

~~YOUR~~ *my* BUSINESS PLAN MANUAL



YOUR PARTNER START2GROW

The better prepared you are for your start-up, the more focussed and successful you can start your company. A professionally written business plan is one of the key foundations for a great start to your business.

The start2grow handbook was designed to support entrepreneurs in structuring their business plan sensibly and writing it convincingly. Use start2grow to check whether your idea has what it takes to become a promising business idea.

Since 2001, the start2grow start-up competition has been supporting founders from all over Germany in realising their business ideas. At start2grow, a network of more than 600 volunteer coaches is on hand to support participants with knowledge and valuable contacts. Around 14,500 people interested in founding a company in around 6,200 teams have taken part in this competition since its start over 20 years ago.

(Last updated: September 2024)



Access to the
Online Coaching Area



My point
of Contact

TABLE OF CONTENTS

1. Business plan manual

Your partner start2grow	2
Notes on using this manual	4
Necessity and structure of the business plan	5
Recommendations for writing the business plan	6
Excursus: The business plan from the perspective of a capital provider	8
Excursus: Your sustainability strategy in the business plan	9

2. Business plan structure

In chapters 1 – 6, you describe your business idea, make statements about the industry and the market, discuss marketing and sales, management as well as potential opportunities and risks.

1. Executive summary	10
Excursus: The executive summary from the perspective of an investor	11
2. Business idea	12
2.1 Description of the product or service	12
2.2 Customer benefits	13
2.3 Pricing	14
3. Industry and market	15
3.1 Sector analysis	15
3.2 Market analysis	16
3.3 Competition analysis	17
3.4 Location analysis	18
4. Marketing and sales	19
4.1 Marketing concept	19
4.2 Distribution and sales concept	20
5. Management	21
5.1 Key positions	21
5.2 Legal form	21
6. Opportunities and risks	23

In chapters 7 – 9, you will work out the financial planning and financing requirements for your business idea. you will also determin whether your business idea can actually be turned into a lucrative start-up.

7. Financial planning	24
7.1 Personnel cost planning	24
7.2 Investment and depreciation planning	25
7.3 Profitability planning	26
7.4 Liquidity planning	27
8. Financing	28
Excursus: How do investors evaluate business plans?	29
9. Realisation planning	30

A click on the
page number takes
me to the right page

last pages:
my notes

NOTES ON USING THIS MANUAL



The start2grow handbook provides a clear structure for the chapters of a business plan.

The structure of the business plan, which is relevant for the assessment process in the start2grow start-up competition, is shown in the diagram below. It shows a recommendation of the total number of pages for each chapter. How detailed each chapter should be depends on the importance of the topic for your individual project. The recommended number of total pages is based on empirical values that have proven their worth in previously submitted business plans.

After you submit your business plan to the start2grow start-up competition by the closing date, the review process will follow. The business plans submitted to start2grow are assessed by experts from the start2grow network, following standardised criteria that generally characterise a successful and high-potential business concept.

The expert reports contain professional assessments and suggestions for improvements which can be very valuable for the realisation of your business idea. You will therefore receive written feedback on your business plan.

To make it easier for you to write the business plan, you will find some guiding questions in the chapters. You don't need to answer all the questions; they are merely intended to help you with your work. Assess for yourself which of the questions are the right ones for your project. You may also answer other questions that are not included, but could add value. The guiding questions provide food for thought, are only examples and do not claim to be comprehensive.

You can find detailed information on the start2grow start-up competition on www.start2grow.de.

Recommended total number of pages: approx. 30 - 35

1. Executive Summary

- Summary of your business plan on max. 2 pages

2. Business Idea

- Description of product / service
- Customer benefits
- Pricing

3. Industry and Market

- Industry analysis
- Market analysis
- Competitive analysis
- Location analysis

4. Marketing & Sales

- Marketing concept
- Sales and distribution concept

5. Management

- Key positions
- Legal form

6. Opportunities & Risks

- External influencing factors

7. Financial Planning

- Personnel cost planning
- Investment and depreciation planning
- Profitability planning
- Liquidity planning

8. Financing your Idea

- Consider the numbers from the planning tables (download on start2grow.de)

9. Implementation Planning

- Milestone planning

NECESSITY AND STRUCTURE OF THE BUSINESS PLAN



The business plan is a professional presentation of your start-up idea.

