

# Lariat 2018 Findings

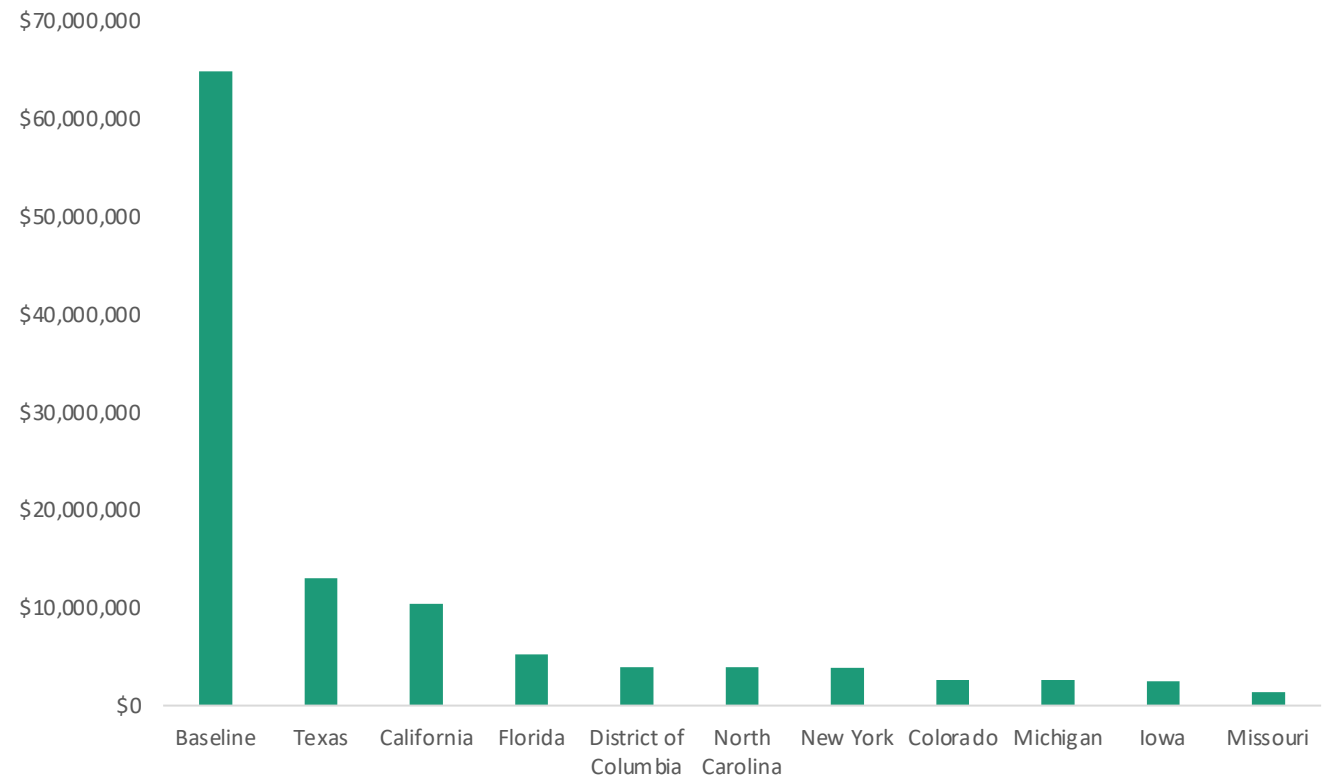
By: Kat Goodman



# Where are we today?

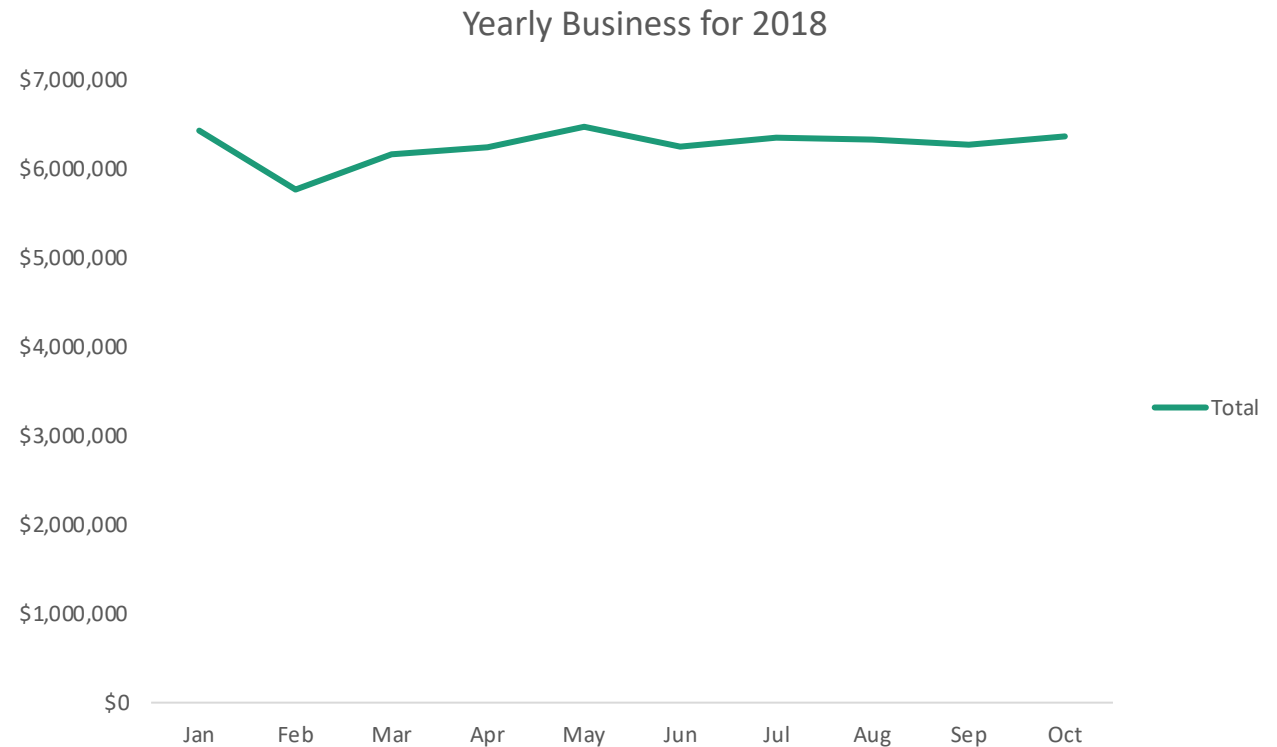
- \$64,865,545 in Gross Revenue (rental fees)
- \$30,320,298 in Fixed Costs (car cost and car insurance)
- \$34,545,247 Profit for 2018

Gross Revenue Baseline vs. Top 10 Branches



# Yearly Business in 2018

- Most profitable: May (\$6,472, 285)
- Least profitable 2018: February (\$5,766,687)
- 314 days
- Unusually stable (excluding November)





# Where Can We Go Tomorrow?

- How can we **increase** profit?
  - Remove negative profit cars
  - Replace with positive profit cars
- How can we **reduce** costs?
  - Remove high cost cars
  - Replace with low cost cars



