

Fleet Profitability & Optimization Strategy

Maximizing RevPAC, Utilization, and Operational Efficiency through 2030

750%

Utilization Target

1058%

Return on Equity (ROE)

50%

Variable Cost Target

The Path to 1058% ROE requires margin-based optimization.

Utilization Gap: Increasing fleet utilization from 600% → 750% by 2028.

Cost Discipline: Compressing variable maintenance costs from 70% → 50% by 2030.

Revenue Quality: Shifting from volume-based booking to dynamic, high-margin capture.



Margin drivers differ radically between Luxury and Economy.

Luxury Segment



\$150 – \$180

Average Daily Rate (ADR)

- **Economics:** Supports higher fixed costs per unit.
- **Focus:** Peak weekend demand windows.
- **Strategy:** High ancillary attach rates.

Economy Segment



\$45 – \$55

Average Daily Rate (ADR)

- **Economics:** Variable costs consume contribution margin.
- **Focus:** Density & Volume.
- **Strategy:** Zip-code analysis to ensure volume covers overhead.

Weekend demand is an elasticity test, not a flat rate.

Weekly Demand Curve



Core Strategy*: Implement surge pricing on Luxury inventory to capture demand intensity without new CapEx.

Targets & Levers:

Target: 5–10% Revenue Lift immediately.

Mechanism: Tiered pricing based on lead time (**30-day** +5% vs. **Last-minute** +10%).

Testing: Test surges in **2.5% increments** to find drop-off point.

Shifting the fleet mix compresses the time to ROE targets.

Fleet Composition Transition Chart

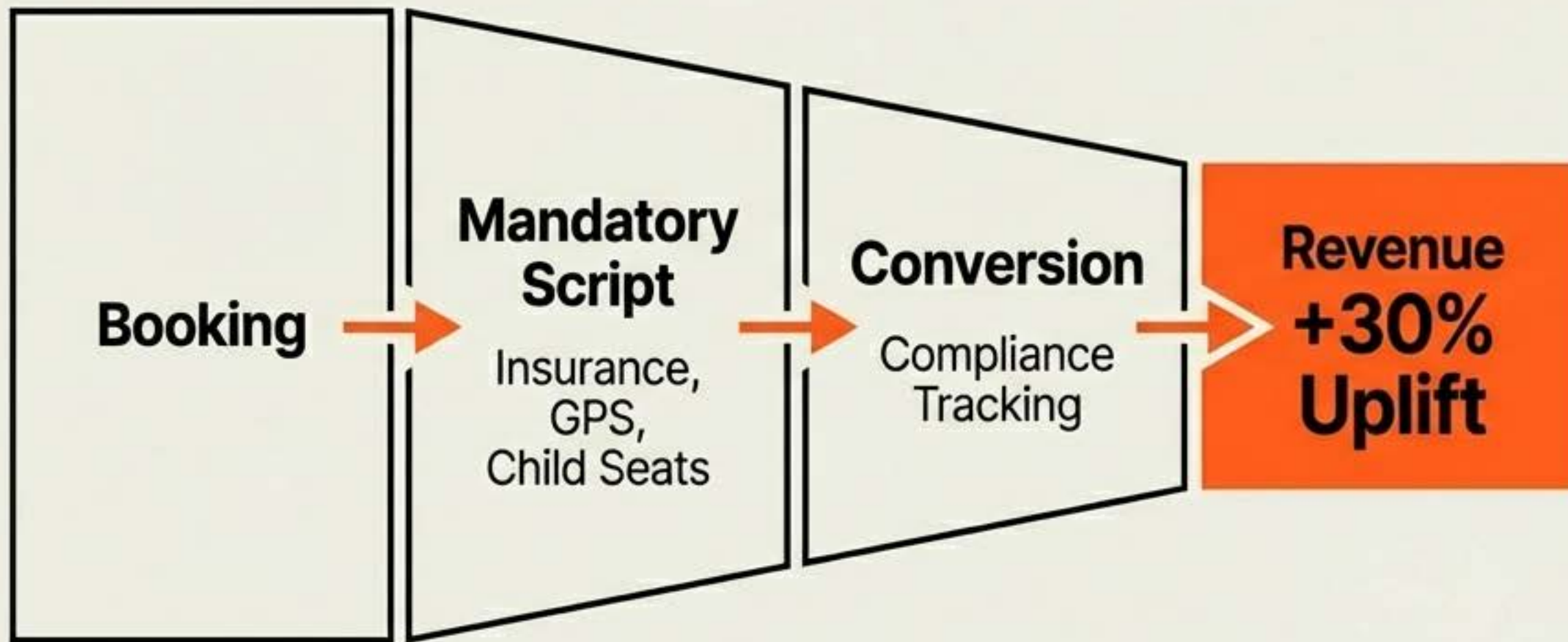


Key Insight: Economy cars renting at **\$4,500** (midweek average) drag down RevPAC.

