



GBS Charging and Chargeback

Implementing effective pricing and chargeback models is essential for GBS organizations. Key steps include:

(1) Calculate service costs

- Understand fixed vs. variable costs
- Identify cost drivers and assign to services
- Determine service costs and cost per transaction

(2) Set pricing objectives

- Recover costs or subsidize certain markets?
- Incentivize usage or curtail low-value demand?
- Maintain simple or complex model?

(3) Establish cost transparency

- Educate clients on true service costs
- Provide open access to understand drivers

(4) Define chargeback model

- Direct pass-through to users/departments
- Allocated based on predefined metrics
- Hybrid approach

(5) Mitigate cross-subsidization

- Ensure pricing aligns to service costs and value
- Avoid certain clients/groups unfairly subsidizing others

(6) Phase in strategically

- Gradually ramp up transparency and cost recovery
- Absorb impact of large increases over time

(7) Refine continuously

- Adjust pricing as service costs and value evolve
- Gather client feedback to improve model

Pricing and chargeback strategies incentivize business partners to only utilize services that drive value. GBS simultaneously recovers costs while discouraging excessive low-value demand.