Your plan is a detailed description of your overall entrepreneurial concept. It describes the economic environment, the goals you have set and the resources you will need. It also serves as a tool for acquiring capital. Drafted and used correctly, the business plan is a key document for assessing and managing business activities: a well-written business plan is your professional entry into business life.

Your business plan proves that you have thoroughly analysed the various aspects of setting up a business and the subsequent management of the company. With a complete business plan, you show that you have systematically thought through your business idea, made decisions and are ready to implement your start-up.

Your business plan is required

- for planning the realisation of your start-up,
- for presentation to investors,
- for regular monitoring of your own company goals and
- for the presentation of your company in business life.

Despite the individual start-up ideas, business plans have a predefined structure that can be divided into chapters and sub-chapters. This includes

an executive summary, a description of the business idea with a description of the product and/or service, an industry and market analysis, information on marketing and sales, facts on management and personnel planning as well as opportunities and risks. A detailed financial and implementation plan is also part of a complete business plan.

The appendix of your business plan provides space for additional information, e.g. organisational charts, calculations, patents or CVs of the founders. However, make sure that the business plan and appendix are always well-structured and remain manageable.



RECOMMENDATIONS FOR WRITING YOUR BUSINESS PLAN



→ A business plan impresses with its clarity.

Your business plan should provide appropriate answers to all the questions asked by the various readers. It is convincing by prioritising the individual statements and by concentrating on the essential. All relevant topics should be dealt with concisely but completely.

You have space for additional information in the appendix of your business plan. Clear, unambiguous wording is important. Regularly ask trustworthy test-readers to read your plan, e.g. coaches of the start2grow network.

→ A business plan convinces through objectivity.

Even if you get a bit carried away by your good idea, keep your tone objective and phrase your arguments neutrally. An overly exuberant presentation can be distracting. An overly critical presentation or references to possible mistakes in the past are just as inappropriate. Information in your business plan should be factually correct and made to the best of your knowledge and belief. Any weak points mentioned should always be corrected with planned or already initiated countermeasures.

→ A business plan is understandable to technical laypersons.

To inspire non-specialist readers with your innovation, you don't have to use technical vocabulary. On the contrary: it is important to explain the idea as simple as possible in a way that is easy to understand. It is often helpful to describe a customer's problem and then present your solution for the customer. This ensures a competent impression on the reader. Include technical details about the product or the manufacturing process in the appendix.

→ A business plan is like all of a piece.

You often work in a team to write a business plan and everyone takes on a different chapter. As a result, the design, language and level of detail might vary. It is advantageous if one person is responsible for the final copy and standardised layout at the end of the work. Getting someone outside your own team to proofread it is also a good idea.

→ A business plan is your visual figurehead.

Your business plan should be visually appealing. This includes the use of fonts which are easy to read, linked to the structure and content, as well as meaningful graphics including labelling and descriptions. If necessary, add a header or footer with page numbers, your name and – if you already have one – your company logo. You should always add the current date to your revised business plan.



→ **A business plan is 'alive'!**

As your business idea matures, so does your business plan. At the beginning, you work out a few topics, but new ones are added over time. Individual aspects will need to be revised again and again based on additional findings. The more foresighted you plan from the beginning, the less you will have to change afterwards. Nevertheless, it is necessary to regularly review the interrelationships.

→ **Proceed according to a plan.**

Writing a business plan is a complex task. Many individual aspects need to be considered and systematically analysed in a sensible sequence. Detailed planning should therefore be undertaken in preparation. This begins immediately after the initial ideas have been recorded. You can use this manual as a guide to create a professional business plan. Familiarise yourself with the content of the individual chapter and assign the facts from your initial sketch and notes to the headings. Then gradually work out the details of each chapter. The business model canvas can be a helpful tool to visualise and structure your business model. A good basis for the strategic planning and (further) development of business models.

→ **Work results-oriented.**

While working on a business plan, there is always a risk of getting lost in analyses and too much attention to detail. It is therefore advisable to reflect from time to time and critically review whether the provided information is sufficient and what added value further analyses would have. The comprehensibility and coherence of the business plan are crucial for success. In the end, your complete business plan should be no longer than approx. 35 pages, with an additional appendix if necessary.

