

STRATEGIC LAUNCH ROADMAP & FINANCIAL MODEL

Operational Strategy for High-Velocity Automotive Retail

TARGET LAUNCH: FEBRUARY 2026



THE HIGH-VELOCITY RETAIL THESIS

Aggressive financial modeling projects operational breakeven in 2 months through optimized inventory turnover.

45%

5-Year IRR

Projected Internal Rate of Return



FEB '26

Breakeven

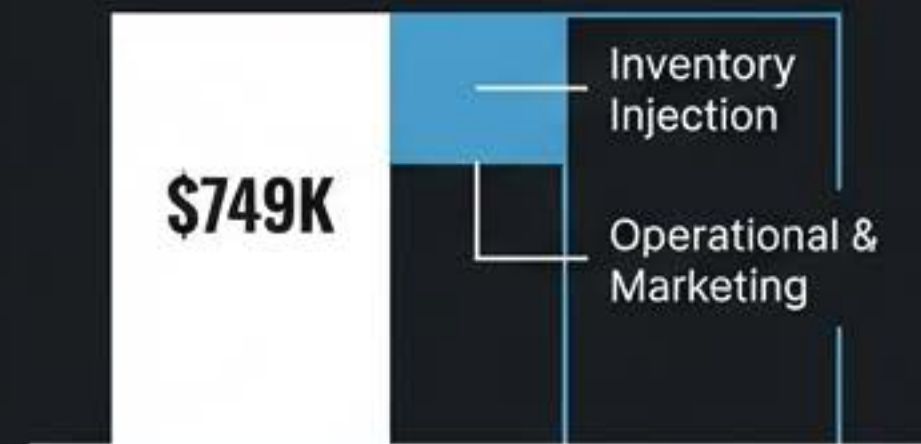
Target Operational Breakeven Date



\$1.25M

Funding

Total Initial Capital Requirement



