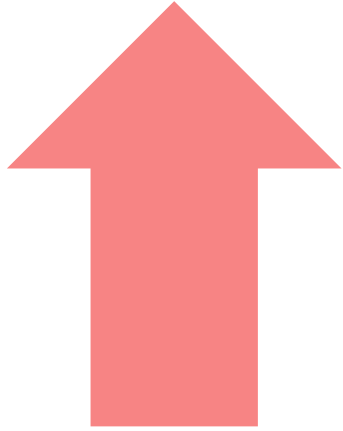


Lariat

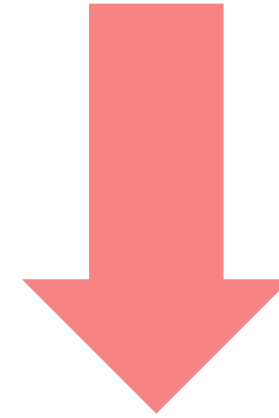
Car Rental Fleet Analysis

Company Goals

Minimize Costs



Maximize Revenue



2018 Fleet Analysis

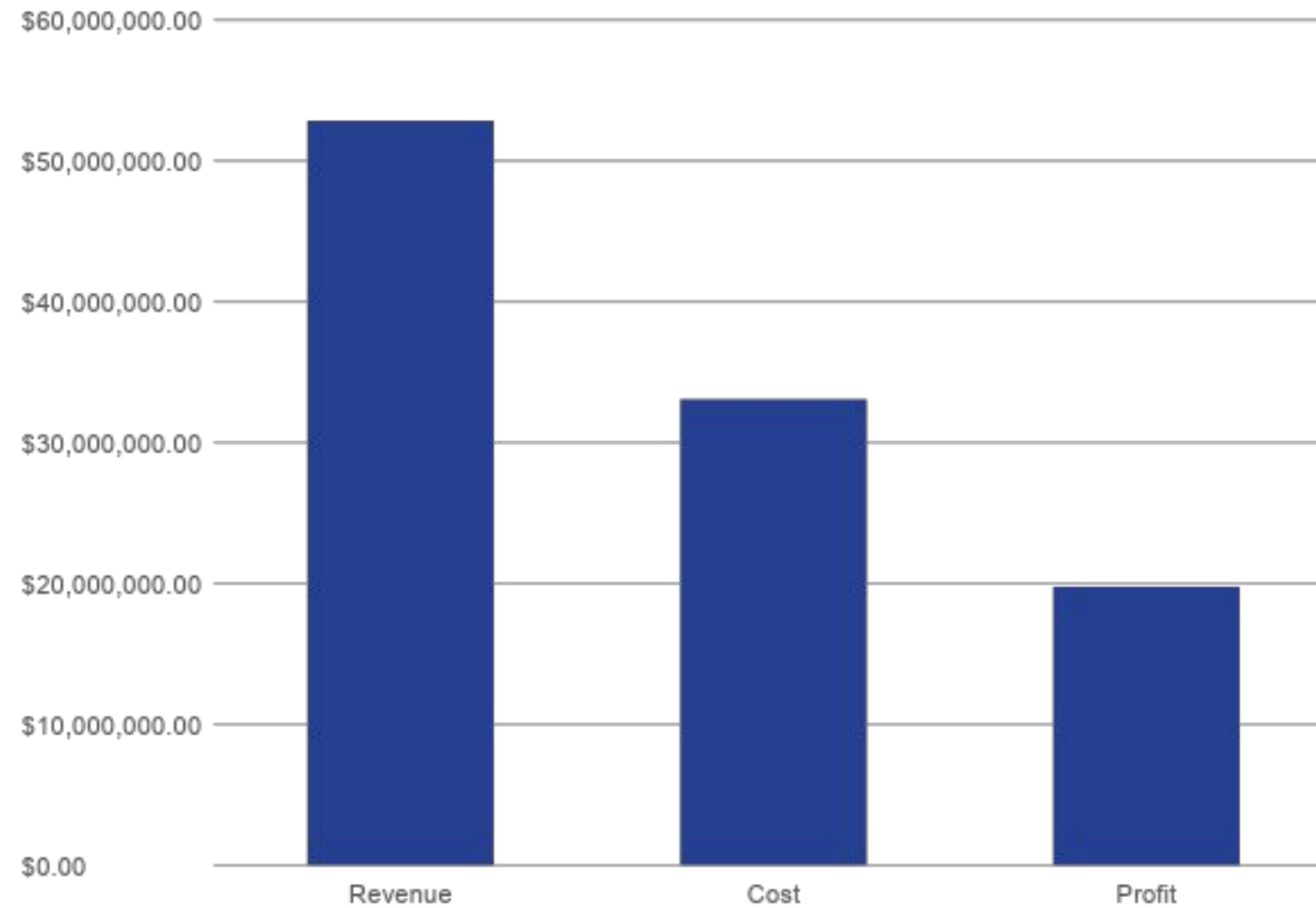
4000 cars

Revenue -
\$53,000,000

Cost
-\$33,000,000

Profit –
\$20,000,000

2018 Fleet Analysis



Strategies

Assume Business
Growth

Eliminate Low
Profit Cars