→ **Seek support at an early stage.**

In most cases, founding a company in a team is more promising than founding alone. In teams with complementary technical and entrepreneurial knowledge, the tasks can be divided among the team members according to their skills. This makes it easier to work on the individual chapters based on expertise. It is also important to seek external support while working on your business plan. People from outside your team who review your documents can help you identify potential weak points and even give you new input.

We advise you to take advantage of the expertise of the coaches from our network during your participation in the start2grow competition! Use the expertise to build up your own network and realise your own start-up company.

EXCURSUS



THE BUSINESS PLAN FROM THE PERSPECTIVE OF A CAPITAL PROVIDER

‘A WELL THOUGHT-OUT BUSINESS PLAN WILL HELP YOU AVOID STUMBLING BLOCKS’.

With venture capital funds set up specifically for technology-oriented start-ups and a dedicated team that navigates through the jungle of commercial development loans, Sparkasse Dortmund is the point of contact for budding entrepreneurs in the Dortmund region. ‘We can find the best financing structure for every founder’, emphasises Nico Hemmann, Head of the Start-up Centre at Sparkasse Dortmund. ‘Anything is possible if the framework is right’. A well thought-out business plan is a prerequisite.

In addition to the business concept, this includes a capital requirement plan and a coherent financing plan. Nico Hemmann explains: ‘When it comes to the scope of content, the old maxim applies: as little as possible, as much as necessary.’ The key to financing remains the qualification of the founder. ‘Professional aptitude should be clearly emphasised.’ But commercial experience is also necessary. ‘Some founders underestimate the challenge of turning interested persons into customers’.

Using the business plan, the team at the Start-up Centre can quickly identify potential stumbling blocks to business success. ‘These include misjudgements in terms of liquidity or time to market’, explains Nico Hemmann. There is no general guide to the ‘right’ plan at Sparkasse Dortmund. ‘Opening a kiosk has different requirements to setting up a business in a technology centre like the Technologiezentrum Dortmund’, says Nico Hemmann. Nevertheless, the assessment criteria remain comparable: ‘If we are convinced by the business idea and by the prospective entrepreneurs, nothing stands in the way of financing.’

In addition to the business plan, Nico Hemmann also advises bringing healthy ambition and a certain willingness to take risks. As well as a sense of responsibility and resilience. Especially in the start-up phase, the full support of the family is particularly valuable. ‘It’s not uncommon to work 60-hour weeks’.

Nico Hemmann, Sparkasse Dortmund

EXCURSUS

YOUR SUSTAINABILITY STRATEGY IN THE BUSINESS PLAN

The full integration of sustainability as a topic in your business plan is crucial for start-ups. A clear sustainability strategy should not only promote the success of your company, but also help to tackle social and environmental challenges.

Sustainability can be a decisive competitive advantage. More and more customers and investors are favouring sustainable products and services. Integrating sustainability into your business practices from the beginning can set you apart from the competition. Sustainable business practices also contribute to long-term profitability. Efficient resource utilisation, waste reduction and environmentally friendly practices can reduce operating costs and increase your profit margins. On top of that, it can also increase the motivation of your future employees. Many people want to work for companies that make a positive contribution to society.

So: A sustainability strategy for your start-up is not only ethically and ecologically sensible, but also smart business sense. It promotes the success resilience and long-term growth of your company.

Include your approach to sustainability seamlessly into all chapters of your business plan. Stress how sustainability supports your business growth and promotes long-term stability.

Here are some examples of how to incorporate sustainability into your business plan:

Further information in German Only
ON GRÜNDERPLATTFORM
(as offer from KfW)
www.gruenderplattform.de ;
Search for „Nachhaltigkeit“
(exp. Sustainability)

1. Executive Summary:

→ Briefly mention your sustainability goals and how they contribute to your business success.

2. Company description:

→ Describe your company's mission and vision in relation to sustainability.
→ Explain how you take on social and ecological responsibility.

3. Product or service description:

→ Emphasise sustainable aspects of your offer (e.g. environmentally friendly materials, energy efficiency etc.)
→ Describe sustainable practices in production (e.g. recycling, energy saving etc.)
→ Explain how you make supply chains sustainable.

4. Market analysis:

→ Study the market for sustainable products or service.
→ Point out how sustainability can offer a competitive advantage.

5. Marketing and sales strategy:

→ Explain how sustainability is incorporated into marketing campaigns and sales activities.
→ Show how you want to appeal to sustainability-conscious customers.