Key Insight: Success is underpinned by a minimum viable inventory injection of \$749k and a verified 40% initial visitor-to-buyer conversion rate.

CAPITAL ALLOCATION STRATEGY

Total Requirement: \$1,252,000



HARD COSTS (CAPEX)
\$503,000

- **Key Item:** \$250k for Facility Renovation
- **Includes:** Service bay gear, IT infrastructure
- **Insight:** Renovation contracts must be locked early to prevent opening delays.
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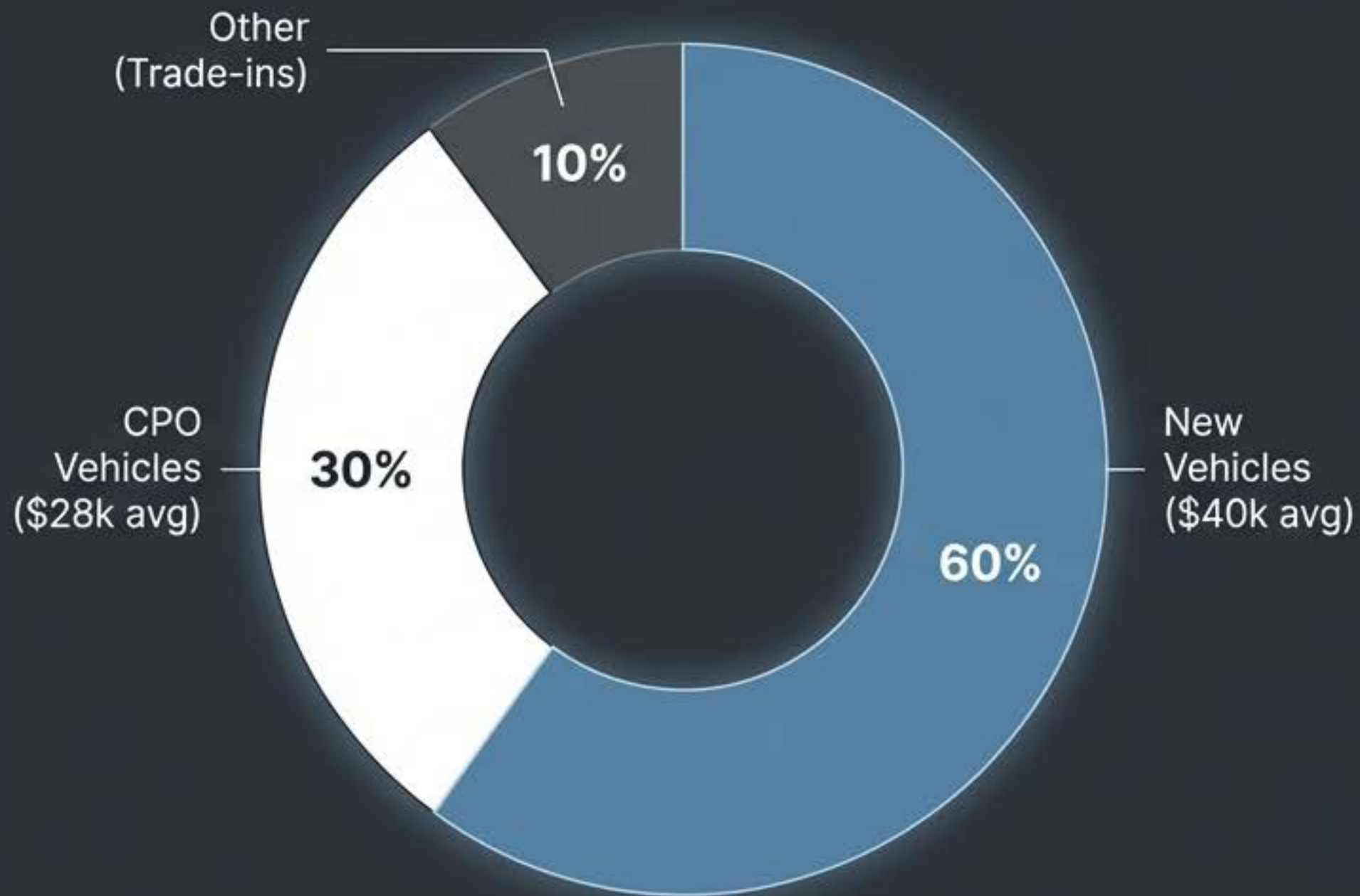


