



## KYRIBA CASE STUDY

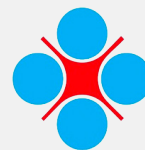
# Driving the Wheels of Change for Improved Control and Efficiency at Tan Chong Motor Holdings

Award-winning Malaysian conglomerate and automotive group, Tan Chong Motor Holdings Sdn. Bhd. (TCMH), has reached world-class status following its 50-year evolution from a start-up in the early 1970s. Although the head office is still firmly rooted on home territory in Kuala Lumpur, the company now has more than 13,000 employees across 23 global brands in 15 countries around the world, with annual revenues exceeding \$4B.

### Diversification and decentralization exposes the business

Synonymous with brands such as Nissan, Infiniti and Renault, the diversification of the group's business over the years now extends well beyond the entire automotive spectrum of assembly and manufacturing, sales and distribution, servicing and maintenance, finance and leasing, insurance, education and recruitment. The added complexities of managing multiple global entities through strategic partnerships in travel and tourism, apparel, energy and heavy machinery has led, not only to rapid growth, but to extensive exposure to foreign exchange rate fluctuations.

"It can be a daunting prospect for any treasury team to manage global operations," said Wan Chun Shong, Group Treasurer at TCMH. "The business operates in many different countries and across more than 100 different subsidiaries, so it became impossible to maintain any degree of control over the group-wide liquidity. We have more than 600 bank accounts and have inherited nine different incumbent systems; we struggled with poorly managed internal resources logging into 15 different banking portals every day, with some accounts holding cash that we didn't even know existed. This decentralized model resulted in time-consuming and error-prone manual processing, so we inevitably suffered from very poor visibility of cash."



**Parent Company:** TCMH  
**Headquarters:** Kuala Lumpur  
**Industry:** Automotive  
**Revenue:** \$4B  
**Purchased Kyriba:** Dec. 2016

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Group Treasurer,  
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## Identifying objectives and planning to execute

In 2016, it was decided that the advantages of bringing automation into the treasury operation and implementing standardized processes would facilitate more opportunity and position treasury as the strategic enabler of growth. A detailed assessment of the business requirements ensued, with a focus on a cost-benefit analysis, followed by a review of technology providers and their ability to meet functional needs. Though it was relatively simple to gain board-level approval, given the challenges faced, a full business case and market evaluation was undertaken, including a scrutinized review of vendor project management and implementation processes.

“It is a common mistake to only focus on whether a provider can meet functional needs,” Wan said. “Everyone has different needs and objectives, and not one system fits them all. In reality, one of the biggest differentiators between providers is often in the delivery of the software, so it is imperative to set-out a detailed project plan in advance and to ensure that you have sufficient available resources and expertise on both sides.”

Following the rigorous selection process, TCMH chose Kyriba for cash management, cash forecasting, risk management and bank connectivity using SWIFT Alliance Lite2 for Business Applications. The combined solution suite was deemed the best fit for digitizing its treasury function and adding strategic value to the organization.

## The vision was in the cloud

“We required a secure cloud solution that would give us greater financial controls, greater visibility of cash, and secure our compliance obligations,” Wan said. “We also needed world-class, extensive bank connectivity to optimize our treasury operations across ASEAN, and after exhaustive research, we found that Kyriba exceeded our requirements.”

## Reconciliation time reduced by more than half

Today, the business is starting to feel the benefit of having automated its treasury processes. TCMH is historically a conservative company and the team has been slow to transition away from the manual legacy of spreadsheets. However, the time savings are already immeasurable with the morning bank reconciliations being completed in less than half the original time of four hours, and with half the number of people.

At least one week in every month is now more available to hone in on greater details of the business, using the time and added visibility, both current and future, to make better, more informed strategic decisions. There is also a much greater degree of transparency, not just in terms of visibility of cash, half of which no longer sits idle, but in providing a reliable audit trail and being able to meet regulatory requirements.

## What's next?

Once Wan is happy that his team has fully transitioned to Kyriba, the next item on his agenda is payments. Acting as a form of in-house bank to the group, Wan has initiated the use of e-payments internally, but extending that outside will be a big leap. “Malaysia is quite behind when it comes to online payments,” he explains, “since most companies still use cheques. This is something we will really need to address. TCMH is one of the country's flagship companies. We are held up as an example to others, and we need to be at the forefront of Fintech. We will continue our strong partnership with Kyriba to help us achieve the government's goal for all companies to stamp out checks by 2020.”