6. Management and organisation:

→ Introduce the sustainability team or the person responsible.
→ Explain how sustainability is integrated into the corporate culture.

7. Financial planning:

→ Consider investments in sustainability initiatives. Show how sustainability impacts financial performance.

8. Risk analysis and management:

→ Identify risks related to sustainability (e.g. regulatory changes, reputational risks).
→ Explain how the company will respond to potential risks.

1. EXECUTIVE SUMMARY



The executive summary, which is a summary of your business plan, contains a brief outline of all the important aspects of the business plan.

It makes the reader curious to find out more about you and your business idea.

A financial investor or backer – regardless of whether this is a credit institute or a venture capitalist – will always read this summary first. A clear, factual and coherent presentation of your start-up project will show that you understand your business well. Therefore, be particularly mindful here. This part of your business plan is crucial in determining whether the entire business plan will be read!

The executive summary should be read and understood in five to ten minutes. Do a test by presenting it to people who have no prior knowledge of your business idea and its technical or scientific background.

Only when you have written all the chapters in your business plan you can formulate your ideas and goals concisely and precisely in the executive summary.

The executive summary should

- ➔ be clearly and simply formulated,
- ➔ provide non-specialist readers with an immediate understanding of what the core of your project is and
- ➔ contain the essential information from your business plan.

KEY QUESTIONS 1

- ☐ What is your business idea? How unique is your business idea?
- ☐ How do customers benefit from your business idea?
- ☐ Which target group are you addressing?
- ☐ Which industries and markets are relevant for your company?
- ☐ Who makes up the management team? What experience and competences do they have?
- ☐ What long-term goals do you want to achieve with your company?
- ☐ What opportunities and risks do you see?
- ☐ What market entry strategy are you planning?
- ☐ How much capital is required and what is it needed for?
- ☐ What are the most important milestones on the way to your goals?
- ☐ How much investment will your company need in the next five years?
- ☐ What are the planned sales and profit figures for the next five years?

EXCURSUS



THE EXECUTIVE SUMMARY FROM THE PERSPECTIVE OF AN INVESTOR

‘THE BUSINESS CARD FOR EVERY START-UP.’

The executive summary is the business card for every start-up. It should describe the company and the business idea in short and concisely – comparable to an elevator pitch. The venture capitalist (VC) primarily wants to understand the innovative technology behind a company. If this is immediately clear and it really is a technology-based innovation with great potential, then interest is aroused.

The brief description should cover the following essential content:

- ➔ What is the business idea / product? What is the customer's problem? Which solution is offered? What is so unique about it? How distinct is the competitive advantage? (approx. ¼ page)
- ➔ What is the market situation? What are the characteristics and dynamics of the sector? What is your market entry strategy? What goals are to be achieved in the short and medium term? Where does the company currently stand in terms of technology, products and market access? If necessary, the marketing measures and instruments to be used can be mentioned here, but this can also be describe in more detail later in the business plan. (approx.1 page)
- ➔ How is the team organised and why is it outstanding? What experience does it have and where might there still be a need? (approx. ¼ page)
- ➔ And finally: What are the planned financing and capital requirements as well as the financial development of the company based on the most important key figures for the next 3 to 4 years? (approx. ½ page)

In terms of length, the VC does not want to read more than two A4 pages to get a first overview. The summary should only contain the most important facts and no epic, judgemental or sensational content. It should be written in an informative and interesting way. It is important that the executive summary is convincing. Only then, the VC will want to read the entire business plan and get to know the team behind it and learn more about the business idea.

Anne Umbach, High-Tech Gründerfonds Management GmbH

2. BUSINESS IDEA



Explain your business idea in detail.

Describe the vision which drives you, e.g. the long-term development of a medium-sized company, achieving market leadership or the development of a product innovation. This information serves as the basis for your entire business plan and is the common thread running through the chapters. Explain in detail which products will be developed and sold or which services will be offered. Explain how your offer differs from the existing offer and what development opportunities there are. Always remember that a layperson must be able to understand your idea.

Explain what the innovation is and what advantage you have over the competition. Explain how your offer differs from already existing ones and what development opportunities there are. If there are still problems or unanswered questions during development, state how you plan to overcome these difficulties. If the legislator imposes requirements on your products or services, describe which authorisations you already have, have already applied for or still need to apply for (e.g. TÜV, Federal Health Office, etc.). Explain the production process and which capacities and investments are necessary for the targeted sales volume.