LIQUIDITY (CASH BUFFER)
\$749,000

- **Purpose:** Minimum cash floor for inventory
- **Target:** Support the 'Golden Ratio' mix
- **Insight:** Essential to stock initial vehicle mix. Inventory expenses will dwarf fixed overhead.
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MINIMUM VIABLE INVENTORY STRATEGY

Structuring the \$749k Inventory Injection



STRATEGIC ACTION:

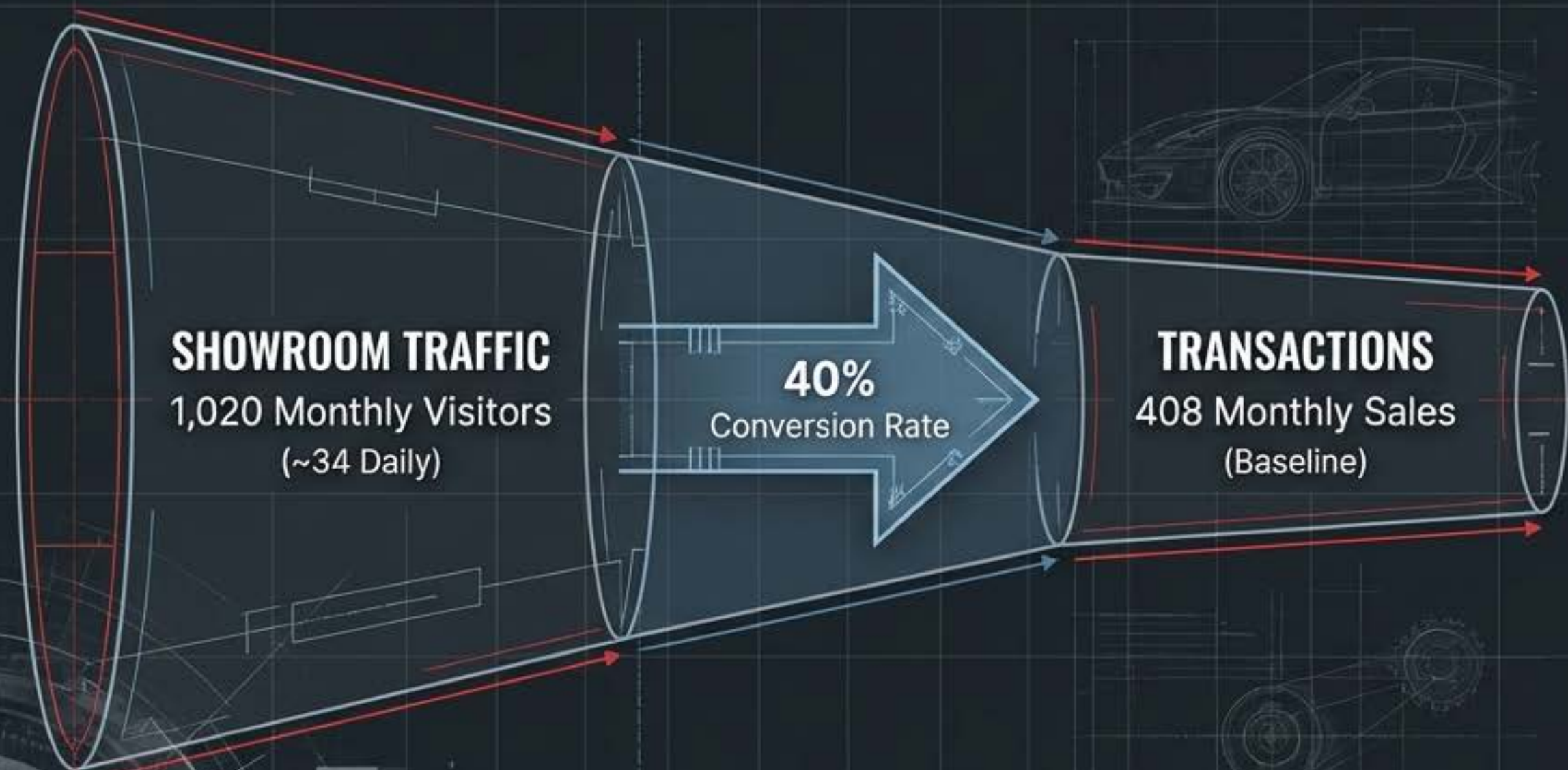
Validate this 60/30 split against local competitor data immediately. If demand for new cars is only 40%, procurement must adjust before ordering.

