

Are you still selling or are you already renting/leasing?

Transformation from the classic sales model to
a high-margin and customer-loyalty utilisation model

Innovative utilisation- and financing model Rental as a Service/RaaS

Pay as you earn, pay per use/ppu (pay per...page, pick, piece/part, hour, kilometer/mile, etc.) as well "... as a Service" are only a few examples of usage models that have become an integral part of today's business life and will increasingly replace the classic sales model in the future. Global players are already offering such usage models and thus gain a great competitive advantage over middle-sized companies.

Middle-sized companies are already occasionally offering their customers short-term use. But very often it does not go beyond a small "rental park". A fundamental change from a sales model to a usage model often fails due to the issues of liquidity and equity.

The RaaS usage model solves this essential problem and finally provides for middle-sized companies equal opportunities and improves their competitiveness. Due to the lessor-like position, manufacturers and dealers retain control of their products throughout the entire lifecycle (incl. refurbishment, secondary market). By receiving the sales price directly at the beginning, liquidity is protected despite the lessor-like position. In addition, manufacturers and dealers can generate additional margins through rentals and sales proceeds from returns.

The leasing company acts as the "finance department" of the manufacturer and dealer, thereby putting him in a lessor-like position. By means of the sales price to the leasing company, the manufacturer and dealer determine the amount of the monthly rate and thus also directly determine the attractiveness of the utilization model. By offering discounts/rebates on the usage model RaaS, manufacturers and dealers not only enable attractive monthly rates, but also regain control of their products at the end of the basic rental period/minimum rental period (achievement of additional margins through rentals and sales proceeds). In contrast, in the classic sales model valuable margins and contribution margins are given away to customers through discounts/rebates.

In line with customer requirements, manufacturers and dealers should also demand individual, innovative, creative and flexible solutions from their financing partners and advisors. Contemporary solutions must therefore adapt to the business model of the manufacturers/dealers and not reverse/vice versa.

Internationality: Foreign manufacturers and German/European customers
Through RaaS, foreign manufacturers can offer their German resp. European (prospective) customers a usage and financing model that is secured by a German resp. European leasing company.

Access to the German or European market is thus made much easier and the hurdles lowered. The acceptance of "foreign" products by German or European customers is greatly increased. Uncertainty, scepticism and doubts regarding quality, reliability, guarantee/warranty, accessibility, communication, etc. are reduced by the involvement of a German or European leasing company.

In the previous sales model, foreign manufacturers had to grant in part high discounts/rebates, which were ultimately given away and greatly reduced the margin. In my model, manufacturers receive these discounts/rebates compensated in the end.

Manufacturer can offer a contact person for RaaS for all his european prospects and customers. A presence and corresponding support at trade fairs in Germany is also possible. We speak the most important languages of manufacturer and their customers (Languages: German, English, French, Italian, Spanish)

In addition, these solutions must fit the business objectives of manufacturers and dealers:

- adequate/high overall margins
- strong customer retention
- sales targets (growth, gaining market share)
- strengthening of liquidity and equity

With RaaS you achieve these four goals simultaneously!

My activity/responsibility

Based on the key parameters/information listed in the next section, I evaluate those financing and leasing companies from my large international network of leasing companies that fit you as a company, your products and your customers/markets. I then bring you together with these potential leasing partners in an initial video conference. Together we will then decide which leasing company is the ideal partner for you. Ideally, it should be a leasing company for the majority of your sales markets, so that the cooperation (processes, interfaces, documents, etc.) works almost smoothly and does not have to be coordinated individually. I remain at your side throughout the entire period of cooperation and act as a troubleshooter or backup just in case. The aim is for my clients (manufacturers/dealers) to be able to proactively offer the majority of their national and international customers a financing solution in the form of leasing in addition to purchasing. I offer this service to domestic/German manufacturers/dealers for European/international clients, taking into account the respective different national circumstances (civil law, commercial law, tax law) in the export countries. For foreign manufacturers/traders I offer this service for German and European clients.

Required key parameters/information:

- Categories of potential leasing objects
- Range and average asset/object value
- Range and average ticket value/contract value
- Splitting of hardware, software, services
- Depreciation period/useful life of top products/sellers
- Warranty, guarantee, services
- Turnover forecasts per export country (top 10 countries) for a potential analysis
- Customer structure (company size/total turnover, creditworthiness, company age, accounting rules IFRS 16/US-GAAP)
- Transfer of ownership of the leased asset to the lessee at the end of the term ?
- Interest of the supplier in the returns (refurbishment, second life/market) ?
- Possible discounts/rebates in the RaaS model
- Desired contract types (full/partial amortisation contracts, finance/operate lease) ?

