



Setting the GBS Service Price

Determining the right price for GBS services involves:

(1) Calculating Costs

- Understand all fixed and variable components
- Identify major cost drivers
- Determine cost per unit of service

(2) Assessing Value

- Estimate the business value created per service
- Consider impacts on revenue, risk, agility, etc.

(3) Setting Objectives

- Use pricing to incentivize adoption or curtail demand
- Enable cost transparency or maintain simplicity

(4) Understanding Sensitivities

- Research what clients are willing to pay
- Identify substitute services or alternate suppliers

(5) Mitigating Subsidization

- Align price to cost and value to avoid cross-subsidies
- Phase in significant increases over time

(6) Considering Alternatives

- Usage-based, tiered, or outcome-based pricing
- Determine pros and cons of each approach

(7) Building Consensus

- Socialize proposed pricing with key stakeholders
- Incorporate client feedback into final model

(8) Defining Terms

- Clearly specify what is included and how price is calculated
- Leave no ambiguity on what clients are paying for

Strategic pricing enables GBS to recover costs, drive desired behaviors, deliver value, and gain client buy-in. Continuous refinement ensures pricing evolves along with the service.