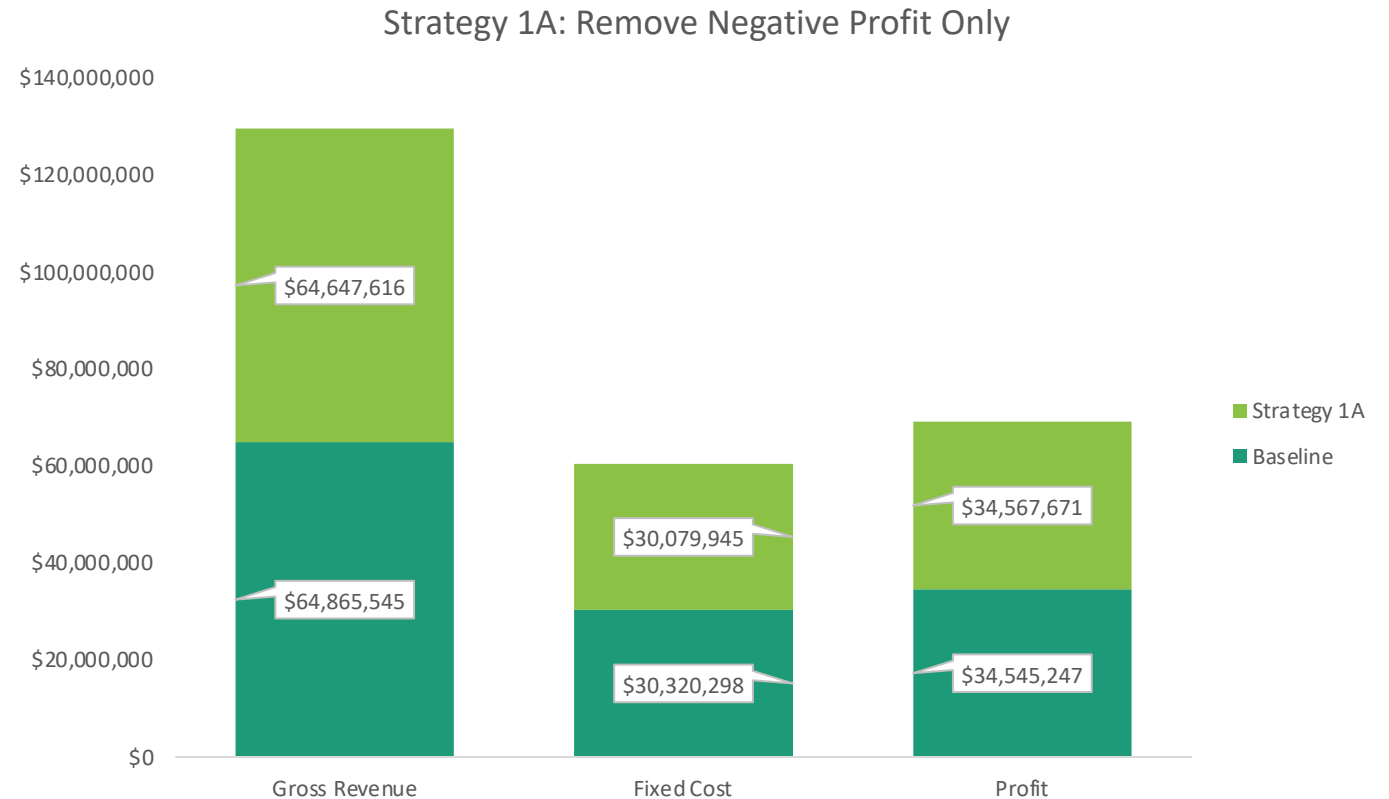
# Strategy 1A: Remove Negative Profit Cars

- Chevrolet Sportvan G20 2018
  - The most egregious net loss
  - **-\$1,907 in profit**
- **28 cars = negative profit**

| Negative Profit Cars for 2018 |           |
|-------------------------------|-----------|
| Car Name                      | Profit    |
| Chevrolet Sportvan G20 2018   | -\$1,907  |
| Jaguar XJ Series 2018         | -\$1,833  |
| Ford Explorer 2018            | -\$1,765  |
| Honda Pilot 2018              | -\$1,748  |
| Mercedes-Benz CL-Class 2017   | -\$1,625  |
| Acura TSX 2016                | -\$1,417  |
| Kia Sedona 2017               | -\$1,349  |
| Honda Civic 2016              | -\$1,082  |
| Saturn Relay 2017             | -\$971    |
| Audi A5 2017                  | -\$899    |
| Bottom 18                     | -\$7,827  |
| Total                         | -\$22,424 |

