

## CASE STUDY

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### **Toyota Australia Drives Out Cost and Increases Visibility with BEA Solution for Dealers**

Sponsored by: BEA Systems, Inc

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June 2004

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#### **Situation Overview**

Complexity breeds chaos and there are few products more complex than a modern automobile. Designing, prototyping, sourcing suppliers, coordinating inventory, order processing, manufacturing and shipping must all flow smoothly. Each of those steps consists of myriad smaller steps. It can be a real challenge, even for a well-run company.

Modern production methods, which depend on many independent suppliers, and just-in-time delivery, which helps to drive down costs by reducing inventories, require manufacturers to manage an increasingly complex value chain. Any glitch can disrupt production, costing time and money.

Clearly, automobile manufacturers desire a seamless, end-to-end solution to better manage costs, inventory and distribution.

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#### **The Challenge**

Toyota Australia is the Australian subsidiary of Toyota, one of the world's leading automotive manufacturers. Headquartered in Melbourne, the company produces Camry and Avalon passenger cars at its Altona plant.

The company recently commenced a major revamp of its operations, known as the eBusiness Transformation Program, designed to integrate the systems and processes that connect Toyota and its trading partners, with the goal of achieving real-time information access, enhanced two-way visibility and improved performance through all of Toyota's processes and those of its partners.

While the company has an ERP system, it had been connected to numerous partners in the value chain via an assortment of systems, including some proprietary technologies. That had to change.

"We realized that integrating the disparate systems throughout our value chain would allow us to achieve considerable process improvements and cost savings while improving customer satisfaction," said Chris Thomas, Senior Manager, Toyota Australia's eBusiness Transformation Program.

One of the many channels that needed integrating was that between the company and its disparate network of dealers. In the past, the third-party systems, which are used to run dealer operations, have not been integrated with the company's ERP system. Information

vital to the order, production and delivery process often needed to be re-keyed manually, a time-consuming, labor-intensive process that had the potential for causing errors.

To drive out costs and enable a smooth transfer of data along the entire value chain, Toyota wanted to move to a standards-based approach.

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## The Solution

With the help of BEA technologies, Toyota has been integrating its systems to allow information to flow smoothly between those systems. One of the most recent projects in the program is called tJunction. This project will increase the functionality of existing dealership management systems. Several dealers are already using the new system to receive inventory and delivery information. By 2008, the system will give all dealers and their customers greater transparency about the price, location and availability of vehicles.

The tJunction project is one example of the eBusiness Transformation Program and illustrates the benefits of a move to a standards-based environment. Such a move is key to moving forward with the eBusiness Transformation Program, and BEA's support for open-standards was a major consideration in Toyota Australia choosing to work with the company.

"After careful study and a successful pilot phase, we selected BEA WebLogic Integration 8.1 due largely to BEA's aggressive support for open standards, which can maximize our flexibility and adaptability, and the reliability and scalability of BEA's products, which are crucial for mission-critical computing," said Ellis Brover, Principal Software Architect for eBusiness Transformation, Toyota Australia. "Our experience leads us to believe that BEA is a market leader in the J2EE space, and is well positioned as the integration market moves toward open standards."

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## The Benefits

The eBusiness Transformation Program calls for integration to be carried out via Web service interfaces to ensure that neither Toyota nor its trading partners are limited to proprietary technologies. According to the company, since early 2003, Toyota has successfully delivered six projects using BEA software. These projects include:

- Electronic proof of delivery
- Online accounts payable status for suppliers
- Fleet management integration
- The Toyota Vehicle Order Processing System (TVOPS)
- Advance shipping notice for vehicle deliveries
- Vehicle inventory synchronization

With a move toward open-standards, the value of data collected is increased because it can be shared between projects.

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## The Future

With the eBusiness Transformation Program, Toyota Australia is securing its place as an industry leader in terms of integration of systems and processes. Work continues on improving and expanding existing projects as well as developing further enhancements.

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