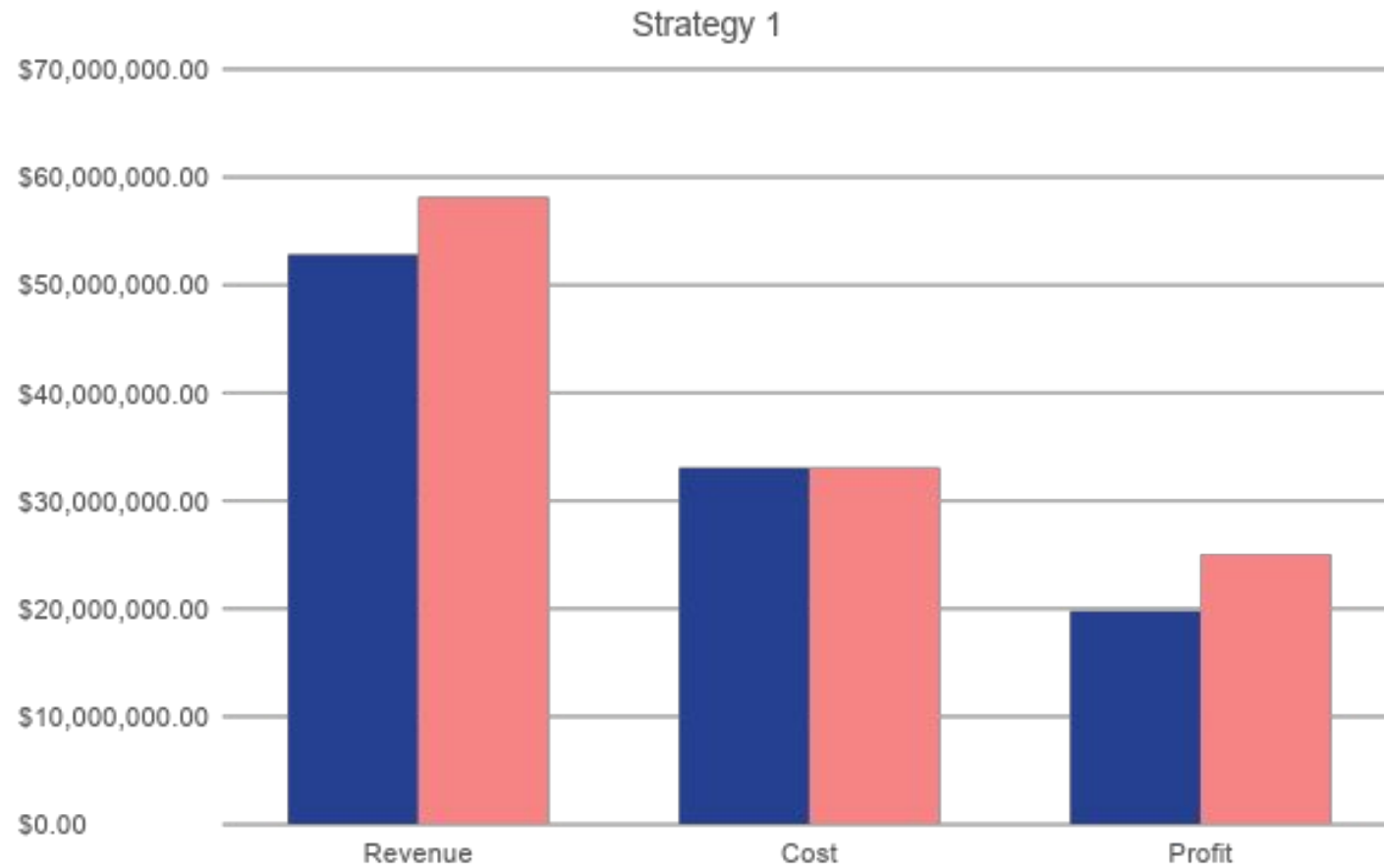
Replace High Cost
Cars

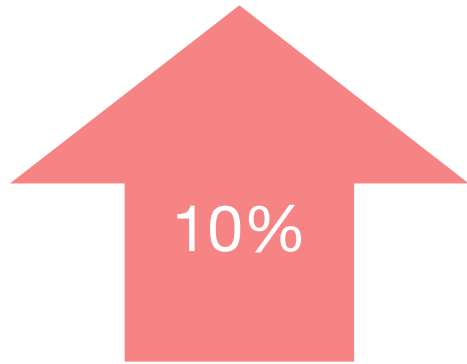
Add High Profit
Cars

Strategy 1

Assume Business Growth

The impact of a 10% business growth





Increase in Business

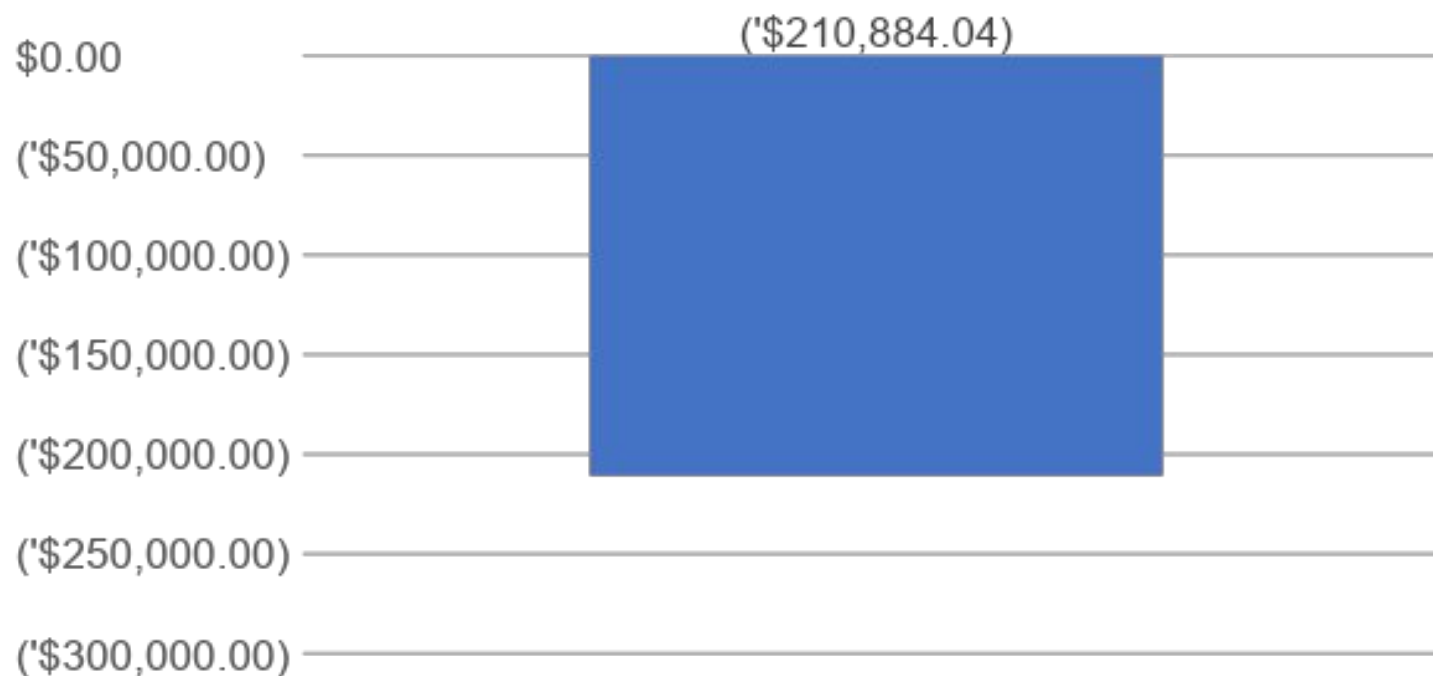
	2018	Strategy 1
Revenue	\$52,830,207.00	\$58,113,227.70
Cost	\$33,076,688.64	\$33,076,688.64
Profit	\$19,753,518.36	\$25,036,539.06