Action Plan

1. Gradually trade out low-yield assets.
2. Prioritize SUV/Luxury acquisition.
3. **Note:** Higher-class vehicles require updated cost assumptions, but 1058% ROE depends on this trade-up.

Mandatory scripting bridges the projection gap.



Data Sidebar

2026 Baseline: \$20,500
(Current Ancillary Revenue)

Target Uplift: +30%
(+\$6,150 Annually)

The Goal: 10,000 rentals/year requires requires 3,050 upsell conversions at \$2 profit.

Tactics: Mandatory upsell on every transaction.
Daily tracking of script compliance.

Utilization below 600% is an overhead bleed.



Current
600% Utilization

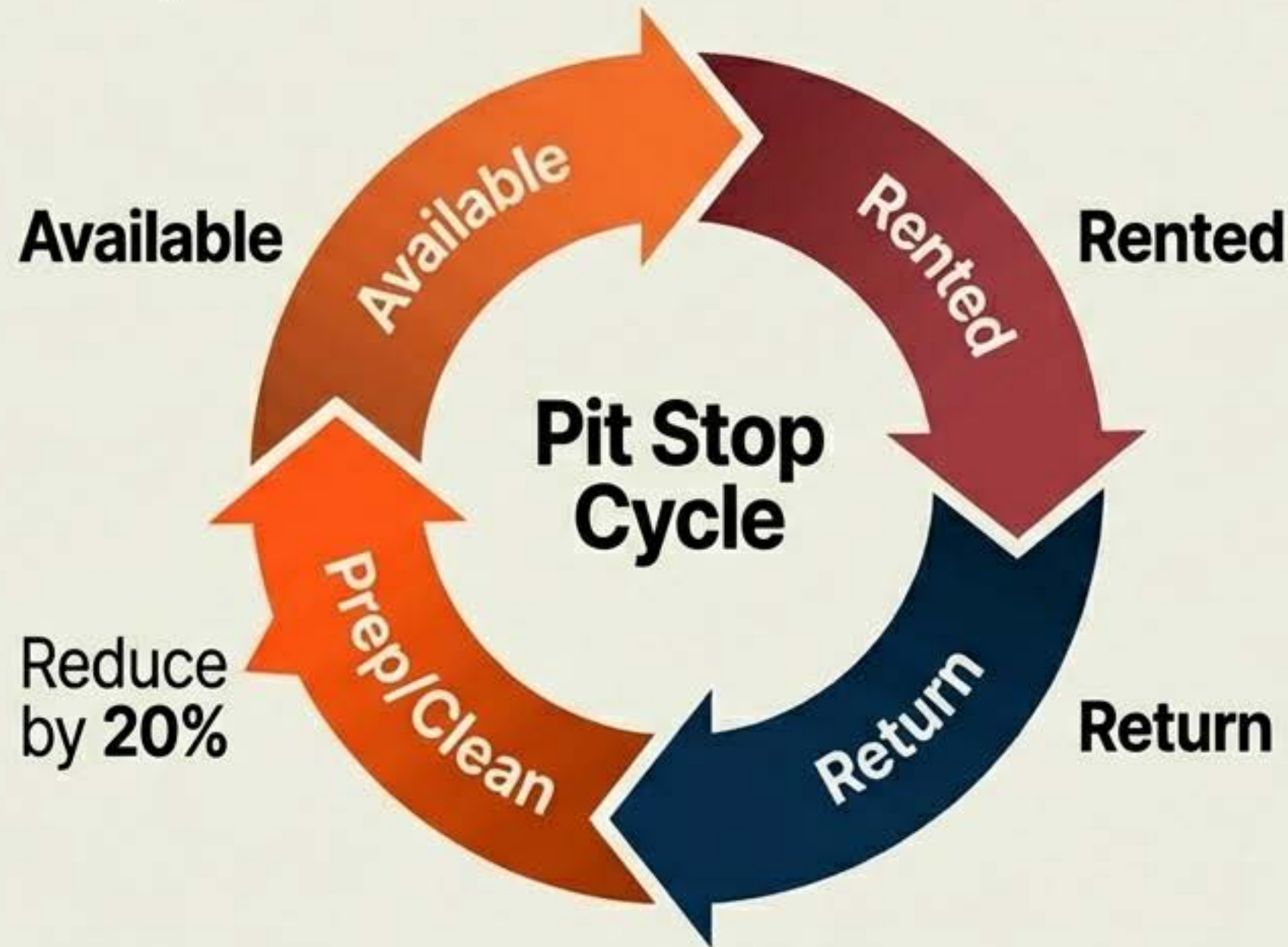
Short Term Target
680%
(6 months)