FINANCIAL WARNING:

Floor plan financing interest and carrying costs (storage, insurance, depreciation) must be modeled immediately.

THE SALES VELOCITY ENGINE

Profitability hinges on turnover speed and conversion rates.



Growth Projection

Targeting 80% conversion by 2030.

Doubling conversion yields 816 sales/month without requiring increased foot traffic.

- **CRITICAL DRIVER:** Breakeven speed relies on verifying the 40% conversion rate immediately.

MANAGING THE 'COST OVERHANG'

Variable costs initially exceed revenue, requiring aggressive efficiency scaling.



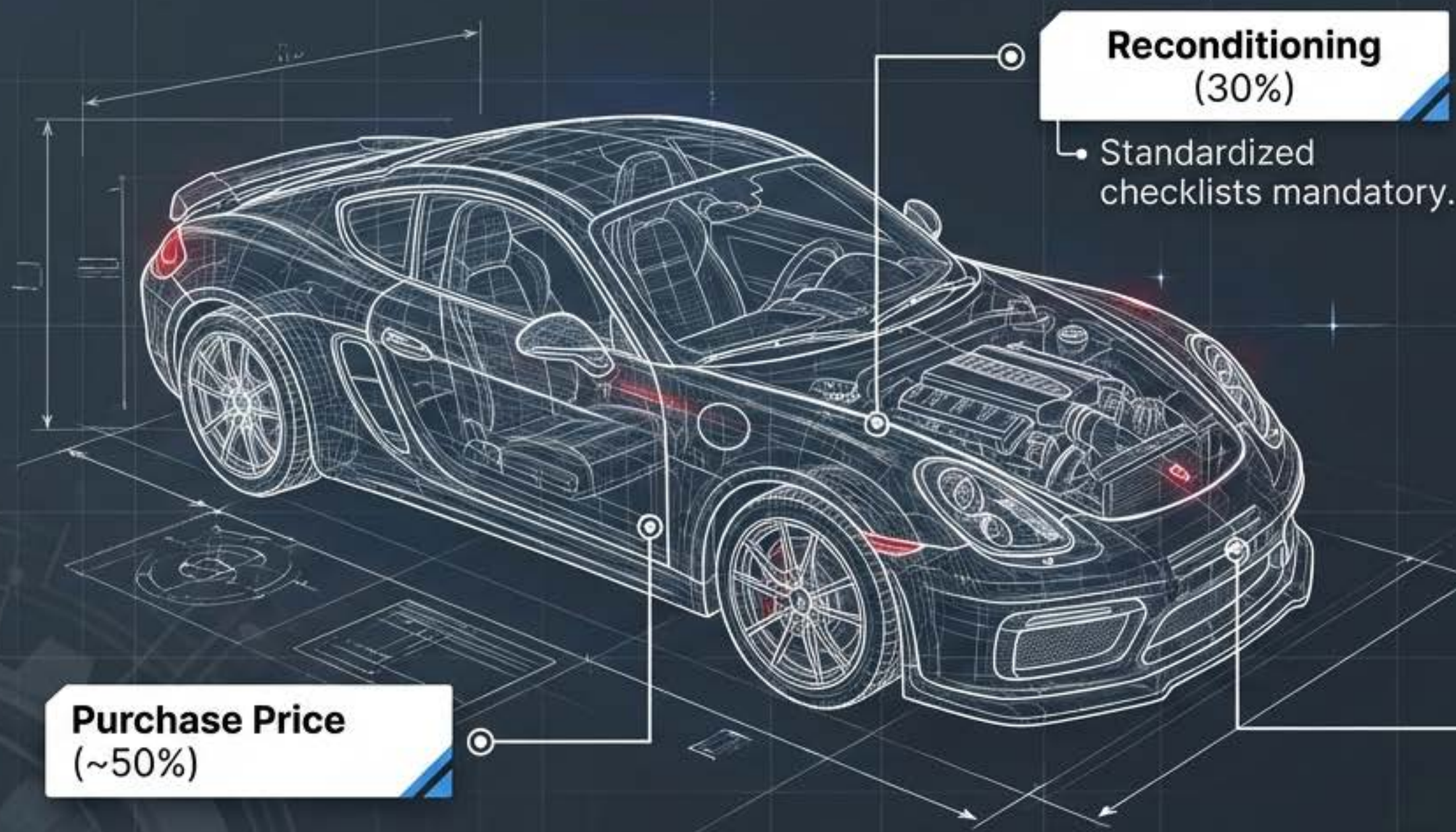
TAKEAWAY: Contribution margin starts negative. Every dollar of revenue currently sees \$0.70 exit immediately for marketing.

UNIT ECONOMICS & COGS STRUCTURE

Protecting the 50% Total Cost of Goods Sold target.

TARGET LANDED COST:
~\$17,000

(Based on \$34k Blended Price)



RISK SCENARIO: If a \$28k CPO unit requires \$10k in repairs (vs. \$8.4k budget), margin is immediately eroded. Repair authorization thresholds are mandatory.

STAFFING & COMPENSATION ARCHITECTURE

Aligning the \$590k wage budget with peak traffic realities.