2.1 Description of the product or service

Explain the features and / or functions of the product or the individual components of your service. For technical products or services, you should also include a few sentences about the area of application, i.e. where the product or service will be used. This also includes statements on the technical development status and the patent and licence situation. Specifically address what protection, if any, patents or utility model protection rights provide against copying or imitation.

KEY QUESTIONS 2.1

- ☐ What features, benefits or functions does your product or service fulfil? To what extent is your idea innovative?
- ☐ What is the current state of the art? What stage of development is your product or service at?
- ☐ What legal formalities (e.g. permits, licences) still need to be completed?
- ☐ What competing products already exist or are in development?
- ☐ Compare the strengths and weaknesses of your product / service with those of your competitors (SWOT analysis).
- ☐ Do you or your competitors have unique selling points, e.g. through patents or licence rights?
- ☐ How much do you plan to produce or what scope of services do you plan to offer?

2.2 Customer benefits

Your customers are key to the success of your business idea. Demand can only be generated if you satisfy the needs of your customers with your products or services. Today, there are many comparable products on the market which customers can hardly distinguish between in terms of functionality. Therefore, a start-up based on a new product or service idea only makes sense if your new offer is superior to existing ones. Explain precisely what function your product or service or your team fulfils and what benefits your customers can derive from it. If comparable products and services from the competition are already available on the market, you must convincingly elaborate on the additional benefits that your offer will bring to customers.

Evaluate the products and services of your competitors according to the same criteria. If you offer several innovative products or services, organise your ideas into meaningful business areas, e.g. by product or target group. Differentiate between the business areas.



KEY QUESTIONS 2.2

- ☐ What needs, wishes or problems do your customers have and to what extent does your product or service contribute to satisfying or solving them?
- ☐ How have the customers' needs or problems been satisfied or solved so far?
- ☐ How do your customers benefit from your product / service?
- ☐ What added value does your product / service create?
- ☐ Why will the target group buy from you in the future?

Further details on the calculation on
www.gruendepattform.de
 (in German only), offered by the KfW;
 Search for 'Preiskalkulation'
 (engl. price calculation)

2.3 Pricing

The development of the product / service – and the subsequent development of the sales concept – also includes realistic pricing.

You can therefore base your own pricing on the prices of comparable or currently offered products or services. Obtain quotes or review the relevant industry literature. You can also verify and refine your assumptions in discussions with potential customers. During the conversations, explain what the added value of your product or service will be and ask how much more the customers would be willing to pay for this added value – this will give you a rough idea of how much you can charge customers in the future.

However, the most important basis for calculating your price is generally your costs (including your management wages or private withdrawals). You can use this to think about the price at which you need to offer your products. By dividing the total costs by the unit price, you can calculate how many products you will need to sell over the year. Even if you don't know all your costs in detail yet, you should state which prices you want to achieve and the number of total quantities required to achieve your goal.

If you are providing services, you can also calculate sales prices by dividing your total costs by the available billing hours to obtain a rate per hour. How many projects you can actually realise depends on the number of hours you need together with your employees to provide a service.

To calculate this, first determine the number of working days or hours in an average month. If you divide your total monthly costs by the number of working days, you will get your daily rate. This in turn divided by the number of hours per day gives you your hourly rate.

Pricing can be derived from different perspectives:

- ➔ Customer- or demand-oriented pricing: what are customers willing to pay?
- ➔ Competitive pricing: what market prices already exist in competition and how can your price be competitive considering the performance / characteristics of your product or service?
- ➔ Cost-oriented pricing: what actual costs and profit margin, both of which must be covered by the price, do you incur or must be achieved or will you have to achieve for further realisation?

KEY QUESTIONS 2.3

- ☐ What financial and operational resources do you need to create the product / service? How high are the total costs?
- ☐ Do the prices per unit sold cover the total costs?
- ☐ What parts or services do you purchase from third parties?
- ☐ How high / low are your prices compared to the competition?
- ☐ How can you adapt your prices if the market changes?

3. INDUSTRY AND MARKET



Among other factors, the structure of the industry you belong to and the nature of the market in which your target group is located are crucial to your success.