2028 Goal
750%

The Cost: If a sedan sits idle for **12 days**, contribution margin is erased.

Strategy: Map historical booking rates to spot troughs; reduce fleet size during low-demand Q1.

Speed is inventory: Reducing prep time unlocks rental days.



Key Data Points

Lever: Reduce prep/cleaning time by **20%**.

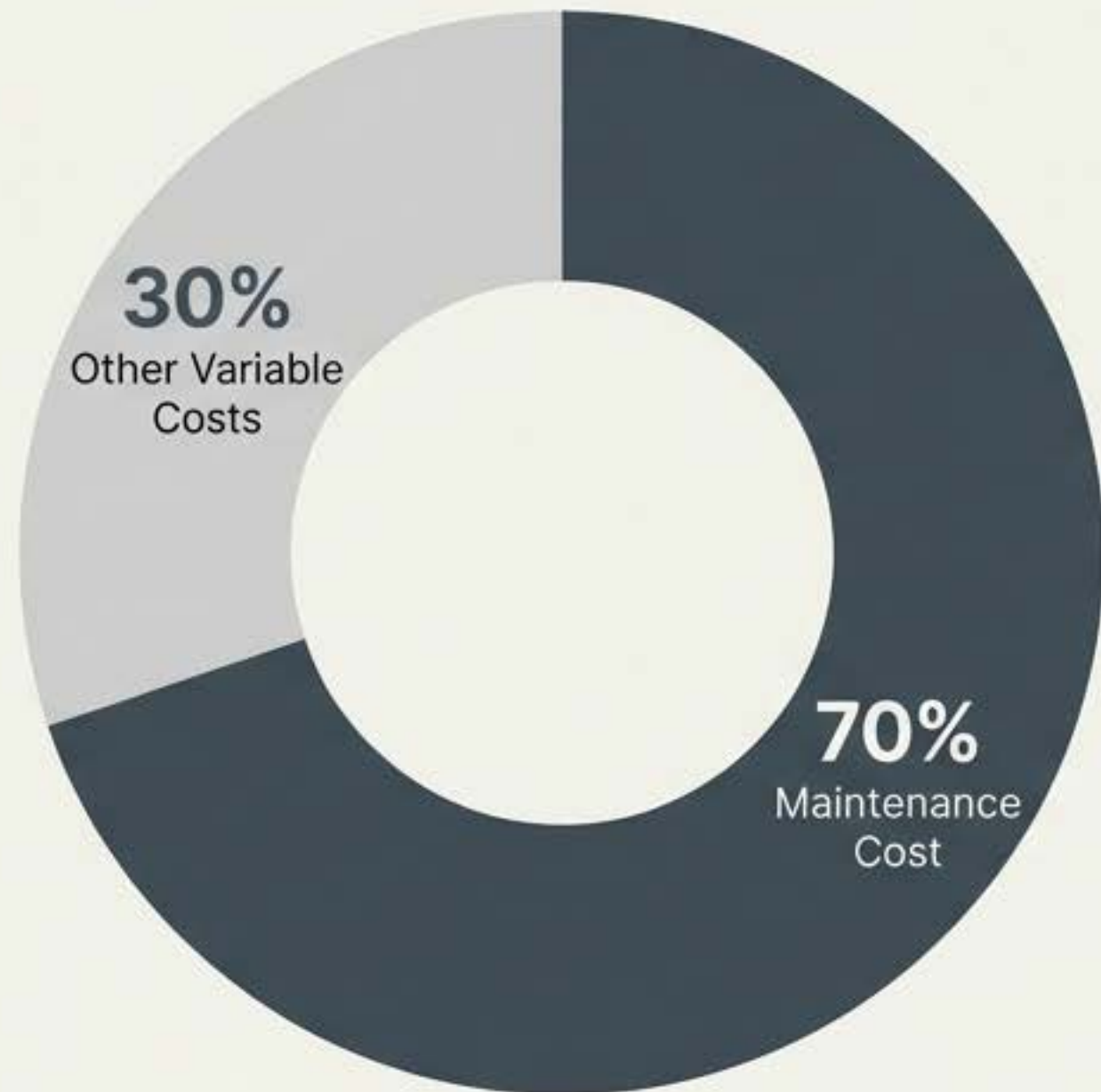
Seasonality: Summer travel drives **40%** of annual revenue; fleet must be ready by April.

