Royal Bank of Canada delivers e-Business profit solution to auto dealers

OpenText™ B2B Managed Services brings supply chain transparency to leading bank’s financing services

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Manager of Automotive Financing
RBC
Royal Bank of Canada (RBC) was formed in 1869 by a group of Halifax merchants who needed a bank to facilitate their growing trade. From its humble origins, RBC has grown to become the premier bank and largest financial institution in Canada, among the top 10 in North America and currently ranks among the world’s leading banks. RBC has more than 1,200 branches in the US and Canada, 80,000 employees and over 15 million customers worldwide.

**Improve dealer funding and accounting efficiency**

RBC Automotive Finance Group provides online access to automobile dealers, leasing and daily rental companies. This program provides real-time transaction processing, including inventory purchases, as well as lease and daily rental acquisitions. Additionally, customers can use this system to repay inventory loan advances, obtain specific vehicle information, review interest rate history and generate month-end billing statements. The customer’s investment is limited to having Internet capability, as no on-site software is required.

These transactions had traditionally been accomplished via paper, phone and fax. Extensive paperwork accompanied each transaction and days could be added to each sub-process due to mail, parcel and courier delays. None of the three parties involved—the manufacturer, the lender or the dealer—had real-time visibility into the status of the transaction, resulting in labor-intensive reconciliation at the end of each month.

**Real-time visibility through managed services**

RBC chose OpenText to develop and host through its Managed Services a joint solution called RBC-Overdrive™. OpenText™ B2B Managed Services provide a secure, seamless and expertly-run e-commerce environment. It manages the entire business financing transaction program at RBC, allowing the bank to bypass the difficulty of communicating with different clients by transferring the responsibility of document conversion to OpenText.

As RBC-Overdrive is a web browser-based system, RBC saves money for itself and its customers because they don't have to invest in a complex e-commerce infrastructure. The system automates the transactions—replacing paper processes—and provides the manufacturer, lender and dealer with real-time, three-way (B2B2B) visibility into the status of the transaction for each automobile.

Specifically, RBC-Overdrive allows a dealer to:

- Instantly access financial transactions online including account status, interest rate history, payments, inventory, insurance and lease transactions
- Eliminate considerable paperwork and the "crunch" of month-end statements
- Check the status of each individual vehicle online
- Make loan advances and repayments online

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Give competitive edge a boost

RBC-Overdrive strengthened RBC’s competitive edge by making it the only Canadian bank that offers auto dealers a real-time solution for processing transactions, whether it be for their inventory account or their leasing book and by accommodating the dealers by providing processing and information capabilities that enhance their business performance.

“RBC-Overdrive allows us to add unique value to the package of services we provide to car dealerships, independent leasing companies and daily rental companies,” explained Brenton Trites, Manager, Automotive Financing at RBC. “Most technology solutions brought to the market today are consumer-driven and relate to a consumer finance approval and deal flow process—there are a number of providers for this type of service. RBC Overdrive, on the other hand, is designed for the corporate entity and is the only service of its kind today.”

The reaction from dealers has been overwhelmingly positive. Since its implementation, RBC-Overdrive has been implemented for 87% of RBC automotive financing customers (dealers) and is scheduled to be extended to over 95%. It has delivered efficiency in payments and process of daily accounting activities—providing better cost control, immediate information on interest cost and data integrity. It even turned the process of obtaining lease funding for an automobile from a one to five-day process into a same-day process.

“Inventory and payment administration creates major efficiencies for dealers. With this application, dealers can easily centralize their accounting departments into one, should they be in the enviable position of owning more than one franchise and multiple locations and therefore further increase their savings,” concluded Trites.