

We created a company where employees lived a lifetime.

Interview with Răzvan Diaconescu, General Manager, IMPULS-Leasing Romania



In a market where the competition among business players has become more intense in recent years, and the quality and speed of services, including financing, is a primary condition, experience and professionalism make the difference. After three decades of leasing locally, we spoke with the longest-serving general manager of a local financial leasing company - Răzvan Diaconescu - who recalled for our magazine the path taken by IMPULS-Leasing Romania from its establishment to today, as well as the market in which it has been operating for 17 years. His favorite subject in the relationship with the company he leads is currently digitalization, for which he has invested time and resources, and which is already showing its fruits in financing practice.

From one year to the next, the company you have been leading since its inception has experienced constant evolution. What did 2024 represent for the IMPULS - Leasing business?

In 2024, we focused on what we know best - financing vehicles. We created financing products specific to each of our partners and, at the same time, tried to meet the requirements of our customers. This provided us with a solid financing base, which we have developed further this year.

In 2024, we achieved our targets set at the beginning of the year, we had a 10% increase, both numerically and in value, in relation to new contracts, above what we initially budgeted. Compared to 2023, the increase is 15%. The average value of a contract concluded in 2024 was at the same level as in 2023. The main levers for such an evolution were the automation and digitalization of financing processes, which helped us first of all to process more files. Then, we concluded new partnerships, one of which was with the Chinese car importer (MG), which sales in Romania began in 2024. At the same time, we developed our traditional partnerships, maintained our sales force, and continued to focus on financing cars, trucks and semi-trailers.

As you have proven, you are an advocate of applying advanced technology and innovation to streamline internal processes and customer relations. What stage is the company currently at in this regard?

Starting in 2023, IMPULS has entered a continuous digitalization process so that we want to be able to respond instantly to both our partners' requirements and customer wishes. At this time, over 25% of new business is financed through automated-digital processes, and the trend is increasing. When we started this process, we started with our partners, who represented over a hundred entities at that time. Currently, about 25% of the partners of financial leasing operators in the market work with us through the ILINCA ChatBot. Our automation engine has now reached the point of finding financing solutions adapted to the client by analyzing 13 indicators, such as down payment, leasing period, debt level, etc. The automation process also included authenticating the financing applicant's data, sending the necessary documents to the client, connecting and verifying the company's financial data at various institutions, and more recently, securing financing, for which the client receives several offers to choose from. About 70% of contracts are currently signed online, through video identification. We want to be number one in the market in terms of the time it takes to sign a leasing contract. Currently, 75% of this process is already functional. For our business, I believe that artificial intelligence can also help speed up the response to financing for new clients and provide support throughout the duration of the financing contract for existing clients.

What is the current status of the ILINCA project and how is it progressing?

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The ILINCA project is in the process of being finalized and we are going to implement it with our partners. We are thus trying to close the financing process as quickly as possible for the client and the partner (dealer).

What leasing cost policy did you promote in 2024 and what estimates can you make from this point of view for next year?

In general, we have maintained our cost policy so that financing margins were constant throughout 2024. Moreover, in the local leasing market, the total costs of financing in financial leasing vary, depending on the offer of one company or another, between plus or minus 5%, so the prices are aligned. Therefore, the advantage for a financier remains the speed of honoring the request.

Car leasing financing in the first 9 months of 2024 was much lower compared to those purchased in cash. In your opinion, how can this be explained?

The share of leasing in car sales at the local market level has experienced a slight decrease in the first 9 months of this year. As far as we are concerned, we will analyze the situation at the end of the year, when we will be able to have an overview.

For 2025, do you consider the possibility of a decline in car sales and implicitly in financing in this field, against the general background of profound changes taking place internationally in the automotive industry?

In general, we expect a reorientation towards electric or hybrid cars compared to internal combustion engines, but our strategy is to cover all car segments with financing. In Europe, starting next year, there will be some high taxes for vehicles with polluting internal combustion engines, so that manufacturers will have to push electrified cars forward in terms of sales. Consequently, fewer cars with internal combustion engines will be manufactured, which will lead to an increase in the selling price. Therefore, fewer cars will be financed, but they will be more expensive. For us, next year, we expect about the same financing value as before, but a smaller number of new contracts. At the level of total car financing, cash sales may decrease (cars being more expensive), and the importance of leasing financing may increase, due to the higher price. Next year, we anticipate that all new cars sold will register price increases between 10% and 15% for each brand. For us, as a financier, we will need to have money to finance our partners - and here I mention that there has been no problem of this kind since 2007, when we entered the market, and until today - to further automate ourselves, to be the fastest and most flexible financier in the relationship with the client.