It is important to thoroughly analyse the industry and market to determine the full potential for your company.

For investors, simply stating the figures is not enough. They require information on the factors which influence demand and sales strategy so that the realisability of the company's goals can be checked and the potential risks can be better assessed. Therefore, transparently share how you arrived at your results.

This chapter is largely research work. You can lose yourself in data and facts. To avoid this, you should limit your workload to a targeted approach to all analysis. Work with hypotheses and put together questions you want to answer. List all information you need and where you could get it from. The individual information might not provide you with direct answers to your questions. It is therefore usually necessary to make certain assumptions about the development of the industry and the market. Always justify your assessments. Analyse the competition to show what difficulties are to be expected when exploiting the market potential.

3.1 Sector analysis

Provide an overview of the sectors to which your company will belong. Describe the main factors influencing these sectors. Firstly, describe the status quo and then continue to build on this presenting the expected trends. Explain what influences the development (e.g. new technologies, legislative initiatives) and what relevance these factors have for your company.

Your explanations should include information on market size (sales and turnover), typical industry returns, the role of innovations and entry barriers, competitors, suppliers, target groups and distribution channels.

KEY QUESTIONS 3.1

- ☐ What is the total turnover and total sales volume in your sector?
- ☐ What determines the growth in your industry?
- ☐ Are there any current trends? What economic developments influence your industry?
- ☐ What role do innovation and technological progress play?
- ☐ How does legislation influence your industry?
- ☐ What barriers to market entry exist and how can these be overcome



3.2 Market analysis

After your analysis of the industry sector, you continue with a market analysis of your customers and your planned market success (sales volume, turnover, market share and profit). You may be operating in the same industry, but this isn't always the case. For example, you could offer a personnel service (your industry here) in the production industry (target market) or have a production process for plastics that is supplied to the sporting goods segment. Or you set up an internet agency and offer your services specifically in the healthcare industry. The market analysis is therefore about analysing the industry and the market of your target group. To do this, segment the market. In a market segmentation, the overall market is divided into buyer groups according to certain criteria which have homogeneous structures in terms of their purchasing behaviour. There are various options here which are briefly mentioned as examples:

Geographical segmentation:

- ➔ Here you limit your activities to a specific region, e.g. with a radius of 150 km around your business headquarters or to all companies in a particular sector in your federal state.

Socio-demographic segmentation:

- ➔ You use the classic criteria such as differentiation by age, gender, marital status and company size.

Socio-economic segmentation:

- ➔ Here you differentiate according to profession, income, size of household, etc.

Behaviour-oriented segmentation:

- ➔ The same customer benefits or identical purchasing behaviour are often used as criteria.

You are free to choose the segmentation criteria if you ensure that, firstly, the number of customers in each segment and their behaviour can be determined and, secondly, that they can be reached with the same sales strategy. Determine the potential turnover for each segment in a period you have defined.

KEY QUESTIONS 3.2

- ☐ How do you segment the market?
- ☐ Who are your target groups? Give examples of customers!
- ☐ What is the sales volumes in the different segment today and in the future?
- ☐ Which reference customers do you already have and which do you expect to have in the future?
- ☐ To what extent do you depend on major customers?

3.3 Competition analysis

If the market you want to tap into as your target market is profitable, there is always someone who is already active in that market or who soon will be: your competitor! Identify the strengths and weaknesses of your competitors. Evaluate your important, potential competitors according to the same criteria, e.g. sales volume and turnover, growth, market share, costs, product lines, customer service, target customer groups and distribution channels. Avoid too much detail in the interests of clarity. Include your own company in this assessment and use a comparison to determine how sustainable your competitive advantage will be. Show the reader where your competitors' weaknesses lie and how you could poach their customers in the future.



KEY QUESTIONS 3.3

- ☐ Who are your main competitors?
- ☐ How big are their market shares? Are these shares stable, changeable or at risk?
- ☐ How does your offer differ from that of your competitors?
- ☐ Can you identify weaknesses in the competition? How can you benefit from it?
- ☐ How will your competitors react to your market entry? How will you respond to this?



3.4 Location analysis

You have probably already decided on the city where you want to set up your business – it should be favourable for your company and your personal circumstances. It offers you optimal conditions for the fastest possible success of your start-up. The actual location of your company is crucial from the outset and affects all important factors of a business concept: customer target groups, suppliers, competitors, staff, costs, transport connections and infrastructure. From the beginning, weigh up your requirements for the location and what you can spend on it.