Commission

The performance-based commission for my consulting and brokerage services is 1% of the financing amount. Reduced rates apply for sums in excess of 1 million euros. I have concluded a commission agreement with some financing partners. In these cases, my commission is taken into account in their calculation and paid to me. If a finance partner is selected that has not entered into a commission agreement with me, or in the case of financing for a foreign customer, the local finance company is not allowed to pay commission to me as a foreign financial intermediary due to money laundering, compliance, etc., this commission must be included by the manufacturer/dealer in its sales price to the finance partner and will be paid to me by the manufacturer/dealer. The finance partners for pay-per-use/PPU and venture leasing always take my commission.

RaaS model in Germany/Austria and international restrictions/adaptations

Due to national legislation (civil law, commercial law, tax law) and regulations, the RaaS model can only be implemented in this completeness in Germany and Austria without restrictions. The leasing decrees (term 40/90 rule, acquisition of property, accounting rules, etc.) only apply in Germany and Austria. In all other countries, the respective national laws and rules/regulations result in the RaaS model having to be adapted accordingly. For the regulations of the international accounting/balancing rules (IFRS 16) and US-GAAP, corresponding adjustments result.

Values/benefits for manufacturers/dealers

- ✓ lessor-like position
- ✓ the leasing company acts as your own finance/leasing company
- ✓ payment of the purchase price directly after acceptance
- ✓ protection/conservation of your own liquidity
- ✓ very low leasing rates, which are determined by you
- ✓ massive sales simplification/support
- ✓ no more painful customer discounts
- ✓ stronger customer loyalty
- ✓ control over the entire life cycle
- ✓ ownership of the returns
- ✓ refurbishment and recovery revenues/secondary market
- ✓ revolving turnover with the same customer
- ✓ Increase of the total margin
- ✓ geographical coverage: worldwide
- ✓ support at trade fairs in Germany
- ✓ communication (phone calls, videoconferences, email, talks at trade fairs) in German and English as well as in French, Italian and Spanish via network partners

Values/benefits for lessees

- ✓ low leasing rates
- ✓ transparency and simplicity: no grey areas and legal pitfalls
- ✓ leasing contract always ends at the end of the basic rental period/
- ✓ minimum rental period
- ✓ return of the leasing object at the end of the term
- ✓ (acquisition of ownership by the manufacturer/dealer possible)
- ✓ costs for transport, installation and instruction/training can
- ✓ be co-financed
- ✓ protection/conservation of liquidity
- ✓ business equipment remains at the latest level (performance)
- ✓ bank credit line remains
- ✓ no securities required
- ✓ investments are possible despite low budgets
- ✓ return on investment (ROI) from the first month
- ✓ balance sheet neutrality (off balance): capex => opex, based on the rules of the German Commercial Code
- ✓ IFRS 16 compliant off-balance solution (capex => opex) only for "pay per use" models when the finance partner takes over the usage/utilization risk
- ✓ communication (phone calls, videoconferences, email, talks at trade fairs) in German and English as well as in French, Italian and Spanish via network partners

“pay per use/ppu” and “Equipment as a Service”

I also offer "pay per use/ppu" and "equipment as a service" models through exclusive financial partners.

- => Assumption of up to 75% of the usage/utilisation risk
- => IFRS16 compliant off-balance/opex Solutions
- => Assets: technical capital goods (industrial machines, equipment, robots/cobots, electric/hydrogen trucks/buses, charging infrastructure, batteries/storage/energy solutions, clean technology, etc.)
- => Coverage/Geography: Europe and North America

“Venture Leasing” and “...as a Service”

Through an exclusive financial partner I also offer venture leasing for young companies and startups an, so that they can offer their customers "...as a service", among other things.

- => Sale and Lease Back (SaLB) with own right to sublet (worldwide).
- => Added by corresponding service package/SLA (=> ...as a Service)
- => Financing is provided on the basis of concluded rent contracts
- => Securities: The financed asset and the resulting rental income
- => Extremely compatible with equity and investor interests
- => Coverage/Geography: Europe, North America and other legally secure regions

Short info about me:



- born in 1967, married
- Self-employed since 2020 as consultant, business developer and broker/intermediary in the areas of leasing and alternative financing and utilisation models
- since 2012 experience in the leasing sector
- over 20 years of experience in the fields of financing, leasing, factoring, risk management, credit ratings, business information, investments/asset advice
- Diploma in Finance (Diplom-Finanzierungswirt VWA)
- Certified Leasing Specialist (Geprüfter Leasingfachwirt IHK)
- Diploma in Business Administration (Diplom-Betriebswirt VWA)
- Certified Credit Manager (CCM)
- Hobbies/Interests:
economy, politics, history, sport

