

Lariat Fleet Analysis Presentation

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Purpose

- Maximizing revenue by lowering vehicular costs
- Ensure that lowering costs will make a positive impact on Lariat's business objectives
- Will help Lariat have long-term stability as a company

Baseline Data

Current Issue(s)

The following issues facing Lariat are:

- High costs to maintain the number of vehicles
- Increased days of rent by clients

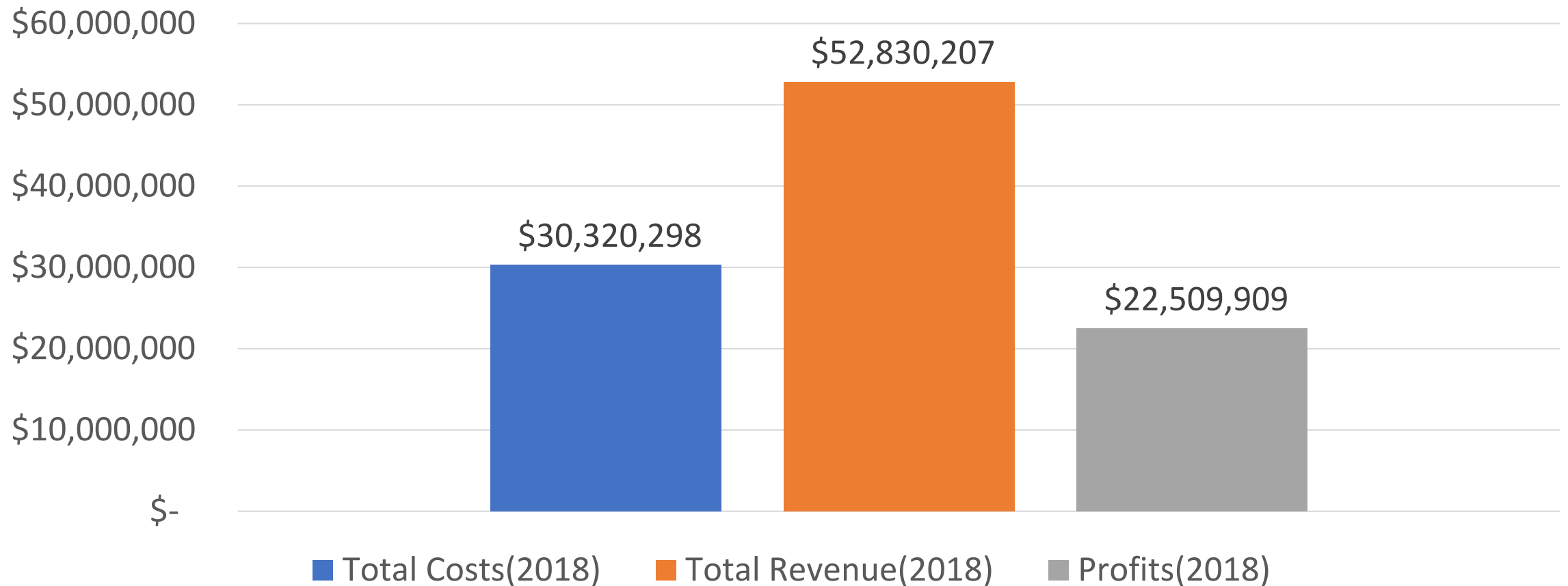
2018

# of vehicles	4000
# of branches	50
Total Revenue	\$ 52,830,207
Profits	\$ 22,509,909

Cost Assumptions			
Type	Costs	Max Costs	Min Costs
Car Maintenance	\$ 2,353,692	\$ 750	\$ 425
Insurance	\$ 402,699	\$ 150	\$ 50
Total Costs	\$ 30,320,298		

Current Issue(s)-Baseline

Total Costs vs Total Revenue & Profits(2018)



Main Goal/Objective

- Incorporate a combination of different strategies to adjust the revenue for the year 2019
- These strategies consist of:
 - Lowering of costs by decreasing a few of the vehicle IDs
 - Lowering of costs by closing a few of the fleet branches
- Main Goal: Target and extract the number of vehicles and/or fleet branches with the most costs