Profit Growth of
27%

Strategy 2

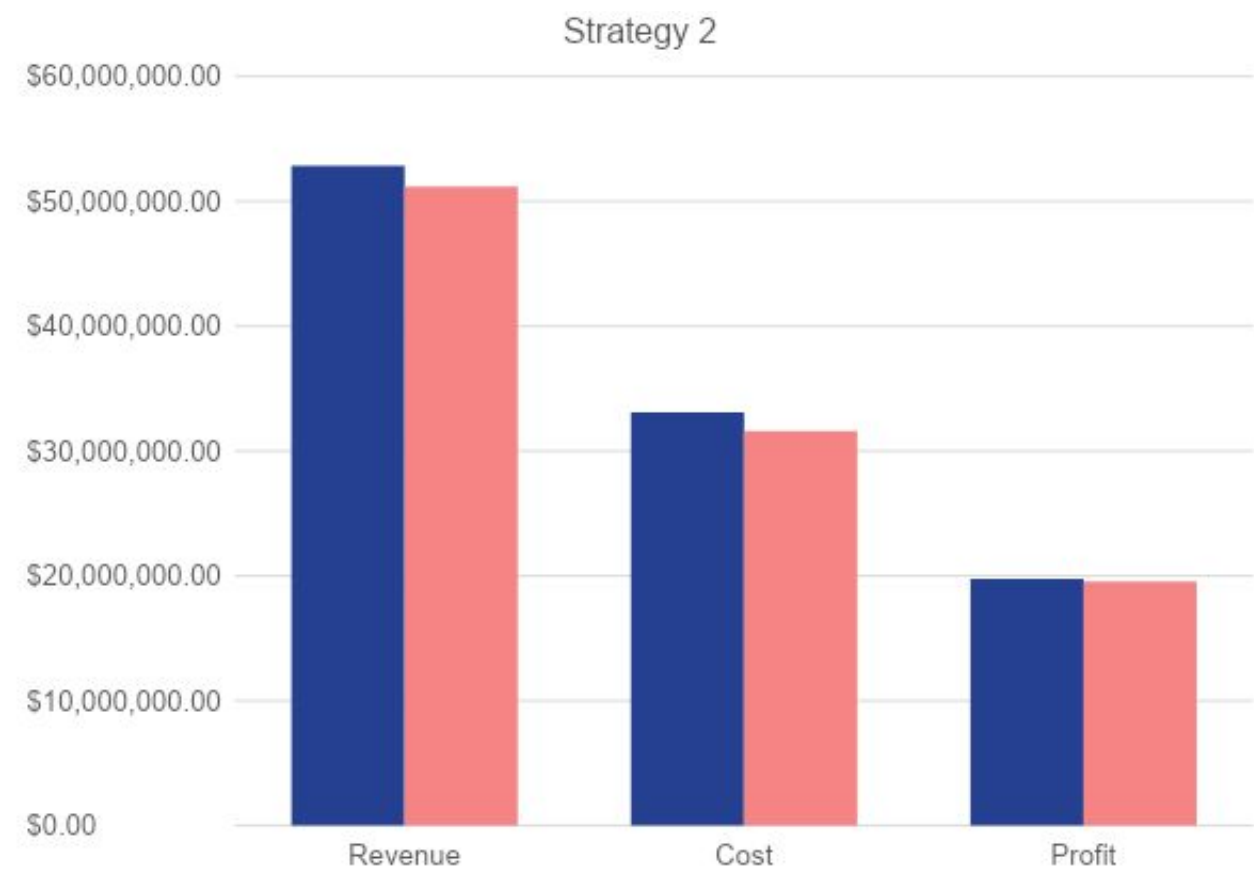
Remove low profit cars from the fleet

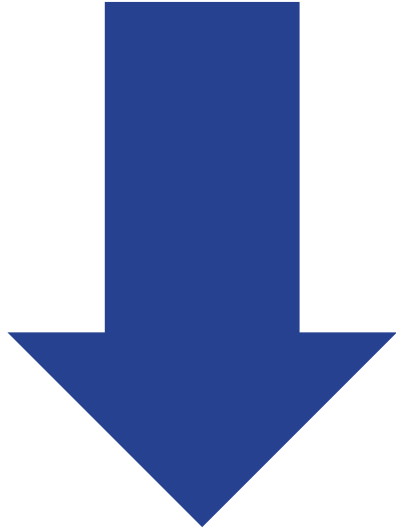
The Least Profitable Cars Lose Money



The bottom 200 cars in profit in
the fleet lose \$21,088.04

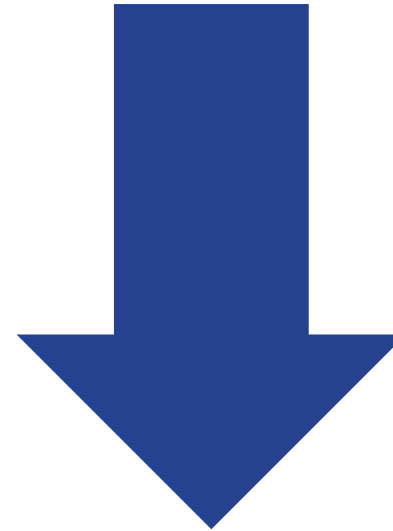
The impact of removing Low Profit cars from the fleet





Removing the bottom 5% of the
fleets cars in the fleet
decreases the cost
of the fleet by 4.43%

