

Toyota Motor Thailand Uses Expert Consultants to Implement Asia-Pacific Financial System

Toyota Motor Thailand Co., Ltd
Bangkok, Thailand
www.toyota.co.th

Industry:

Automotive

Employees:

More than 4,000

Oracle Products & Services:

Oracle Financials

Oracle Support

Implementor:

Oracle Consulting

Key Benefits:

- Reduced costs by standardizing Asia-Pacific subsidiaries on a common financial platform
- Achieved smooth deployment by developing a hybrid project plan that incorporated the best elements of two implementation methodologies
- Ensured support for future rollouts by leveraging the experience and resources of the original implementation team

“I would particularly like to mention the professionalism and thoroughness of the Oracle Consulting team during the project. The experience with Oracle has been very encouraging and fulfilling. The complex project was completed on time and within budget.” – Kazuhiro Shibutani, Vice President, Information Systems, Toyota Motor Asia-Pacific

Japanese automotive giant Toyota Motor Corporation chose Thailand as the location of its first overseas operation, establishing an import business in the country in 1956. Toyota Motor Thailand is now one of the leading automobile manufacturers in Thailand, with a registered capital of THB7.5 billion (US\$2.3 billion), more than 5,000 staff, 88 dealerships, and 238 showrooms nationwide. It produces up to 240,000 vehicles a year.

In April 2007, Toyota established a new division called Toyota Motor Asia Pacific Engineering and Manufacturing (TMAP-EM). The division is responsible for supporting procurement for all of Toyota’s manufacturing plants across the Asia-Pacific, with the aim of lowering operating costs.

One way to achieve this objective was to standardize on a single business model. As a first step, this would involve replacing the disparate financial systems used by different manufacturing facilities with a centralized solution. Toyota selected Oracle Financials as the foundation of its new system and engaged Oracle Consulting to deploy the solution in Thailand.

Using Oracle experts enabled Toyota to implement the system within mandated deadlines and ensure there were no problems after it went live. The company will use the same deployment team and methodologies to roll out the system to other Toyota operations in the Asia-Pacific.

“This was a major project for Toyota in this region, so it was very important to get the system designed and implemented correctly right from the start,” said Kazuhiro Shibutani, vice-president of information systems at Toyota Motor Asia-Pacific. “Oracle

Consulting impressed us with their project management skills and technical knowledge, so we have entrusted them to deploy the financial system across the Asia-Pacific region.”

Collaboration the Key to Success

While Toyota has used Oracle solutions, including PeopleSoft, in its Japanese head office and in Europe for several years, this was the first time the company had considered implementing Oracle E-Business Suite applications in its Asia-Pacific companies. Offices in the region were using other applications to manage their financial operations, but Toyota believed Oracle offered a better fit for its business. Standardizing on Oracle across the region would also allow the company to cut costs and enable seamless data integration with its global systems.

To minimize risk and ensure quick user acceptance, Toyota engaged Oracle Consulting to implement Oracle Financials in its Thailand manufacturing and engineering facility. The outcome of the project has given them the confidence to roll out the solution to other companies in the region.

A key challenge for Oracle Consulting was to develop an implementation methodology and a plan that merged Oracle and Toyota’s deployment methodologies. Oracle has a five-phase implementation methodology (definition, elaboration, build, transition, and go-live), while Toyota has a three-step plan (system requirement/design, build, and deployment).

“Toyota’s deployment phase is the longest as we undertake three rounds of testing before system launch,” explained Shibutani. “We are a strong believer in quality and do not want anything to fail after it has been put in production. Oracle Consulting met this expectation by successfully completing the implementation.”

Toyota’s documentation standards are also different. The company prefers documents with plenty of graphics to illustrate each step of the operations. Oracle willingly adopted this approach.

“Oracle accommodated many of our requests in the hybrid method, while introducing us to best-practice guidelines that streamlined the deployment process,” said Shibutani. “We were pleased that the team was adaptable to Toyota’s standards.”

He added that the Oracle Consulting team had also adjusted its practices in accordance with Toyota’s work culture.

“Like many companies, we want issues to be resolved as quickly as possible, and preferably before the end of the working day,” said Shibutani. “Of course, this is not always possible in complex consulting projects, but Oracle Consulting ensured there were additional resources from Singapore and India on hand to solve problems.

“For example, they got the development and critical account teams to validate the work completed on the ground when we experienced some issues with the accounts payable and accounts receivable modules, which resulted in a quick resolution.

“The project management was excellent and gave us a lot of confidence in the capabilities of the team,” he added. “This not only reflects Oracle Consulting’s commitment to the project, but the whole organization as well.”

Support for Regional Rollout

The Oracle financial system went live on April 1, 2007. Shibutani said there have been no major problems with the system since its launch and it had been accepted by the 40-plus finance staff in the Thailand facility. The success of the project convinced Toyota to roll out the system to other facilities in Thailand, and eventually to subsidiaries in Singapore, India, Indonesia, and other countries in the region.

According to Shibutani, adopting a common Oracle platform across the Asia-Pacific region will enable Toyota to improve productivity, deliver standardized reports to senior managers in Japan, and, most importantly, result in significant cost savings.

“As we roll out the system to other countries, we expect to reduce costs,” he said. “This is the first time that Toyota in the Asia-Pacific has worked with Oracle Consulting, and the experience has been very encouraging and fulfilling. The complex first project was completed as planned, on time and within budget.”

Why Oracle?

The push to adopt the same financial system across the Asia-Pacific region was on Shibutani’s mind when Toyota evaluated solution and implementation options.

“It made business sense to implement the same solution as our Japanese headquarters and European offices,” he said. “Oracle

E-Business Suite proved the best fit for our Asia-Pacific business, so we were happy to use Oracle.”

Engaging Oracle Consulting to manage the implementation also ensured Toyota could leverage the same deployment team and methodologies when rolling out the solution across the region.

“We believe it is important to build a strong, ongoing relationship with our vendors,” said Shibutani. “It would be too difficult and time-consuming to bring new partners up to speed on our needs each time we implemented the system in a new country. With Oracle Consulting, we know we have a reliable, trustworthy team that can support our future rollouts.”

Implementation Process

In addition to developing a deployment plan that incorporated elements of Toyota’s and Oracle’s methodologies, Oracle Consulting was responsible for coordinating all people involved in the project, including a local Thai partner. Oracle Consulting’s expertise also ensured a smooth working relationship with Toyota’s other partners, Fujitsu and IBM.

A critical part of the project was developing interfaces between the Oracle finance solution and Toyota’s existing systems to ensure a smooth flow of information throughout the organization. Oracle Consulting was also in charge of training the end-users, helping them understand the functionality of the Oracle system and ensuring a smooth transition.

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