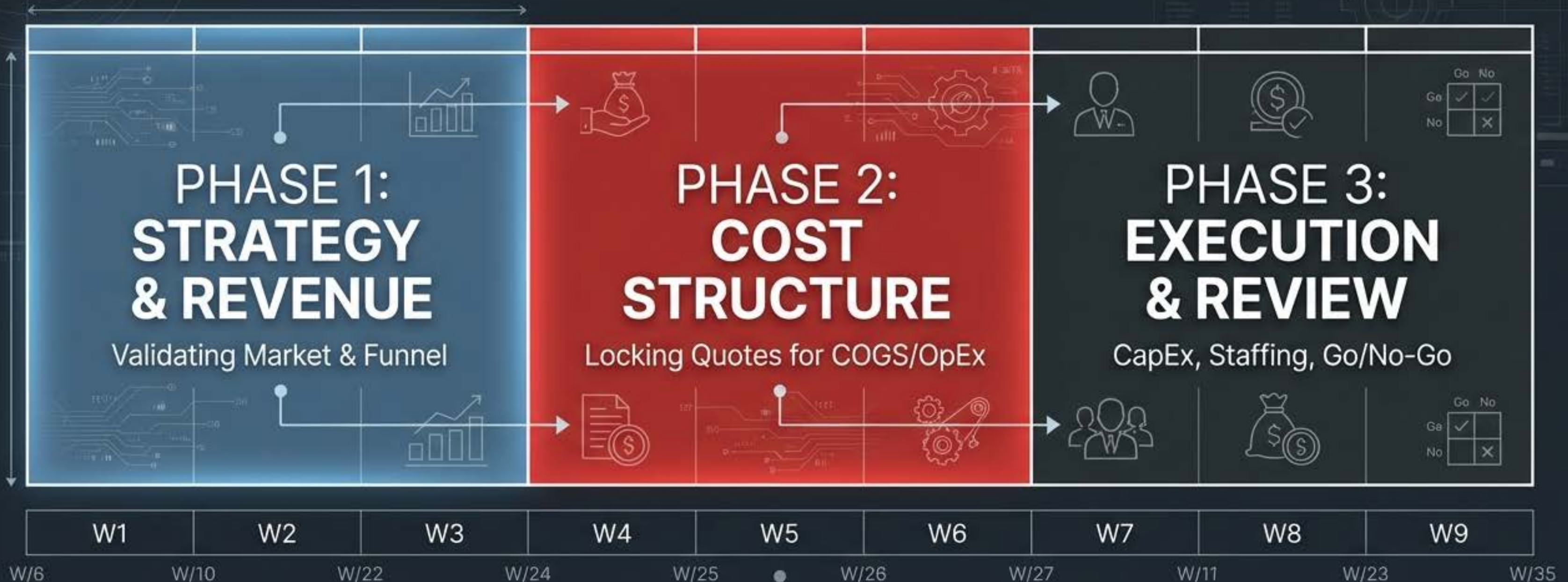


KEY DATA

- **Total Team:** 8 FTEs
- **Sales Model:** 80% Base / 20% CSAT Bonus
- **F&I Model:** \$75k Base + 10% Backend Commission

INSIGHT: Slow Tuesdays shouldn't carry Saturday's cost burden. Compensation must be weighted toward closing sales.

9-WEEK LAUNCH EXECUTION ROADMAP



GOAL: A disciplined sprint to launch readiness, validating assumptions at every step.

PHASE 1: STRATEGY & REVENUE (WEEKS 1-3)

DEFINE MARKET STRATEGY

- **Action:** Validate 60/30 New/CPO split against local competitor data.
- **Output:** Initial procurement target list.

MODEL SALES FUNNEL

- **Action:** Link marketing spend to transaction count.
- **Action:** Confirm initial capacity for 34 daily visitors.

STRATEGIC IMPERATIVE BOX:
Confirm the revenue floor before procurement costs lock in.

PHASE 2: COST STRUCTURE (WEEKS 4-5)

ESTABLISH COGS

- **Action:** Secure firm quotes for transport and prep.
- **Action:** Validate the 30% reconditioning / 20% logistics split.

CALCULATE OPEX

- **Action:** Confirm the \$25,100 monthly fixed burn rate.
- **Includes:** \$15k Lease, \$3k Software.

STRATEGIC IMPERATIVE BOX:

Move past estimates. Get detailed cost sheets signed off.

PHASE 3: EXECUTION & INTEGRATION (WEEKS 6-9)

FINALIZE CAPEX

- **Action:** Lock facility renovation contracts
- **Action:** Confirm total \$1.25M funding is secured.

STAFFING PLAN

- **Action:** Hire 8 FTEs.
- **Action:** Structure non-commissioned sales roles with CSAT bonuses.

FINANCIAL INTEGRATION

- **Action:** Stress-test P&L against a 90-day inventory delay.

STRATEGIC IMPERATIVE BOX:

The ultimate sanity check: confirm the model generates returns rather than just burning cash.

FINANCIAL PROJECTION & SENSITIVITY

Integrating Revenue, COGS, OpEx, and CapEx into the 5-Year P&L.

BREAKEVEN

FEB 2026 (Month 2)

Must be absorbed by gross margin.

FIXED OVERHEAD

\$74,000 / Month

Must be absorbed by gross margin.

IRR

45% (5-Year)

RISK FACTOR: If onboarding drags, the Feb-26 breakeven will shift. Cash runway must cover fixed costs beyond this date if inventory turns slow.

RISK MITIGATION & KEY DRIVERS

Scenario Planning and Response Protocols

IF:

Conversion drops < 35%

THEN:

Immediate review of marketing channel quality (currently 70% of spend).

IF:

CPO Repairs > \$8.4k

THEN:

Enforce stricter procurement inspections and repair authorization thresholds.

IF:

Inventory Turns Slow

THEN:

Review pricing strategy to increase velocity; slow sales increase carrying costs.

OPERATIONAL LAUNCH: IMMEDIATE PRIORITIES

Velocity is the currency of profitability.



READY TO EXECUTE. TARGET LAUNCH **FEB 2026.**