4.43%

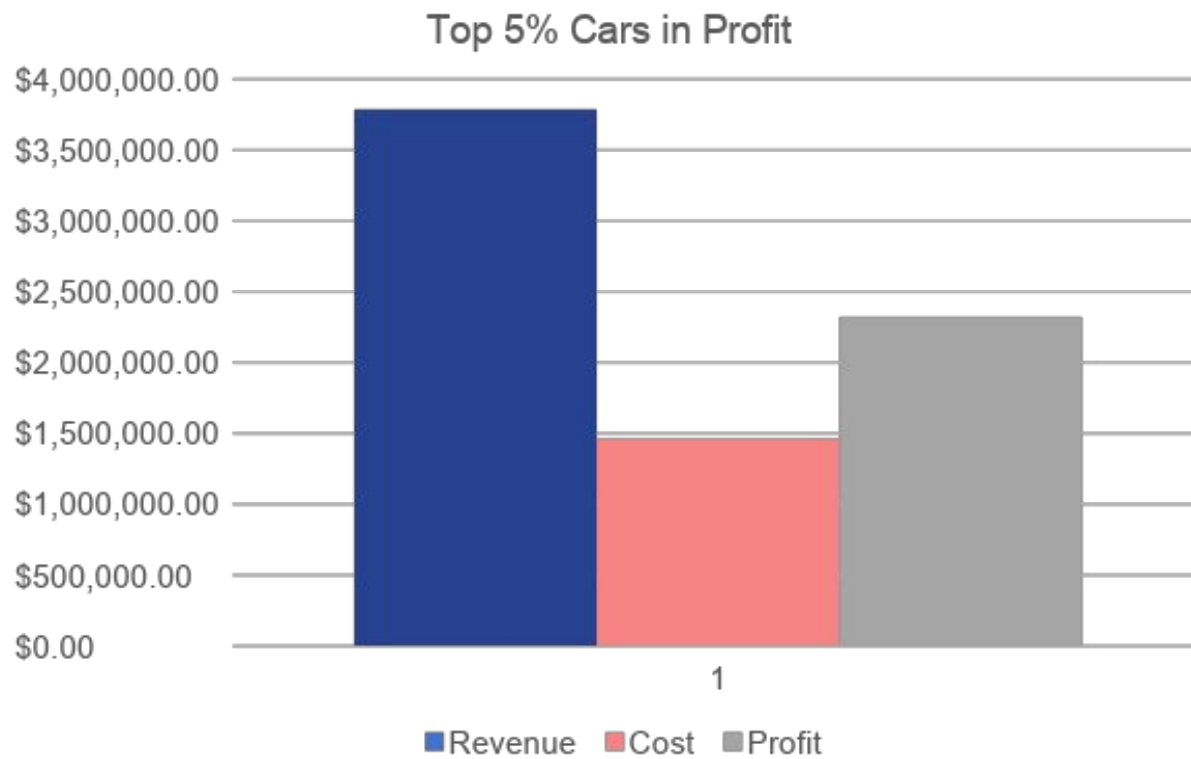


It would also decrease
the profit growth
of the fleet by almost 1%

>1%

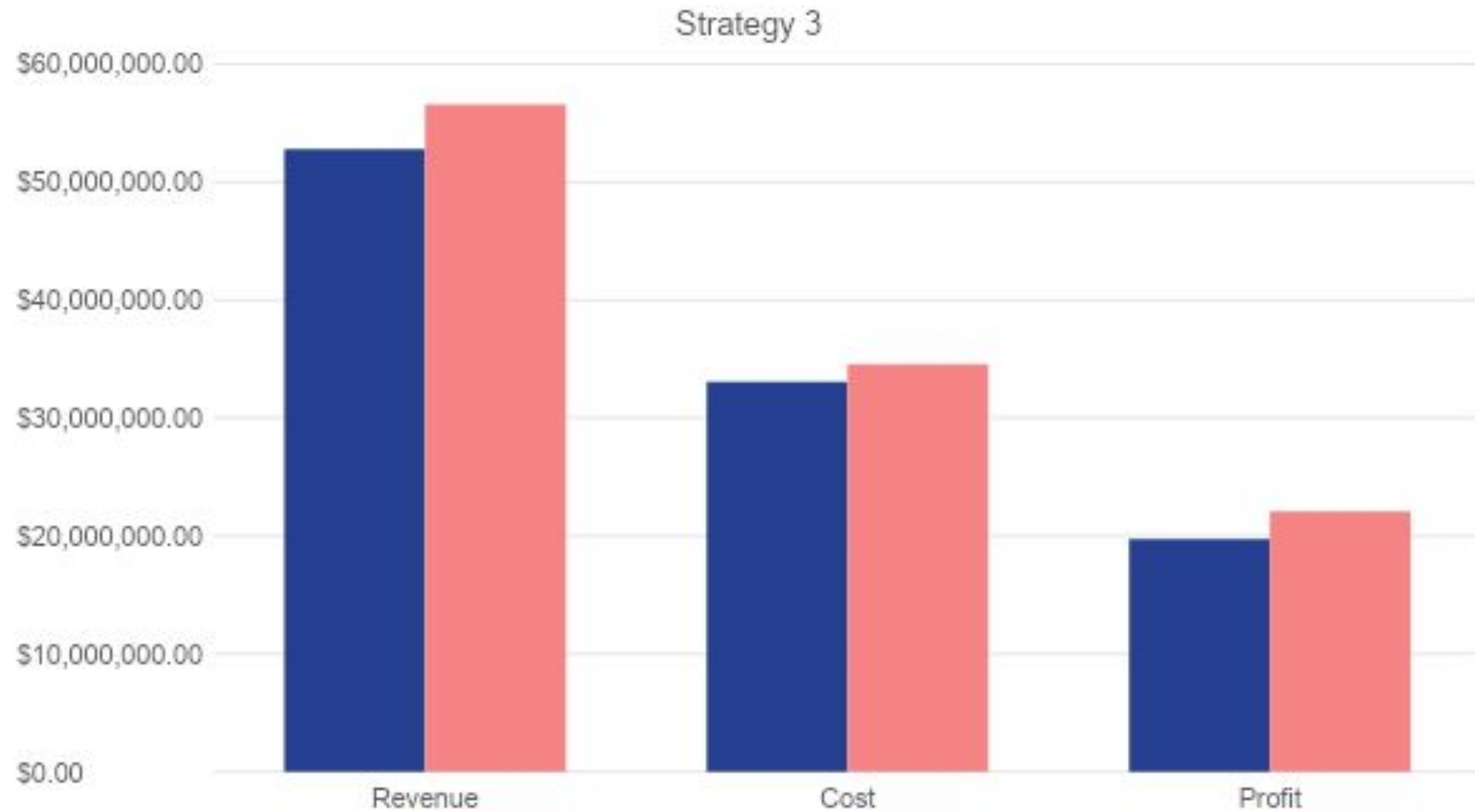
Strategy 3

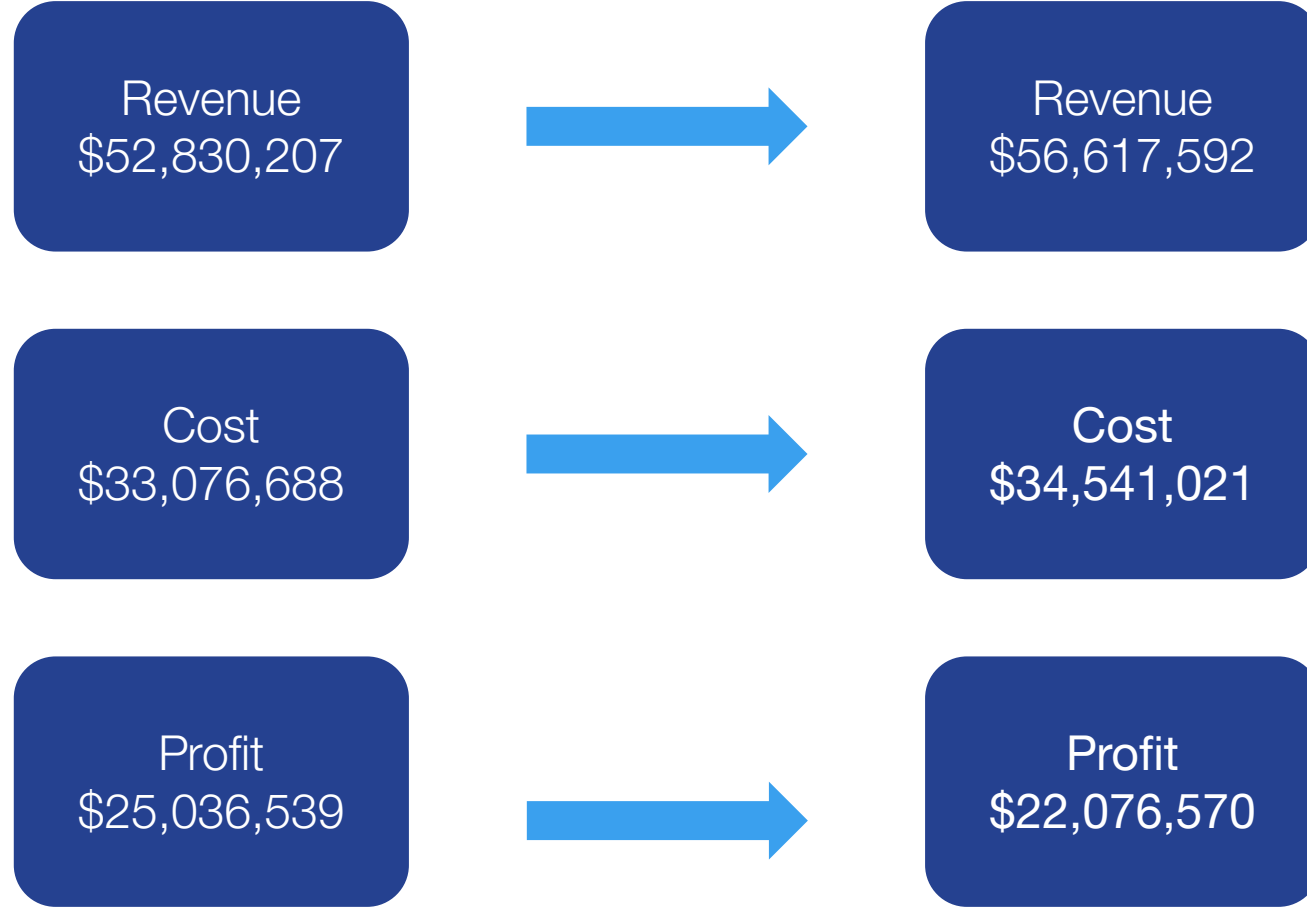
Add High Profit Cars to the Fleet



Profit Margin