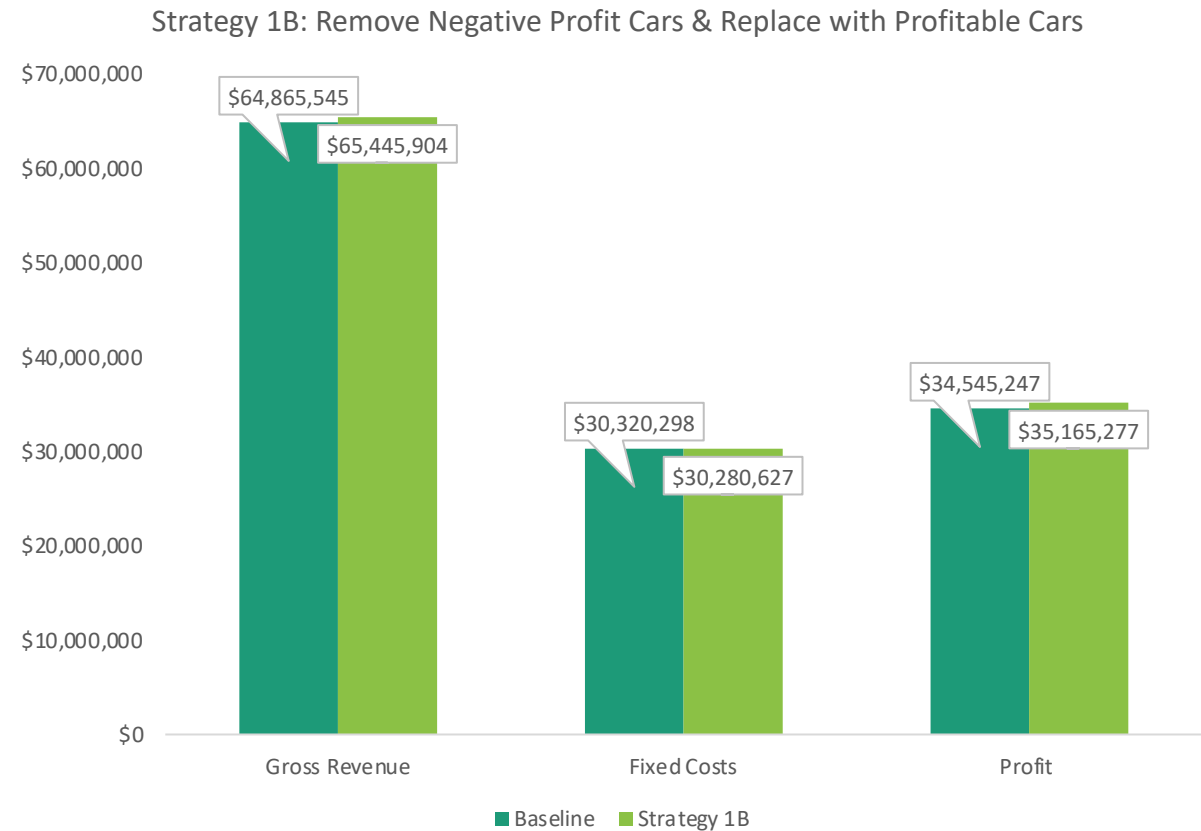
# Strategy 1A: Remove Negative Profit Cars

- In aggregate, Lariat lost 22K in profit from the 28 negative cars
- Scrape the negative profit cars
- \$22,423 increase in profit



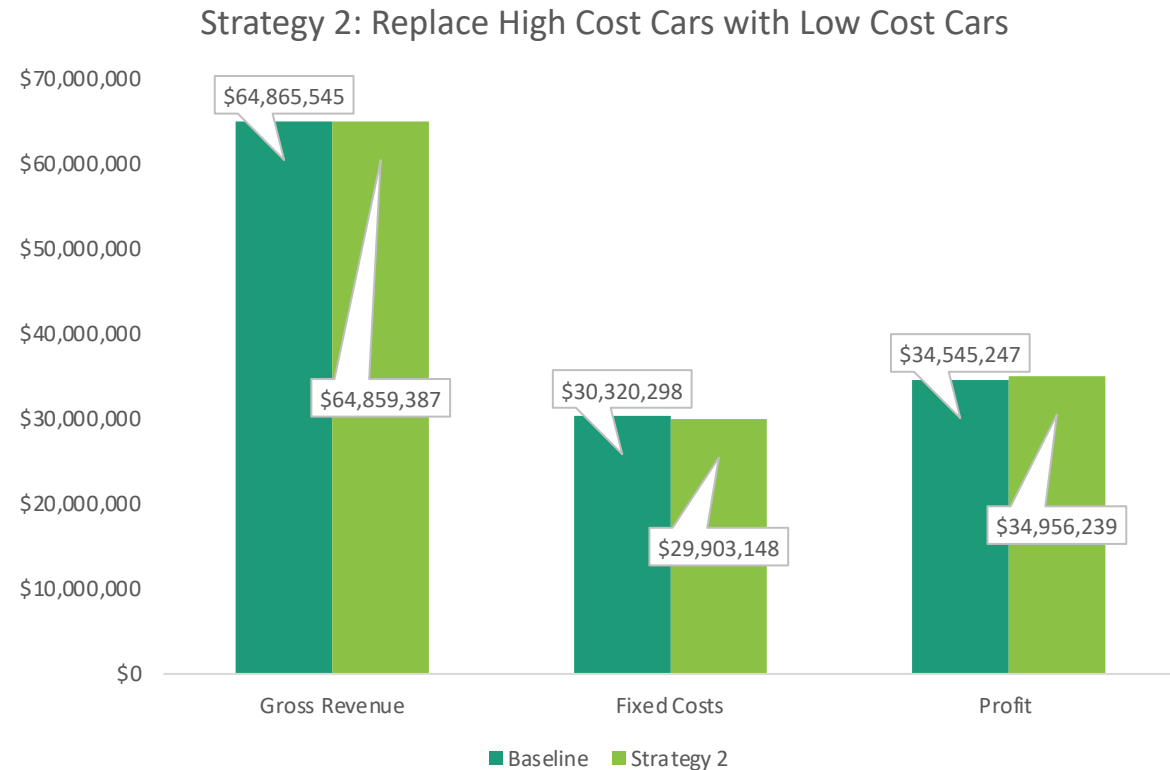
# Strategy 1B: Remove & Replace with Profitable Cars

