

INFOCUS


TOYOTA FLEET MANAGEMENT
**MILES
SPECIAL**

FROM THE GM'S DESK

There is a saying in the US Army that "the difficult we can do immediately but the impossible may take a little longer."

I was reflecting upon the truth of this saying following the launch of our new IT platform Miles, which you'll read a lot about in this issue of *In Focus*.

Launching Miles wasn't impossible of course, but at times over the last couple of years some of the team working on the project might reasonably have felt that way.

Toyota Fleet Management set itself very high goals with Miles. We wanted a system that would not just improve our existing operations but also accommodate our plans for significant growth and innovation in the future.

I believe the talented Miles project team has achieved those goals – and more. In addition to greater efficiency and better customer services, the system has allowed us to bring a lot of new products to the market.

But the process of innovation will be an ongoing one and Miles will allow us to continue to offer new products that respond to our customers' changing needs over time.

We've already made some changes to our staff structure in anticipation of these developments.

We have, for example, built a specialised Salary Packaging team which will work closely with our Novated Leasing department to deliver total packaging solutions to customers. As the foundation of that new team, Scott Johnson our Salary Packaging Manager

and Kirzsten Peart our Small Business Manager are driving these new initiatives.

We also have a new, dedicated training resource in Darren Hing and we've significantly expanded our Fleet Strategy team under James Bridekirk.

Last but not least, the man who led the Business team in the Miles project, Phil Boxsell, is now our Senior Manager of Strategy and Product Support. Phil will be working with the above teams to support our regions in the delivery of these important new initiatives to you.

For the moment, Miles is in its infancy and we know it's not perfect. I'd like to sincerely thank all our customers for their support during the launch phase and the change-over from old systems to the new.

I am certain your patience will be rewarded in the coming months and years as Miles allows us to offer you better products, better information and better service.

Ed Stanistreet
General Manager – Fleet Sales

BETTER CUSTOMER SERVICE

Toyota Fleet Management (TFM) says its customers can expect greater levels of customer service and convenience following the successful roll-out of its new IT platform, Miles.

The system went live at the beginning of October, marking the most significant upgrade of information architecture in TFM's history.

The result of more than two years of intensive development, Miles consolidates the functions of ten existing IT systems into a single platform, eliminating the need to use multiple systems for different products.

For TFM's customers, Miles delivers multiple benefits. Chief amongst these is the ability to provide fleet managers with a comprehensive suite of data files and reports – either automatically or on demand.

For example, FBT, Fuel Card, CO₂ data, Registration and CTP Renewal information, can all be readily accessed online by the customer.

In addition, we'll be adding shortly ETag, Roadside Assistance and Accident Management Reporting.

A unique feature of the system is the inclusion of regularly updated vehicle data on 1400 makes and models, provided by JATO.

The vehicle data – which includes information on running costs, residuals and standard and non-standard options – has expanded and sped up the provision of quotes to customers.

An integrated disposal service linked to TFM's auction house providers allows it to more effectively manage vehicles at the end of their lease, including off-lease damage.

Miles also makes invoicing simpler and more efficient by integrating most costs into a single monthly invoice – delivered either via email or fax rather than post.

"Over the long term Miles will deliver many benefits to our customers, thanks to its greater efficiency, online capability and more effective fleet management services," said project leader, Phillip Boxsell.

A by-product of Miles' implementation is that it has allowed TFM to offer customers a wider range of products. Among these is an improved Mini Lease and a new Relief Vehicle service including transport booking and management.

Miles has also allowed TFM to launch Fully Maintained Term Purchase and Fully Maintained Finance Lease products.

"Our out-going IT systems didn't give us the ability to support such products," said Mr Boxsell, "but Miles will allow us to be more creative in our development of products as the fleet market grows and changes."

TFM OFFERS UNIQUE FULLY MAINTAINED TERM PURCHASE

Toyota Fleet Management has broken new ground by offering customers the option of a Fully Maintained Term Purchase (FMTT).

Launched to coincide with the introduction of the Miles system, the FMTT combines the convenience of a Fully Maintained Operating Lease with the financial flexibility inherent in Term Purchase.

Strategy and Product Manager, Phillip Boxsell says FMTT is likely to become more popular as planned changes to taxation and accounting rules are rolled out.

"New taxation rules that take effect from July 1 next year mean that Term Purchase customers will be able to claim tax credits up front," says Mr Boxsell.

"That, combined with changes to International Accounting Standards, may

mean that Term Purchases will have some additional advantages over other forms of vehicle finance for some customers."

TFM's Fully Maintained Term Purchase allows customers to choose to include running costs such as repairs and maintenance, roadside assistance, full or scheduled services and tyre replacement in the payments.

An advantage of fully maintained finance products is that it allows the fleet operator to more accurately forecast costs and simplifies their administration.

The Miles system has also allowed TFM to integrate a Fully Maintained Finance Lease for the first time.

"Finance Leases and Term Purchase suit customers who would prefer to purchase or own the asset – for example a piece of plant, an earthmover or a forklift – at the end of the finance period," said Mr Boxsell.

TFM GROWS TO MEET MARKET DEMANDS

Toyota Fleet Management (TFM) regards the launch of Miles as a vital step towards its goal of becoming Australia's best and most customer-focused Tier 1 Fleet Management Organisation.

The launch of the IT platform is the culmination of a re-energisation of Toyota Finance Australia's fleet finance and management business which began more than five years ago.

The process first became evident to customers in 2007 when the business was given its own, distinct branding as Toyota Fleet Management.