Strategy1

Decrease in Vehicles

- Release 10 cars from the fleet to decrease costs spent on maintenance, monthly costs, and insurance

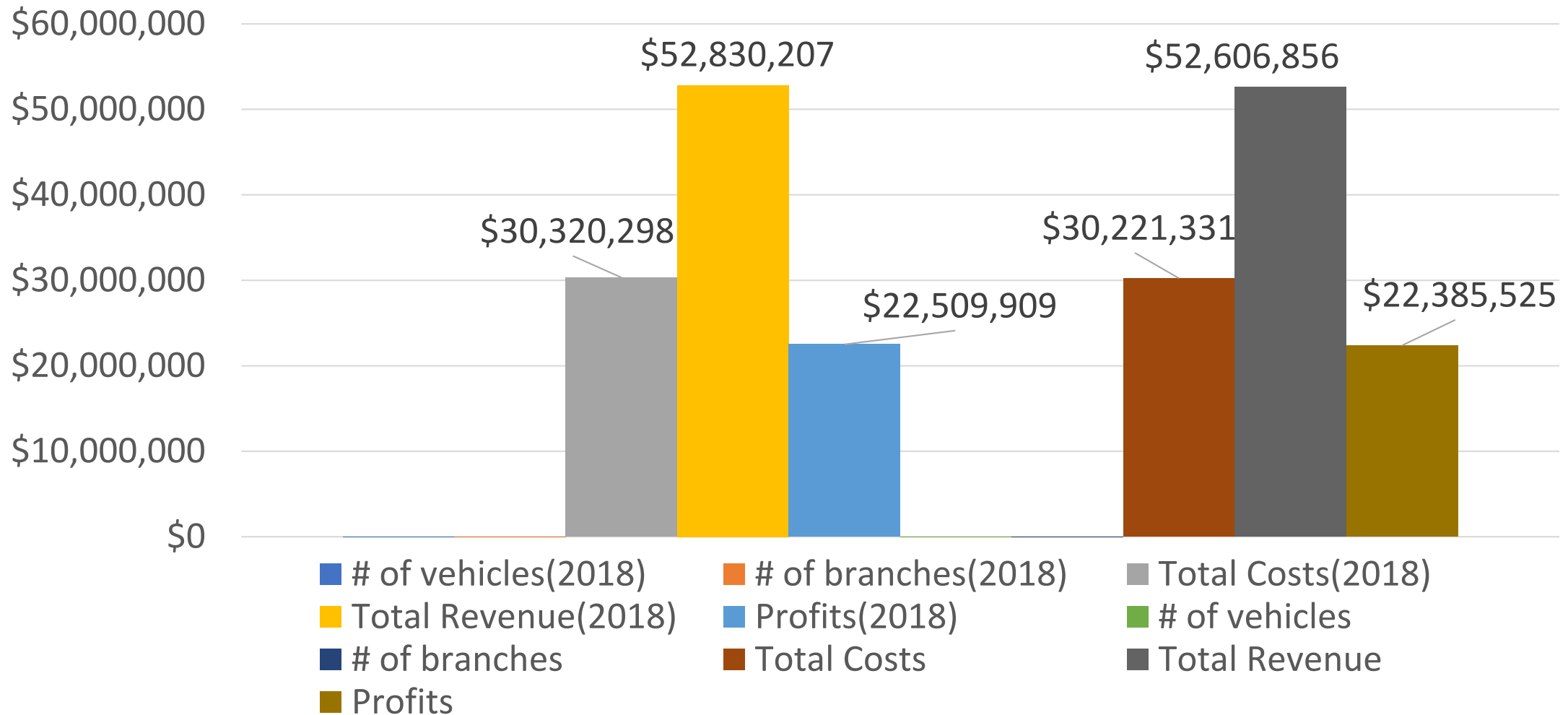
Strategy 1

# of vehicles	3990
# of branches	50
Total Revenue	\$ 52,606,856
Profits	\$ 22,385,525

New Assumptions			
Type	Costs	Max Costs	Min Costs
Car Maintenance	\$ 2,346,194	\$ 750	\$ 425
Insurance	\$ 401,200	\$ 150	\$ 50
Total Costs	\$ 30,221,331		

