

Development of a pricing model for capital allocation and intra company charging

Client Need: A global auto captive organisation requested our input on intra company pricing with their parent company on retail subvention business.

Solution: On further investigation, the company had only a basic pricing model. BenchMark was able to illustrate improvement to capital allocation across product lines, improved cost allocation and development of a balanced pricing model.

Result: The models and results were presented to a C level group in a one day workshop attended by the brand CFO as well as captive representation to review a transparent approach to the issue. The client was able to develop new pricing approaches to reflect blended business.