

TOYOTA FINANCE CORPORATION

CCH® Tagetik case study



Company

TOYOTA FINANCE CORPORATION

Industry

Finance

Uses of CCH Tagetik software

- Corporate Performance Management
- Budgeting and Planning
- Profit and Loss Management
- Allotment product life cycle profit/loss management

Key facts

- Established in 1988
- Employees 1,928 (as of March 31, 2023)
- Providing financial services to customers of Toyota

“ CCH® Tagetik has significantly accelerated the process of data aggregation and analysis. The aggregation task now takes just one day to complete. Furthermore, the time required for generating analytical reports and management reporting has been slashed by approximately 10 business days.”

Project Owner, CCH Tagetik Implementation Project, TOYOTA FINANCE CORPORATION

The challenge

Adapting to rapid shifts in the market and society necessitates expedited decision-making in business. To enhance the precision of these decisions, comprehensive data-driven analysis is imperative. Toyota Finance Corporation also conducts monthly assessments of budget versus actual results, with the finance department presenting these reports to the management monthly. However, the sheer volume of data handled is substantial and continually growing.

The limitations of the existing database software were becoming apparent in terms of operational capacity, and obtaining the required insights from the analysis was proving challenging. Moreover, the data processing logic relied heavily on human resources (akin to a black box), which posed issues regarding operational continuity.

The objectives

The primary aim behind the implementation of a CPM system was to swiftly furnish essential data and analysis for managerial decision-making. To fulfill this objective, the need for a highly efficient and sustainable profit-and-loss management system became evident.

The fundamental prerequisites for the selection criteria included “efficiency,” “speed,” and “the elimination of any reliance on human resources” for aggregation and analysis operations. Furthermore, aligning with the concept of “conducting in-depth, multifaceted analysis that leads to novel insights and ideas,” the importance of “flexibility in varying management accounting allocations” was also established as a crucial theme.

Requirements

- Integration of CPM tools, data expansion, reduction, and automation of data aggregation time.
- Organizing sales figures and managerial accounting data to accommodate diverse analyses.
- Advanced corporate performance control through a new axis of analysis.

Benefits & results

- Reduces the monthly aggregation and management reporting time by 50%, saving approximately 10 business days.
- Enhanced Speed and Efficiency in Sharing Information with Business Units.
- Realize more detailed analysis and aim for higher value analysis.

The solution

Wolters Kluwer presented the CCH Tagetik CPM Solution to Toyota Finance, which, after careful consideration, chose CCH Tagetik as their new CPM system. This decision was primarily based on its capacity to handle extensive data volumes, its ability to create and implement diverse allocation patterns without the need for coding, its transparent visualization of processing logic, and its user-friendly interface. Presently, Toyota Finance Corporation leverages CCH Tagetik for three critical purposes: budget control, actual performance management, and lifecycle profit-and-loss management.

Budget control

Monthly reviews of income and expenditures are conducted for each line of business to track trends and movements, which involves verifying the adequacy of annual revenue projections and plans. In the future, Toyota Finance will implement version control of budgets through various scenarios.

Actual performance management

Differences between budgeted plans and actual results (profit/loss by department, etc.) are analyzed on CCH Tagetik, and reports are created to identify causes and issues, as well as to study countermeasures. By sharing these reports with the management team and entire company, the PDCA cycle is implemented from the short-, medium-, and long-term perspectives to support continuous “kaizen” activities that improve productivity and make the work environment more efficient. Kaizen is a Japanese business philosophy that focuses on gradually improving productivity and making a work environment more efficient.

Profit-and-Loss Management

CCH Tagetik calculates 5-year lifetime profit for the automobile installment sales business. In the future, Toyota Finance plans to use CCH Tagetik for lifecycle profit and loss management in the credit card and other businesses.

Benefits and results

Reduces the monthly aggregation and management reporting time by 50%, saving approximately 10 business days.

