate agreement will be made between Giants Ridge and JW Clifford Marketing to provide any additional support that may be needed at our customary fee levels.

Time Line

The project work will begin as soon as a contract is awarded to JW Clifford Marketing but no sooner than February 1st 2010.

Phases 1 and 2 should take no more than 30 days each to complete. Phase 3's time line will be determined by the contract award procedures of Giants Ridge, The Iron Range Resources agency and the state of Minnesota. JW Clifford will work diligently to be sure this phase takes no longer than reasonable and necessary. Phase 4 should begin as soon as the contract is awarded and accepted by the selected organization and should be complete within 30 days of initiation unless extended by agreement. It is anticipated that the full process should take approximately 6 months to complete.

Compensation

The fee for this engagement will be \$8,000 for each of the 4 phases and each phase will be billed and payable upon completion of the phase. While we don't anticipate exceeding this cost level we are not fully aware of the requirements of the state of Minnesota to complete this sort of project and will notify Giants Ridge of any potential cost over runs in advance that may come from unanticipated process work.

Additional expenses for travel and supplies will be billed at cost and all reasonable efforts will be exercised to keep these costs at a minimum. We do not anticipate this cost exceeding \$4,000.

Process

JW Clifford is aware of the process and bidding requirements utilized by Giants Ridge and Iron Range Resources for this sort of consulting engagement based on previous experience and is prepared to meet the standard requirements for this proposal.

Any additional questions should be directed to:

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