In the current conditions, doesn't an almost monochromatic portfolio, with about 90% cars, still imply an increased risk at the financier level?

I don't think we will be affected. And if there is a decrease, it will be for all players. If we look at Leaseurope statistics, 70% of leasing financing concerns the automotive sector. This is leasing after all. At the level of the group we are part of, things are different from market to market. In the Czech Republic, for example, our group's subsidiary focuses on large financing of all kinds of equipment (a locomotive was recently financed, for example), including in the real estate sector and does not have retail financing in mind. As far as we are concerned, we will maintain our financing orientation because we know the automotive market well, a very competitive market, and we have solid partnerships underway. We have accumulated experience in reselling recovered cars, provided you find the right price for them. Currently, over 50% of the total IMPULS portfolio represents passenger cars and light commercial vehicles, about 40% heavy commercial vehicles and 7% equipment.

What have you noticed this year regarding the customer's payment behavior at the company level?

From the eighth month, a slight delay trend has appeared, which we attribute to the lack of money in the market (mainly due to delayed payments on state contracts), plus the situation of carriers in Europe, who are experiencing a reduction in the number of trips, as a result of the decrease in cargo volumes delivered to our continent.

What will be the strategic business lines for 2025 that IMPULS-Leasing will soon present to the Austrian parent group - IMPULS-Leasing International GmbH?

I would first mention that we have a distinct position within the group, its result depending largely on the situation of its Romanian subsidiary. Our strengths are turnover, profit, etc., knowing that we are an independent business that does not have a bank behind us. For the first position within the group, we compete with Austria, the group's host country.

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The strategy for the coming year will include focusing on financing electric and hybrid cars, maintaining the company's staff (currently 140) and existing partnerships at local and national level, and initiating new ones, if they arise. Equally important will be the continuation of the digitalization and automation of financing processes, an approach that, according to our estimates, will give us an advantage over banks, given that, as is known, the other large financial leasing companies are usually part of their IT and process automation structure. There are also some things that concern us for the coming year. First of all, we do not know what awaits us in terms of taxes, given that the budget deficit is already very large. Then, I expect there to be a decline in car sales. Therefore, as a general guideline for 2025, we have proposed consolidation and perhaps a very small growth of 1-2%.

According to our calculations, you are the longest-serving manager of the same company in the local financial leasing market. From this perspective, how do you see the evolution of the local leasing market over time?

Yes, I have been the general manager of IMPULS- Leasing Romania since 2007, when the company appeared on the market, after previously holding the same position at another leasing company. So, this year, I am celebrating 20 years as the general manager of a leasing company. After 17 years of activity, IMPULS is a consolidated company, with a good portfolio and which makes a profit every year, with about the same sales force. It is a great satisfaction to see that we have created a company in which the employees have lived a lifetime. Looking back, I now think that perhaps we should have implemented other fields of activity within the company, such as fleet management, and for financial leasing, we should have developed the equipment segment and the agricultural financing area, but this from the very beginning, from 2008-2012, and not after key business players with history in the field entered the market.

Looking back over the years, we started exactly like in the Wild West marked by the gold rush, when Romania was a free land in terms of leasing, the offer of this type was very limited and car and truck sellers depended decisively on leasing companies. In the years 2002-2004, the leasing company was ruling. Over the years, the specific infrastructure was formed by the installation of large leasing companies at the local level. In the period 2004-2008, a bunch of leasing companies appeared, which belonged to dealers and large banks in Europe. But the 2008 crisis practically broke the leasing market and about 70% of these companies disappeared. Then came the stage of leasing with Greek shareholders, which dominated the market for a while and today we no longer have any such entity in Romania. The 2009-2012 stage was that of assets recovered under leasing contracts. The consolidation of the leasing market followed through the contribution of large banking groups, with us being among the few independents in the market. The last 7-8 years were of stability in the field, a time interval marked by several acquisitions that contributed to the general process of development and consolidation of the market. I believe that in the future the car leasing sector will face increasingly fierce competition and the equipment sector will rely even more on captive companies of financial groups with local representation. The encouraging fact is that, as the market shrinks in terms of the number of players, the offers are also becoming much clearer.

The challenges of 2025 will come from the business environment and will concern taxation, which will influence car sales and implicitly car and truck leasing financing. Another challenge will come from the European environment and will be related to the taxation of Chinese cars. Then, truck leasing will depend a lot on the performance of the European economy, another variable to be taken into account.

Coralia Popescu