



### Introduction

- Liberalisation Policy v.s. Sector Decline
- Successful Business Models
- RETRACK project ([www.retrack.eu](http://www.retrack.eu))

### Business Segments

*Differ in risk-sharing structure...*

- Intermodal Services
- Block Train Services
- Wagon Group Services
- Single Wagon Services

### Cost Structure

*There are variable costs and fix costs...*

- Infrastructure costs
- Energy costs
- Labour costs
- Locomotive costs
- Wagon costs
- Overhead costs

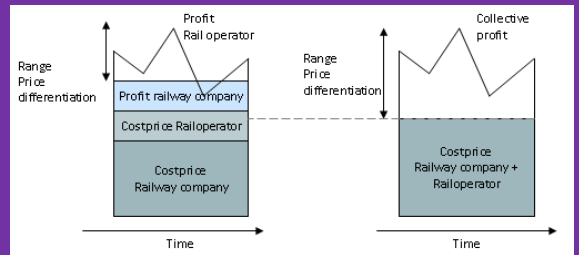
### Understanding pricing

- Pricing = Costs + Agreed profit margin + Risks + Benchmarking + Willingness to pay
- Open-cost calculation:
  - Advantage: Economy of scope
  - Disadvantage: Profit-sharing-conflict & Entry/Exit barriers

### Price Differentiation Strategy

- Volume of shipments
- Guarantee on volume (*Challenge!*)
- Weight & Length of wagons/ Loading units
- Remaining train capacity
- Last-minute booking

### Conclusion



1. Unsuccessful biz-model: based on anchor customer
2. Successful biz-model:
  - Incorporating price differentiation strategies;
  - Defining allocation of risks for possible cost recovery among consortium partners;
  - Encompassing 3PL for coordinating risk agreements
3. Margin of price differentiation strategy determined by degree of cooperation between partners.