over
61%

The impact of adding High Profit cars to the fleet

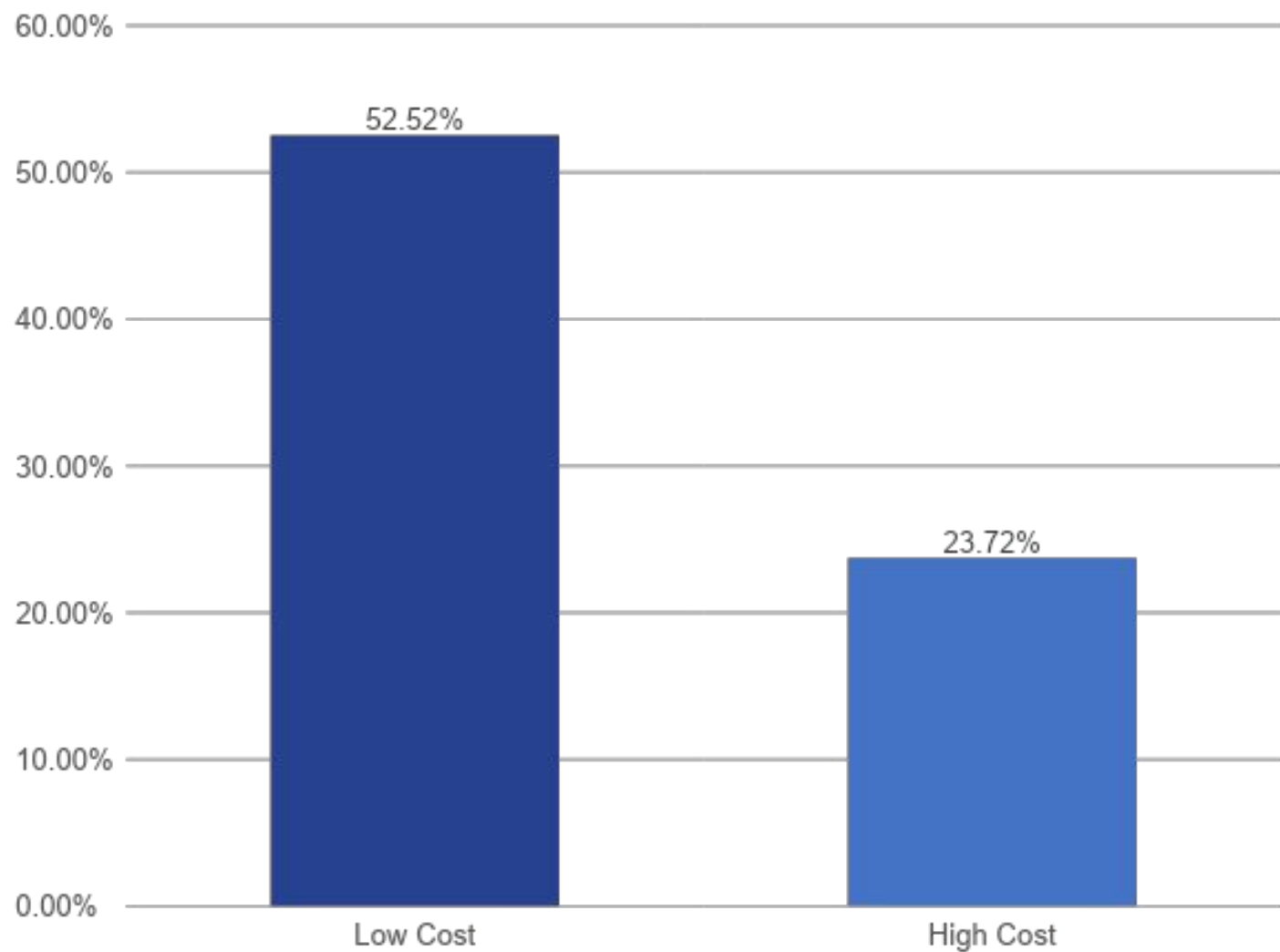




Strategy 4

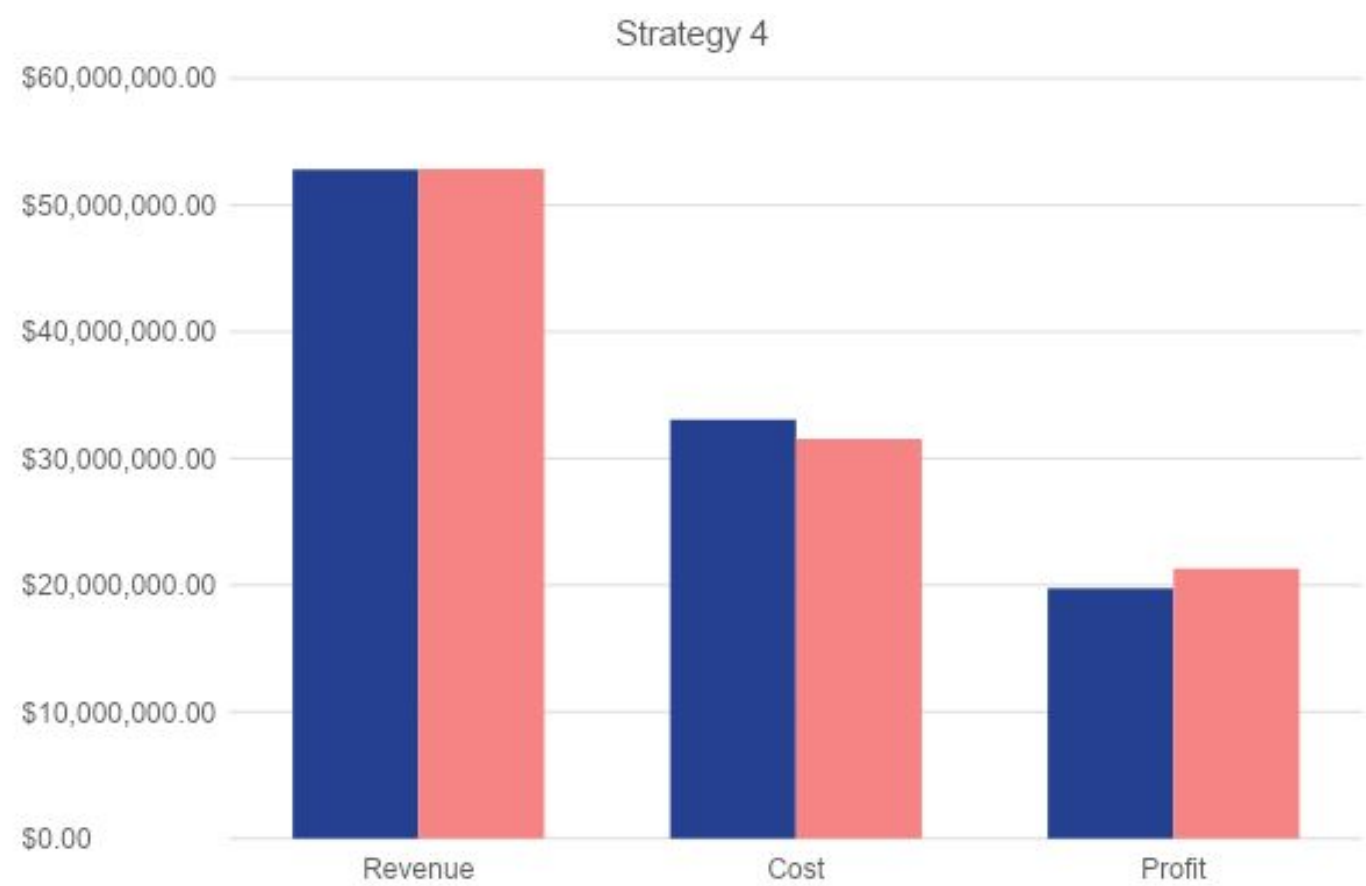
Add Low Cost Cars to the Fleet

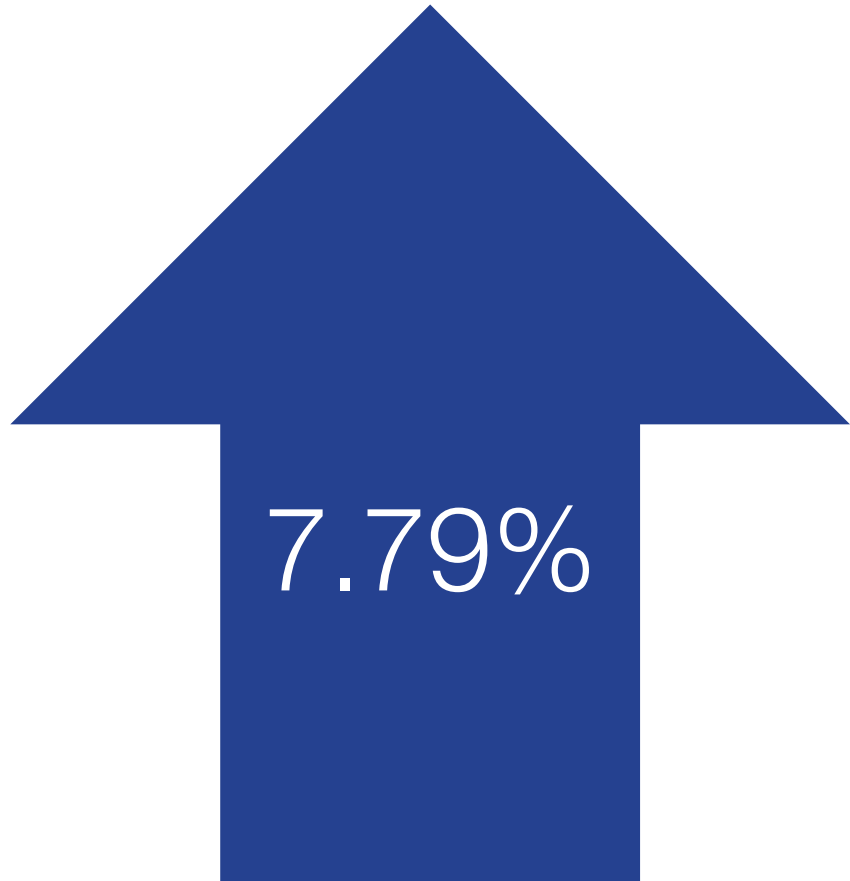
Profit Margin of High and Low Cost Cars



