

from mind to market



Case Study

Growth through entry into automotive financing

Successful support of TARGOBANK in expanding its business areas



Successful support of TARJOBANK in expanding its business areas

Within a mere twelve months TARJOBANK AUTOBANK established itself as a competitive automotive bank in a fiercely contested market. With the afb Credit Management Solution (afb-CMS), the autobank controls the processes of retail and wholesale financing in a fully integrated, web-based and modular system. In addition, the consultants of afb supported the experts at TARJOBANK with their comprehensive process and specialist know-how in the field of automotive financing.

THE CUSTOMER

TARJOBANK AG & Co. KGaA (TARJOBANK) has more than 90 years of experience in retail banking in the German market. TARJOBANK is headquartered in Düsseldorf, Germany, and employs 7,000 people throughout Germany.

It is a leader in the consumer credit business, one of the largest credit card issuers in Germany and serves four million customers in the business areas accounts & cards, credit & finance, savings & investment, assets as well as protection & provision. The bank combines the advantages of a direct bank with competent advice and excellent service in its more than 360 branches as well as in the homes of its customers.

In the business customer segment, TARJOBANK has been an established cooperation partner to more than 5,000 retailers of consumer goods in the field of retail financing for many decades. As a non-captive, TARJOBANK AUTOBANK also cooperates with over 2,000 independent and manufacturer-bound car dealers in the field of wholesale and retail financing.

Moreover, TARJOBANK Commercial Finance has been part of the TARJOBANK group of companies since August 2017 and, as a partner of medium-sized companies, offers financing solutions in the areas of factoring and leasing.

As a subsidiary of Crédit Mutuel, one of the largest and most financially sound cooperative banks in Europe, TARJOBANK is a secure partner for its private, business and corporate customers.

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QUICK FACTS

Business branch
Automotive banking

Affiliated dealers
approx. 2.000

Project scope
Front and middle office

Task
Business Solution und Consulting for entry into automotive financing

‘The entry into automotive wholesale and retail financing is an important component of our growth strategy. With afb as a competent partner at our side, we feel well prepared for the future.’

Markus Häring, Head of Dealer Cooperation & Leasing Division, TARGOBANK and Managing Director, TARGO Leasing GmbH

GROWTH STRATEGY

The entry into the business field of automotive wholesale and retail financing was part of the overarching growth strategy of TARGOBANK. The goal was to establish itself on the market as a manufacturer-independent, competitive automotive bank. Both from a professional and technological point of view, TARGOBANK needed a partner with extensive experience in the automotive financing business and innovative software solutions. This is why TARGOBANK chose afb as its competent partner.

THE PROCEDURE

TARGOBANK's entry into the new business segment of automotive banking proved to be a very successful team project: afb-CMS constituted the appropriate basis for the mapping of retail and wholesale financing processes. Moreover, afb's consultants supported TARGOBANK's international team in system extensions based on the requirements of the Düsseldorf Credit Institute. The extensive experience gained by afb during more than 20 years of cooperating with leading automotive banks was helpful in this context.

Thanks to the extensive know-how of the afb consultants and the intensive collaboration with the experts at TARGOBANK we were able to quickly achieve results:

- Joint optimisation of the rough concepts and requirement catalogues, e.g. with regard to possible digitisation potentials
- Definition of process models, including associated systems, participants and activities
- Introduction of best practice processes

In preparation for the market entry, TARGOBANK employees as well as automotive dealers received specific training. With the support of the qualified afb training team the introduction of afb-CMS was optimally prepared and accompanied. As the operation is carried out in TARGOBANK's data centre, afb's specialists also provided support by means of an introduction to the operational management.

THE RESULT

Thanks to the excellent cooperation between afb and TARGOBANK's expert teams, the afb-CMS and the existing core banking system of TARGOBANK harmonise at the highest professional and technological level. The fully integrated, web-based and modularly structured afb-CMS maps the processes of retail and wholesale financing at TARGOBANK AUTOBANK. The scope of services ranges from the offer to the real-time credit decision right through to the management via automated business transactions. As a result of the afb-CMS's high flexibility with regard to customisation and configuration, the solution satisfies the individual requirements and process components of the automotive bank. Thus the company manages various credit products with additive insurance for private and commercial customers via standardised processes in a multi-channel-capable system.