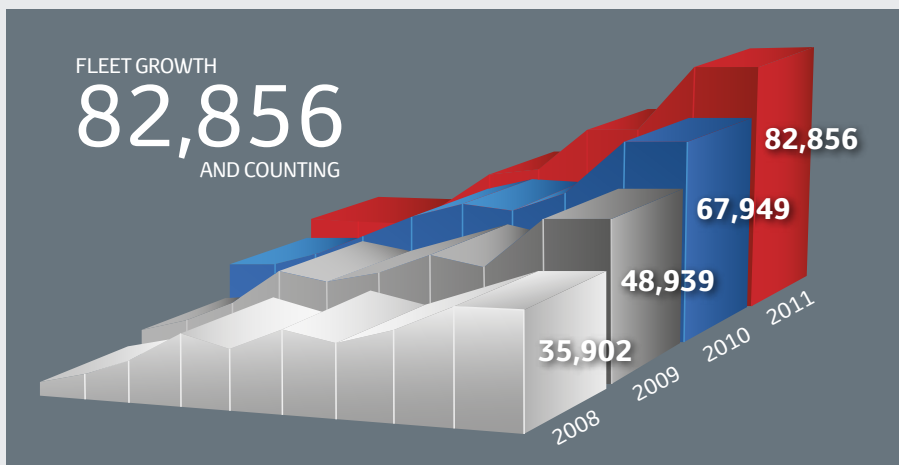
"At the time of the name change we had about 33,000 motor vehicles in our portfolio and most of those were purely finance contracts," said TFM General Manager, Ed Stanistreet.

"The name change was driven by the need to raise customer awareness of our broader fleet management expertise and it was a clear indicator of our future direction."

In the ensuing four years, TFM's asset book has boomed to more than 85,000 vehicles and the company has risen to become the second-largest FMO in Australia.

Mr Stanistreet says, however, that growth for its own sake is not TFM's goal.

"It's nice to have targets but reaching them should be the outcome of what we do, not why we do it. Our goals are centred on our core philosophy of winning and partnering customers for life."



The TFM boss says that since the launch of the brand some new market trends have emerged, driven by customers.

"There's a greater focus on FMOs communicating directly with the vehicle's driver, rather than just the customer," he said. "Some of our clients want us to manage the driver directly, assisting with their Salary packaging and FBT liability, ensuring that the vehicle is correctly maintained and protected."

Mr Stanistreet says there is also a greater thirst for knowledge and transparency amongst customers – a trend he believes will continue.

"Customers understand that vehicle purchase price is not everything and that they should more closely consider whole-of-life costs. They need much more detailed information on vehicle costs before choosing which

vehicle best suits their requirements and then they need to monitor actual performance." Other trends likely to shape fleet management in the coming years are the environment and a greater desire by customers to be able to undertake certain tasks online.

"There is increasing interest in the environment but the research tools available to customers at the moment are pretty limited."

"The ability to research the environmental impact and other costs of a vehicle is something fleet customers and novated lease customers will increasingly expect to be able to do online."

Generating quotes online is also something customers increasingly expect to be able to do. "It's part of the trend by consumers more generally towards online product research and comparison shopping," said Mr Stanistreet.

MILES BUILDS BETTER RELATIONSHIPS

Toyota Fleet Management relationship managers say the greater efficiencies generated by the Miles system will improve the level of service they are able to give their customers.

After some teething problems during the transition to the new system, customers are starting to recognise the benefits Miles offers them.

"Every customer wants something slightly different from their dealings with Toyota Fleet Management – and the new system is flexible enough to meet most expectations," says Relationship Manager, Matthew Gambell.

"For some the benefit of the new system will be that their relationship manager will have more time for face-to-face contact."

"For others, the ability to quickly and easily generate their own quotes online is proving to be a major plus."

When providing customers with a quote on an Operating Lease, the system can be configured to show whole-of-life costs in the quote.

Mr Gambell believes the feature customers will derive the greatest benefit from is the extensive data available through the system.

One example he highlights is Miles' ability to provide an analysis of fuel transactions.



Miles will allow a customer to compare the fuel consumption of different vehicles in the fleet or even two identical vehicles being used by different drivers.

"Armed with that information, a fleet manager can then speak to a driver and ask about his/her usage pattern and driving style," says Mr Gambell.

The ability to better track vehicle emissions is another benefit.

"CO₂ reporting is obviously going to become more important in the coming years and the system has the ability to accommodate that growing requirement," says Mr Gambell.

"In fact, over time I think our customers will generally see a growing number of benefits from Miles."

BUSINESS CHAMPIONS HELP SMOOTH MILES TRAINING

The introduction of the Miles system to Toyota Fleet Management staff and customers has been assisted by the decision to appoint 'business champions' to the project this year.

A representative from each area of TFM's operations underwent early training in the system so that they could provide end-user feedback about Miles on behalf of their colleagues.

"Throughout the year the business champions were exposed to the system at critical junctures, providing their opinions and raising operational and usability concerns for us to address," said Miles Training Manager, Darren Hing.

"Their input has been absolutely invaluable in improving the system and ensuring the successful deployment of Miles."

Training for Fleet customers has been conducted by Relationship Managers, the goal being to highlight the self-serve functionalities available through the Miles web portal.

Customers are now able to run reports and view information about their portfolio of vehicles.

Most notably the portal allows customers to generate their own quotes for the first time.

Mr Hing says with the right training in the Miles system for TFM Staff, better customer service will definitely result.