Promotion: Run Tuesday-only discounts to smooth demand curves.

Trigger: If utilization < 620% by Q3, re-evaluate fleet mix immediately.

Strategy: Optimize the 'Pit Stop' phase to increase vehicle availability and maximize revenue.

Maintenance scalability determines long-term viability.



Narrative:

Maintenance is the heaviest variable cost. It must be stress-tested before scaling.

Tactics:

- Standardize parts SKUs to reduce inventory bloat.
- Internalize labor to offset rising parts costs.
- Negotiate volume discounts now (aim for immediate 5% reduction).

50% Target (2030)

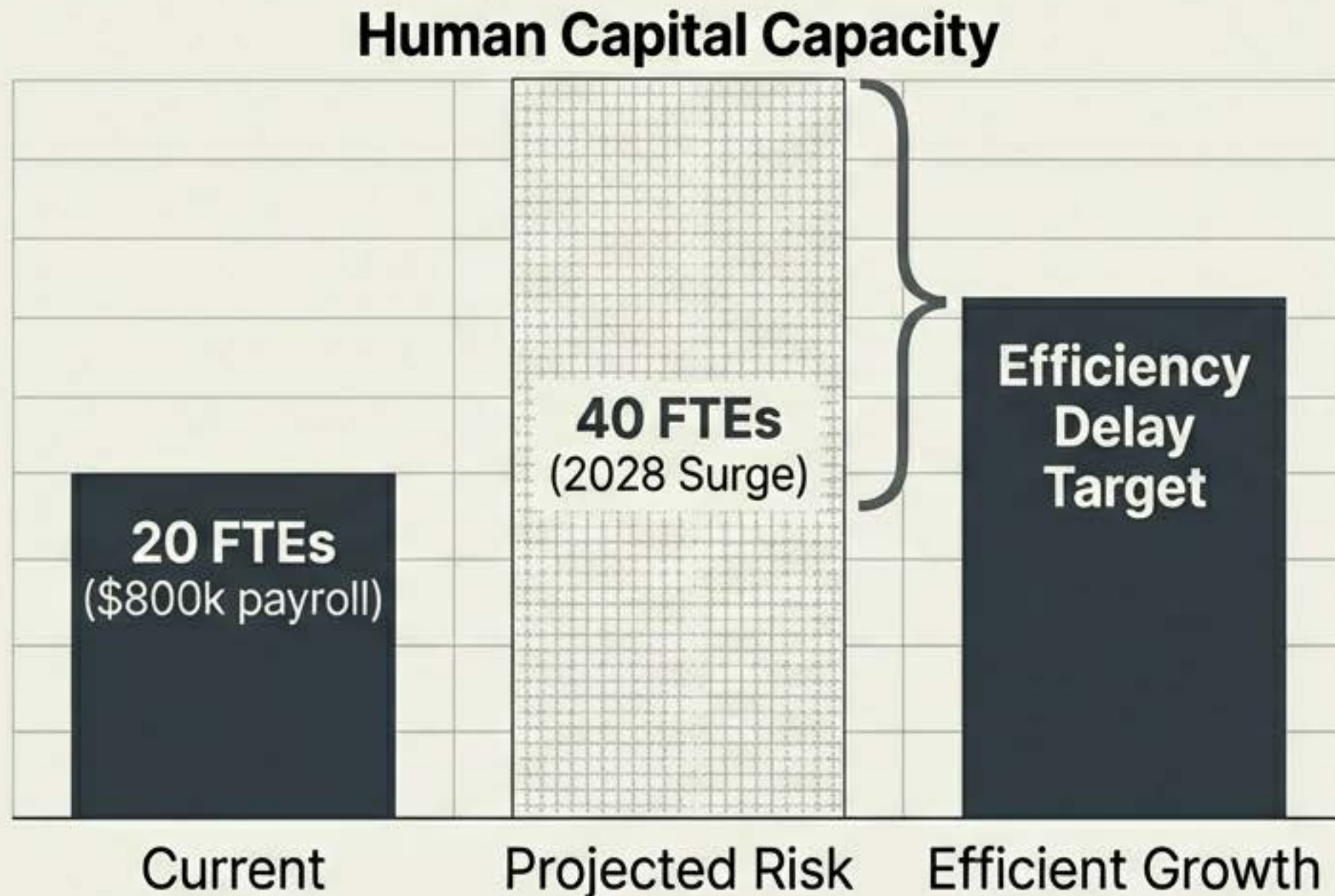
Aggressively attacking the \$500 per day operational benchmark.