In the customer-specific context, afb-CMS has more than 40 interfaces, e.g. to information, the dealer management system, the data warehouse, and the security archive.

'We and our dealers are very satisfied with the all-round solution of afb-CMS. The dealers can conveniently control all financing and insurance from a single source and see directly which financing offer best fits the customer.'

Markus Häring, Head of Dealer Cooperation & Leasing Division, TARGOBANK and Managing Director, TARGO Leasing GmbH

RETAIL FINANCE

- **Freely selectable components:** implementation of selected standard components to meet the requirements of TARGOBANK AUTOBANK
- **POS sales:** support for all sales channels at the point of sale
- **Any financial products:** offer of secured and unsecured credit products as well as insurance

WHOLESALE FINANCE

- **End-to-end system:** mapping of entire life cycle – from drafting of proposal to termination of contract – in an integrated, digital system
- **Netting:** automated settlement of payment transactions between retail and wholesale financing
- **Flexible financial products:** a consistent mapping of secured and unsecured loans
- **Real-time credit decisions:** credit decisions based on individually defined criteria and rules

PARTNER MANAGEMENT

- **360° view of business partner:** recording and maintenance of master data, flexible search functions and predefined filters
- **Intelligent relationship management:** linking the partners via intelligent relationship logic and hierarchical structures, visualising the roles and relationships of each business partner, automatic recognition and consolidation of duplicates
- **Reliable rating:** assessment based on qualitative and quantitative characteristics

COLLATERAL MANAGEMENT

- **High degree of automation:** automatic requesting and retrieving of security documents during runtime or upon final maturity from the external collateral archive of DAD Deutscher Auto Dienst GmbH
- **Automatic assessment:** regular assessment of all collateral through direct linking of evaluation systems
- **Interaction:** close interlinking of the different business areas with retail, wholesale financing, contract and partner administration and statistics in an end-to-end system on a uniform data basis

STATISTICS

- **Transparency for bank and dealers:** integrated business intelligence system with comprehensive analysis possibilities for employees of TARGOBANK AUTOBANK and dealers
- **Full life-cycle coverage:** a variety of ready-made, reliable reports along the lifecycle of a service
- **Flexible analyses:** support for complex, needs-oriented analyses, covering all questions relating to the financing business

CONTRACT MANAGEMENT

- **Automation:** automatic contract management through specified business transactions for dealers, consumers and bank staff

As one of afb's first customers, TARGOBANK AUTOBANK uses vehicle identification by means of vehicle identification number (VIN) as part of wholesale and retail financing. The system is supplied with data from a vehicle database of all cars available on the German market over the past ten years.

TARGOBANK AUTOBANK entered the market in 2015 after a successful pilot phase and established itself within a very short time. The financing products and the afb-CMS are very well received by the dealers. With 250 million euros credit volume in 2016 and around 2,000 affiliated independent and manufacturer-bound dealers nationwide, TARGOBANK looks optimistically into the future.

AFB APPLICATION SERVICES AG: INNOVATION AND TRANSFORMATION PARTNER FOR DIGITAL PROCESSES

As an Innovation and Transformation Partner, afb Application Services AG offers modular software solutions and outstanding consulting services.

from mind: Customer orientation, digitisation and innovation are the drivers of our work for financial and service providers, vendors and manufacturers.

to market: Our mission is to optimise business processes for the credit, leasing or factoring-based financing of goods flows. This benefits a large number of customers throughout Europe.

afb: For more than 20 years, industry know-how and best practices have been the basis for solution-oriented consulting and the development of user-friendly software. afb's range of services is rounded off by application and infrastructure operation, business process management and outsourcing.

Find out more www.afb.de/en/

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Application Services