**Corporate Strategy and Growth Report - Q1 2026**

To: Executive Leadership Team, Department Heads

From: Eleanor Vance, Chief Executive Officer

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Subject: Corporate Strategy and Growth Report - Q1 2026

Executive Summary

Nexus Dynamics Corp. concluded fiscal year 2025 with exceptional performance, exceeding our Annual Recurring Revenue (ARR) target by 8% and achieving record growth in our core North American market. This report outlines our strategic direction for Q1 2026, which will focus on three primary pillars: launching our new "Predictive Fleet AI" module, initiating Phase 1 of our European market entry, and implementing a new customer success framework to reduce churn. These initiatives are designed to build on our current momentum, expand our total addressable market, and solidify our position as a leader in logistics optimization.

1. 2025 Performance Review and Key Learnings

Our performance in 2025 was driven by strong product-market fit and the successful scaling of our enterprise sales team. We closed the year with $48.5M in ARR against a target of $45M, representing 38% year-over-year growth. The acquisition of 75 new enterprise clients, including major logistics players like Sterling Haulage and Apex Distribution, underscores the market's confidence in our platform.

A key learning from Q4 2025 was a slight uptick in churn among our mid-market clients, from 6.1% to 6.5% annually. Analysis indicates this is primarily due to a need for more proactive support and onboarding for clients with less mature internal analytics teams. This insight directly informs our Q1 2026 strategic focus on enhancing customer success and retention.

Key Performance Indicators (FY 2025)

* Annual Recurring Revenue (ARR): $48.5M (vs. $45M target)
* YoY Revenue Growth: 38%
* New Enterprise Accounts: 75
* Net Revenue Retention (NRR): 112%
* Customer Churn (Annual): 6.5%

2. Q1 2026 Strategic Initiatives and Growth Levers

To ensure a strong start to the new fiscal year, we will concentrate resources on three targeted initiatives. These have been selected for their potential to generate both short-term revenue and long-term strategic value.

Initiative 1: Launch "Predictive Fleet AI" Module

The engineering and product teams have completed final testing on our new premium module, "Predictive Fleet AI." This module uses machine learning to forecast vehicle maintenance needs, reducing downtime and operational costs for our clients. The go-to-market strategy for Q1 will focus on upselling this module to our top 50 enterprise accounts. We project this initiative will add $1.5M in new expansion ARR during the quarter.

Initiative 2: European Market Entry (Phase 1)

Following extensive market research, we are green-lighting the first phase of our European expansion. Q1 will focus on establishing a small, dedicated team in Dublin, Ireland, to serve as our regional headquarters. The primary objective for this quarter is not immediate revenue, but to sign 5 strategic pilot customers in the UK and Germany to adapt our sales and product messaging for the EU market. A budget of $750,000 has been allocated for initial hiring and setup.

Initiative 3: Enhancing Customer Success and Retention

In direct response to our findings on mid-market churn, we will be implementing a new Customer Success Platform (Gainsight) and hiring two additional Customer Success Managers. The goal is to provide a more proactive, high-touch support model for our mid-market segment, reducing ticket resolution times by 20% and bringing the quarterly churn rate for this segment below 1.5%.

3. Recommendation

The strategies outlined for Q1 2026 are ambitious yet achievable, capitalizing on our 2025 successes while proactively addressing identified weaknesses. The combination of product innovation, market expansion, and a renewed focus on customer retention creates a balanced portfolio of growth activities.

It is recommended that the Executive Leadership Team formally approve the allocated budgets for these initiatives and direct all departments to align their Q1 objectives and key results (OKRs) with these three core priorities. This unified focus is critical to executing our plan effectively and setting the stage for another record-breaking year.