

Feasibility Study for Establishment of a Captive Finance Company

Client Need: A global manufacturer of business and consumer products in the auto related sector was providing financial services to their dealers and customers for wholesale and retail products through a white label relationship with a major bank. They wished to conduct a feasibility investigation for establishment of a captive finance operation to replace this.

Solution: BenchMark worked on and offsite with the client management team and a major IT provider to investigate the steps required and conduct a feasibility study. Client retained ownership of the financial projections and provided extensive insight into data to support the report. Our conclusions were that immediate establishment would not have sufficient business case and to present a strategy to the client to build financing business to a volume sufficient to support the case.

Result: Client was highly appreciative of our study and entered discussions with their parent company to adopt the recommended strategy.