

TREASURY & RISK

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Revving Up STP and E-Payments: Toyota Financial Services

As Toyota Financial Services grew over the last decade to become the top auto lender in 2008, it became more difficult for the movement of monies from the company, its affiliates and banks to keep up. The solution was a multi-year effort to design and implement a sophisticated strategic treasury platform that vastly improves its straight-through processing and e-payments infrastructure within a bank-agnostic architecture.

TFS services about 3.5 million customers who lease or finance Toyota and Lexus cars. They submit payments to TFS and its affiliates, payments that then flow electronically back and forth between TFS and hundreds of banks around the world. Multiple treasury systems were involved, with scant integration and automation. Some transactional processes were still manual. TFS wanted a fully digitized e-contracting, e-servicing and e-payments model that met its Sarbanes-Oxley compliance needs through system configuration, not manual pro-

cedures. TFS also sought a more centralized platform that supported all treasury systems. “We had a collage of stand-alone systems that included our cash management workstation and systems for other tasks like capital markets activities, debt and derivatives accounting, and valuations,” says Wei Shi, TFS’ treasurer. “Our business units also had their own proprietary systems. Finally, we wanted a platform that would be a gateway for a centralized banking approach, where banks would compete on service and price.”

TFS selected Wallstreet Suite as its new treasury management system and SWIFT as its portal for connectivity to banks. TFS went live with both cash management and treasury operations in 2008, with other functions to be phased in. Among the benefits are higher operations efficiency (a reduction of 2,500 staff hours and 50% in temporary staffing), improved SOX controls and risk management, and a shorter treasury product development cycle.

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—TFS’ SHI