- Remove Bottom 28
- Replace with Top 14
  - 2 of each model
- Profit increases by **\$620K**
- 3% increase from 2018



# Strategy 2: Replace High Cost Cars with Low Cost Cars

- Fixed costs
  - car insurance
  - car costs
- High fixed cost
  - 102 cars
  - >\$9,500
- Low fixed cost
  - <\$6,000
- Profit increases by \$410,992
- 1% increase from 2018

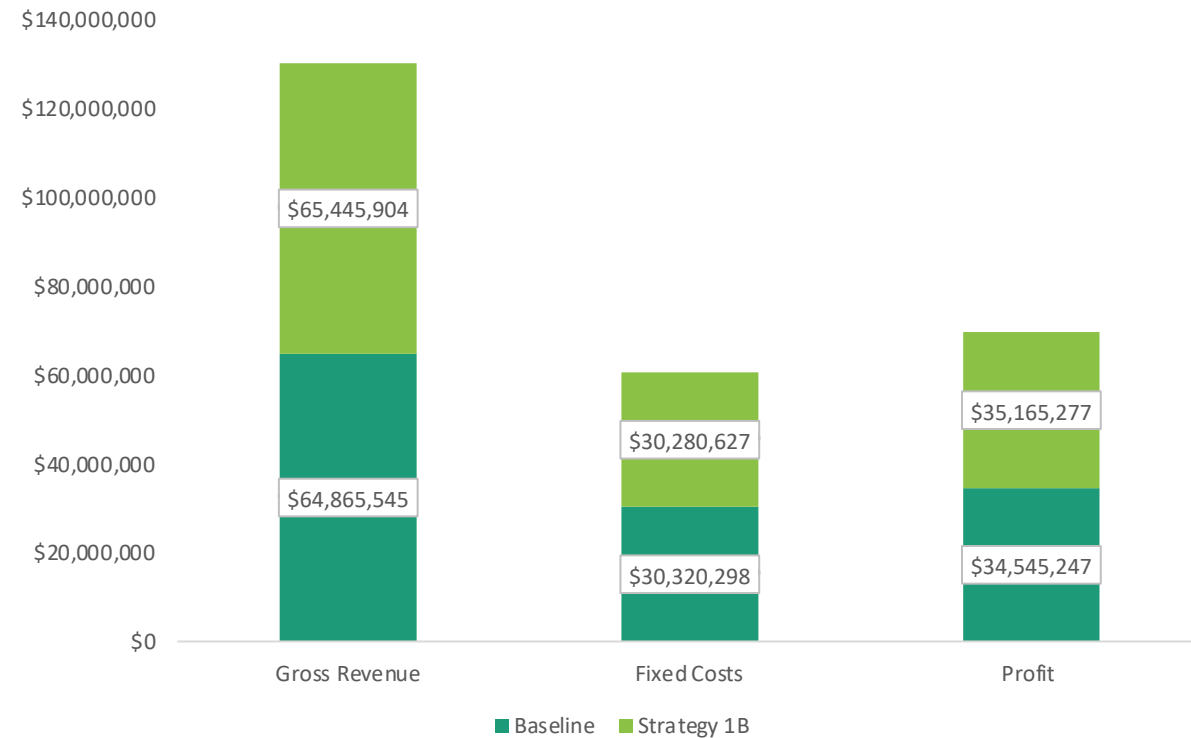




# Solution for 2019

- Strategy 1
  - Remove cars that yield a negative profit
  - Replace those cars with profit yielding cars
- Increase in profit by **\$620K**

Strategy 1B: Remove Negative Profit Cars & Replace with Positive Profit Cars



# Finally...

- Any questions?



source: <https://www.pexels.com/photo/analysis-blackboard-board-bubble-355952/>