Previously, it took around 20 business days to compile, analyze data, and create reports. However, with the introduction of CCH Tagetik, this lead time has been reduced by nearly 50%. Presently, reports can be submitted to management in about 10 business days from the closing date. The impact of the reduced labor required for aggregation is particularly noteworthy, as tasks that used to take approximately 10 business days have now been shortened to 1 day or less. CCH Tagetik increases efficiency and allows the team to allocate more time to value-added analysis. The team has now started to deliver higher-quality reports, with insightful perspectives in the analysis.

Enhanced speed and efficiency in sharing information with business units.

By consolidating the management of data, that was previously shared via email and internal servers on CCH Tagetik, an environment has been established where “the requisite data can be accessed by the right individuals, when needed, and at any time.” Furthermore, the ability to provide data in formats tailored to each department’s requirements has contributed to increased data utilization and analysis efficiency in the field. The prompt provision of data

“ CCH Tagetik has enhanced inter-departmental collaboration. By centralizing data within CCH Tagetik, we have streamlined access to information for each division, enabling them to deliver timely reports tailored to the field’s requirements.”

aligned with departmental needs has received positive feedback within Toyota Finance, and they intend to further promote the development of a more user-friendly and swifter information-sharing mechanism.

Realize more detailed analysis and aim for higher value analysis.

In addition to enabling a more detailed grasp of actual results, the use of custom dimensions has made it possible to grasp numerical values by measure. Currently, CCH Tagetik is mainly used for budget control and profit-and-loss management, but in the future, the company is considering evolving to multifaceted analysis of the balance sheet and combining KPI and various sales coefficients with profit-and-loss data. We are aiming to “provide more valuable information” by conducting analysis based on new perspectives that were not possible before.

A system should not be considered complete once it's implemented. The true journey begins post-implementation.

With the first phase complete, Toyota Finance is planning the next phase to automate the more manual tasks and to expand for more deeper and multifaceted analysis.

AVANT CORPORATION, a CCH Tagetik sales partner, was responsible for the implementation of a CPM system at Toyota Finance. AVANT drove the project forward while working side-by-side with the client through numerous rounds of interviews. The detailed and careful implementation process was highly evaluated by Toyota Finance, who commented, “AVANT were able to understand our requests and issues while taking our opinions into consideration,” and “They have a wealth of knowledge about accounting”. AVANT will continue to support Toyota Finance by making various proposals and recommendations to fulfill its mission of “consulting for operation reform”.

AVANT spearheaded the project, collaborating closely with the client during several rounds of discussions. The meticulous and thorough implementation process received high praise from Toyota Finance. They noted, “AVANT demonstrated an exceptional understanding of our needs and concerns while considering our input,” and acknowledged AVANT’s extensive knowledge of accounting. AVANT remains committed to supporting Toyota Finance by presenting a range of proposals and recommendations, furthering their mission of “consulting for operational reform”.

“ CCH Tagetik seamlessly connects budget and actual data with a remarkable level of analytical versatility. Furthermore, its user-friendly setup, code-free operation, intuitive interface, and flexibly configure variations in allocation make it stand out as a superior solution compared to other CPM systems”

Project Manager, CCH Tagetik Implementation Project,
TOYOTA FINANCE CORPORATION

About customer

TOYOTA FINANCE CORPORATION was established in 1988 as a financial subsidiary of Toyota Motor Corporation to provide financial services to Toyota customers.

About partner

AVANT CORPORATION, originally founded as “Diva,” a pioneer in consolidated accounting software, underwent a name change to “AVANT” in October 2022. Expanding beyond its core business of “consolidated accounting,” AVANT now operates in three business domains, including “Group Management,” and “Business Management.” Offering a comprehensive suite of services ranging from consulting to system planning, development, implementation support, and ongoing maintenance, AVANT aims to be a one-stop solution provider. By delivering optimal management information platforms tailored to the needs and challenges of its clients, AVANT aspires to be the most trusted company in the field of corporate performance management.

About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in professional information, software solutions, and services for the healthcare, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2022 annual revenues of €5.5 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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