Impact Analysis

- **Financial Impact:** Savings of **\$15,000/month** (based on 300 rental days).
- **Method:** Bulk purchase cleaning supplies (15-20% savings).
- **Result:** Savings flow directly to contribution margin.

Decoupling headcount growth from revenue expansion.



Strategy

Current State: 20 Customer Service Reps @ \$40k/rep.

The Strategy: Delay the hiring surge via efficiency.

- Automate responses to simple queries.
- Reduce onboarding time (currently **14+ days**).
- Track tickets per rep hour to define true capacity.

Sensitivity analysis defines the pricing guardrails.

Elasticity Heat Map

Low Sensitivity

High Sensitivity

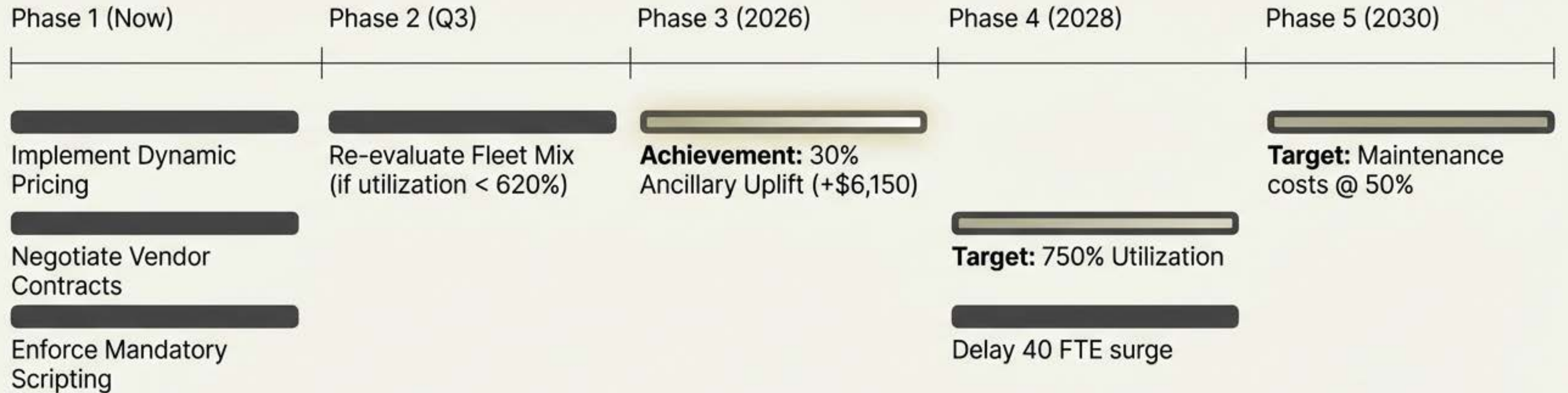
| | |
|---|---|
| Need-Based Rentals Car repair rentals | Discretionary Add-ons GPS Fees > \$18/day |
| | |

How Sensitivity

The Guardrails List

- **GPS:** Fees > \$18/day trigger booking abandonment.
- **Ancillaries:** A 15% hike is the stability test limit.
- **One-Way Fees:** Must cover logistics + 35% profit.
- **Fuel:** Pre-paid services need a 20% markup over wholesale.

Operational Roadmap: 2024–2030



Four levers to drive profitability.



Accelerate

Dynamic pricing & Ancillary uplift
(+30% revenue target).



Optimize

Utilization (600% → 750%)
covers fixed costs.



Control

Maintenance (70% → 50%) is
the scale enabler.



Shift

High-ADR Mix (Luxury/SUV)
for RevPAC growth.



The path to 1058% ROE is operational, not just transactional.

Execution begins with the next rental day.