

# Being driven by technology

*Toyota Financial Services wanted greater control of its treasury operations – Integra-T.com came to the rescue.*

TOYOTA FINANCIAL SERVICES (UK) is the captive automotive finance house for Toyota and Lexus in the UK and provides a range of car financing packages and other services to Toyota and Lexus centres and their customers throughout the country. The London-based treasury function finances this lending, as well as supporting the lending activities of Toyota Financial Services' other European operations, by raising funds in the capital markets.

Since 1993, the treasury operation had been dependent upon an in-house developed Windows-based treasury system that offered limited functionality. However, in line with its continuous improvement philosophy, Toyota Financial Services wanted to invest in a new system that would provide it with much greater control of its treasury operations, as well as ensuring the accuracy of data held.

"The system we had was doing just about as much as it could," explains Richard Garry, Head of Treasury at Toyota Financial Services. "We wanted an off-the-shelf package that would not require additional in-house development."

## System requirements

The treasury operation's main requirement was for a solution that offered a single point of entry for all transactions, straight-through processing (STP) capabilities, from deal capture to confirmation, and full audit trail and reporting capabilities. The new system would also take on full responsibility for Toyota Financial Services' cashflow management and forecasting.

"We were also interested in accounting and risk management functionality, although this was not a primary issue," adds Garry.

After spending six months examining the different treasury solutions available, Toyota Financial Services shortlisted three and then spent a further four months examining their various technical aspects.

"How the system would be implemented, costs and value for money were very important issues for us," explains Garry. "The differences between the three systems we shortlisted were small, and the one we selected was chosen because it offered a number of additional features and benefits that differentiated it from the others."

**“The solution we have invested in can be developed over time and its functionality taken further”**

**Richard Garry**  
Head of Treasury,  
Toyota Financial Services



## Future-proof solution

At the end of 2003, Toyota Financial Services went live with a Windows-based version of integra-T.com, a fully-integrated front-, middle- and back-office solution with STP capabilities. The system offers front-end deal capture for foreign exchange (FX), debt, investment and derivatives, as well as one central database for all instruments, eliminating the need for data transfer between several systems. It also provides a complete picture of cash and risk positions at any one point in time and forecast cash requirements.

"The system offers a very user-friendly interface and can also operate in different foreign language capabilities, making it a good investment for the future" says Garry, pointing out that although the solution has not been linked into the company's European treasury operations, this may be a consideration in the future. "It also offers a standard reporting function and an in-built query system through which we can access information as and when we need it," he adds.

According to Garry, integra-T.com has provided Toyota Financial Services' treasury operation with much greater speed, efficiency and flexibility when arranging finance and servicing debt payments. The new solution has also brought additional accounting and risk management capabilities. By interfacing with the company's SAP accounting system, for example, month-end accounting can be completed within one day.

The UK treasury operation has also invested in the solution's risk management module, which provides policy and strategy frameworks and 'what-if' scenario forecasting, with a view to deploying this at a later date.

"The solution we have invested in can be developed over time and its functionality taken further," says Garry. "Toyota has a continuous improvement philosophy and we believe integra-T.com is a tool that will enable us to improve our treasury processes year in and year out."