The 10% of the cars with the lowest cost in the fleet has a profit margin that is twice as much as the 10% of the cars with the high cost in the fleet.

The impact of removing High Cost cars and adding Low Cost





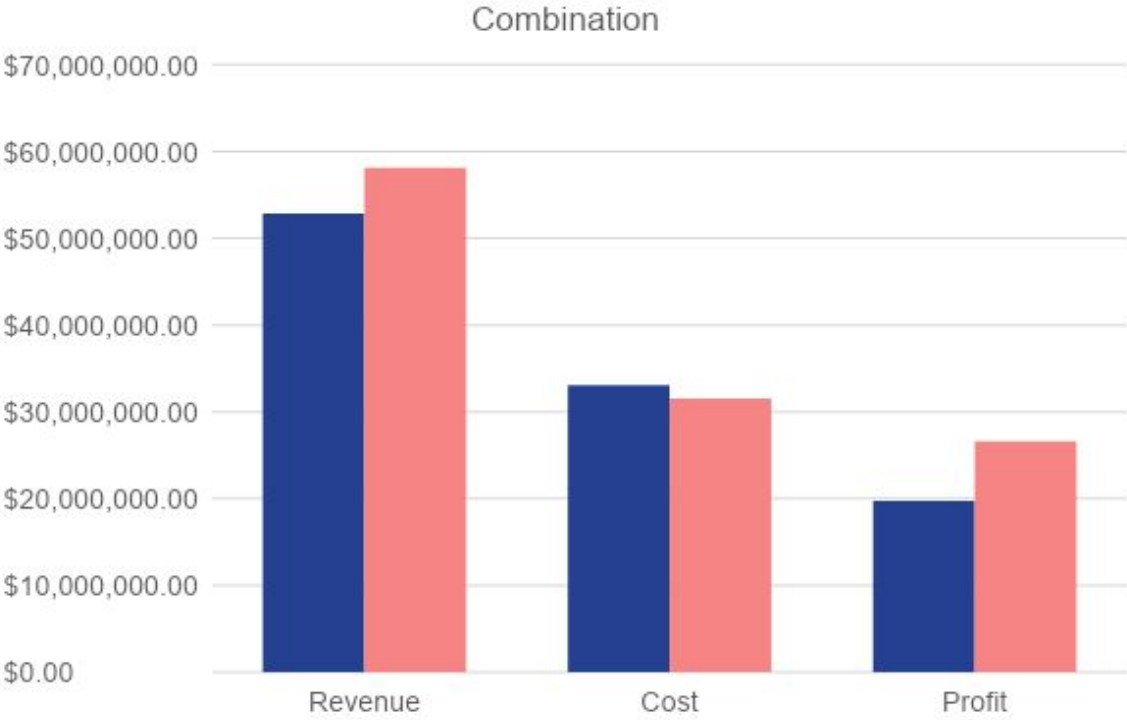
Replacing High
cost cars with
low cost cars
Gives the fleet a
profit growth of
over 7% from the
previous year.

Proposal

- A combination of Strategy 4 and Strategy 1.
- Assume growth in business through marketing and reputation
- Add High Profit Cars to the fleet

Estimated Impacts

	Previous Year	Combination
Revenue	\$52,830,207.00	\$58,123,435.70
Cost	\$33,076,688.64	\$31,546,349.04
Profit	\$19,753,518.36	\$26,577,086.66



Estimated Impacts



The profit margin of the entire Lariat rental car fleet would increase from 37% to 47%