Strategy1-Decrease in Vehicles

Baseline vs First Strategy



Strategy2

Decrease in Branches

- Close 3 branches in order to lower employee costs, branch costs, and monthly costs

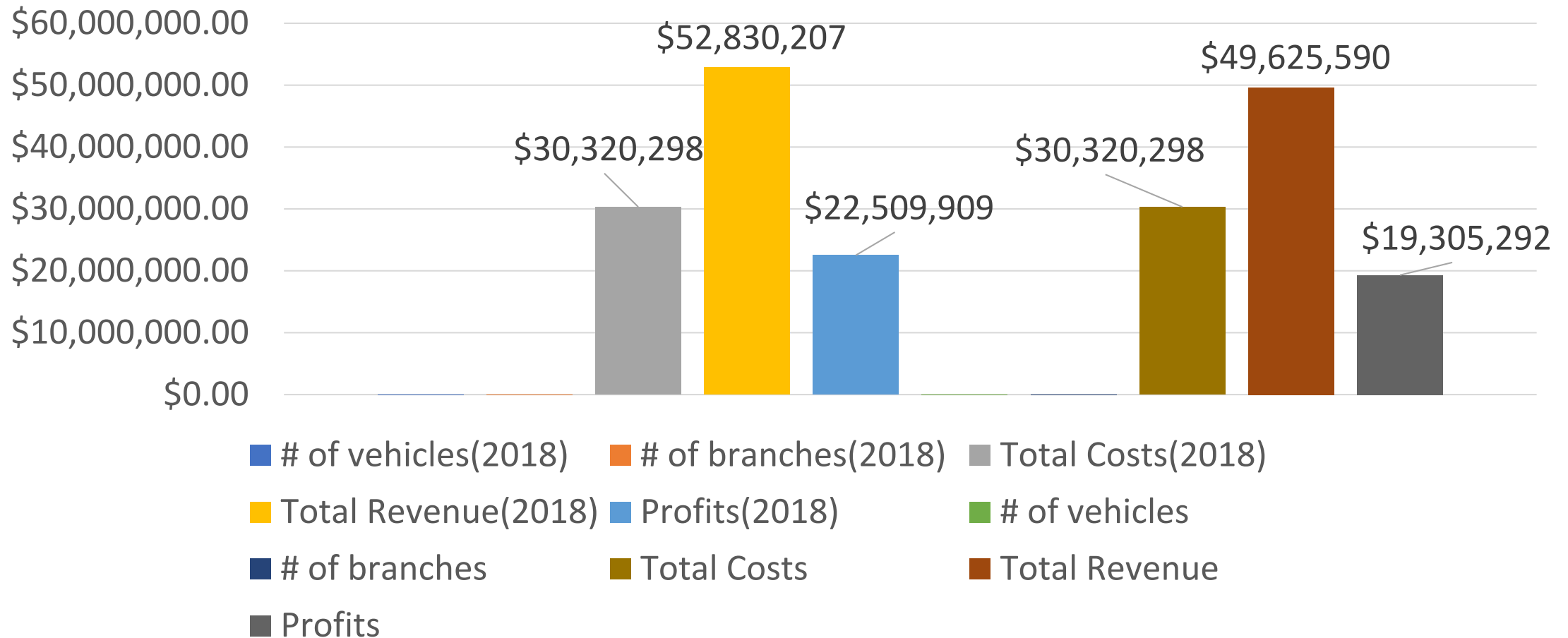
Strategy 2

# of vehicles	4000
# of branches	47
Total Revenue	\$ 49,625,590
Profits	\$ 19,305,292

New Assumptions			
Type	Costs	Max Costs	Min Costs
Car Maintenance	\$ 2,346,194	\$ 750	\$ 425
Insurance	\$ 401,200	\$ 150	\$ 50
Total Costs	\$ 30,221,331		

