

Dear CEO,

I have investigated your hypothesis that there is inefficiency within your company's system and after thorough analysis conclude that this is true. There is strong statistical evidence that renting facilities increases the chances for a location to underperform. The average annual profit margin of the owned locations is higher than that of the rented locations. The rented locations also have a larger variance of annual profit margin which is another sign of the inefficiency in renting.

I suggest your company create a long-term plan to purchase facilities. This will stabilize the unwanted variance in annual profit margin and increase your company's gross profit over time.

I have attached a more detailed report of the analysis conducted. Let me know if you have any questions for me.

Best wishes,
Daniel Jacobson