Strategy2-Decrease in Branches

Baseline vs Second Strategy



Combined Strategy

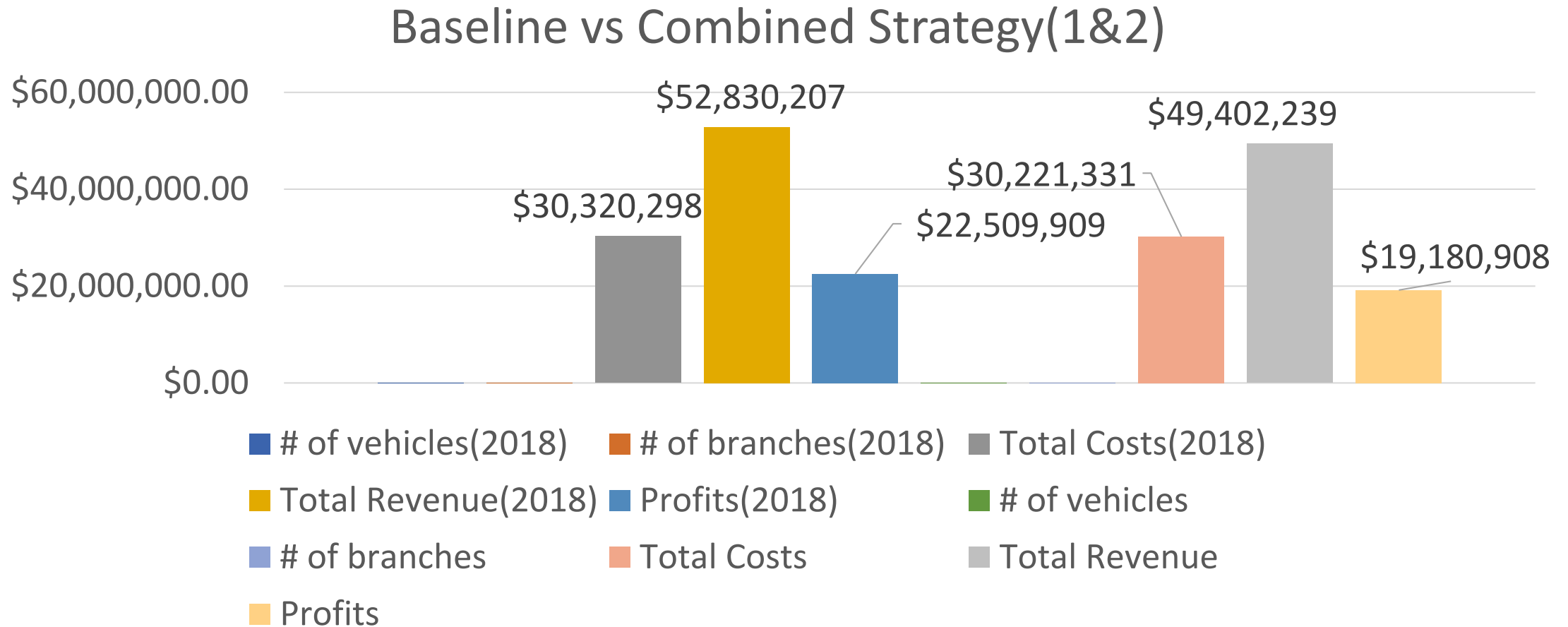
Combining Decrease of Vehicles & Branches

This strategy combines the first two strategies with the following results:

- The total revenue/profits with 3990 vehicles from Lariat
- The total revenue/profits with 47 of Lariat's branches

	Strategy 1	Strategy 2	Combined Strategy
# of vehicles	3990	4000	3990
# of branches	50	47	47
Total Revenue	\$52,606,856	\$49,625,590	\$ 49,402,239
Profits	\$22,385,525	\$19,305,292	\$ 19,180,908

Combined Strategy-Combining Decrease of Vehicles & Branches



Call to Action

- Focus on those vehicles with higher costs and discharge them
- Focus on those fleet centers with high rent lengths and discharge them
- Getting rid of both cars and branches that are a liability proves to be the best strategy in maximizing profit

Further Recommendations

- Shorten the rent lengths of nearly all vehicles except during emergencies
- Start having weekly or monthly meetings with management to discuss the issues at hand

Q & A