What does conveniently located mean for your company (public transport, motorways, city centre location)? Should the location be representative for customers or will you not have any customer contact on site? Do you need a quiet environment or do you need to find a place where you can make noise?

This means that you need to find a location that best supports your concept and the objectives of your company. To do this, you should work out the importance of the location for the success of your company. Compare the factors according to objective criteria in order to arrive at an optimal

decision. Each location includes the actual operating site and its surroundings. The business location includes the property in question and the business premises. The surrounding area is the wider catchment area, e.g. the Ruhr region, a federal state or a country.

KEY QUESTIONS 3.4

- ☐ Where will your location be?
- ☐ If you already chose a location, name the advantages and possible disadvantages of your location.
- ☐ How do you compensate for any potential disadvantages?

4. MARKETING AND SALES



In general, marketing includes the description of the product with its unique selling points and pricing (both have already been described in Chapter 2).

This chapter now describes your marketing concept for the market entry of your product or service as well as the general distribution and sales concept in detail.

Here you need to explain how you want to present your offer so that it stands out from the competition and ensures being well received by your target group. Sales and all marketing measures that you will take to exploit the identified market potential of your company are highlighted in this chapter. Consider these topics to be of great importance and do not underestimate the amount of work involved.

As a basis of your strategy, describe exactly what special added value you want to communicate to your target group, if possible, without wastage. Describe how you want to make your target groups aware of your product or service. At this point, you decide if you will address customers individually or if you will set up mass communication. Also consider your available time resources. Think about the promotional measures you would like to implement, such as developing a logo, setting up a website, placing adverts, press work, and consider what budget you would like to plan for this.

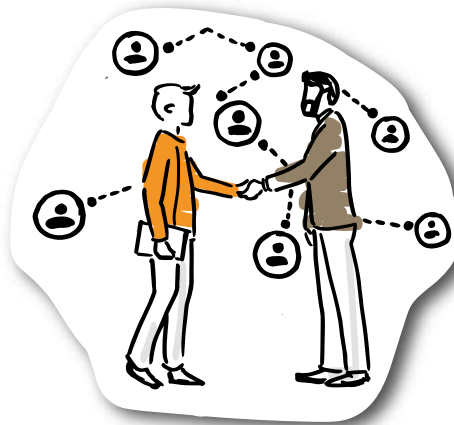
Look for measures that match your time and budget and promise maximum success. If you are aiming for a high recognition right from the beginning, make sure that your customers directly associate you and your new company with the benefits of your product or service.

4.1 Marketing concept

As a new company, you need to make a name for yourself and your products or services on the market. Experience shows that extensive advertising campaigns are often less promising than smaller, more targeted individual campaigns.

KEY QUESTIONS 4.1

- ☐ What advertising measures are you taking to launch your product / service?
- ☐ Which advertising media or materials do you plan to use?
- ☐ What are the timetable and the determined key milestones?
- ☐ How much budget are you planning to use for this?



4.2 Distribution and sales concept

Your sales concept describes the entire sales process in detail, lists the planned distribution channels and considers the costs incurred. Show how you envision the structure of your sales organisation. Explain the requirements for the number, qualification and motivation of your sales staff. Who will be responsible for the initial contacts, who will prepare offers and who will negotiate with customers and make decisions? Do you have to commission external sales experts at the beginning or will you take on these tasks yourself as part of the founding team? As you look to the future and realise your planned company growth, you may need to hire additional employees.

In addition to direct sales, consider if you can use wholesalers for the distribution of inexpensive bulk goods. Check if potential partners can include your product or service into their portfolio and promote it for you. Show readers how your sales processes are planned and how many products or services you plan to sell.

How much turnover do you expect from your successful entry to the market? You already calculated your price in chapter 2 and you have also clarified how you plan to communicate with customers and who in your

company will be in contact with them. Now describe how you can achieve the specified price with customers – name discounts, explain payment methods such as cash discounts, explain initial orders and subsequent maintenance orders, etc. Then calculate the number of units of the products to be sold or the number of services to be marketed which you can book as a success. You can outline the best and the worst case scenario for sales promotion to give the readers a better idea.

Your prices for products and services have already been described; now show what sales you are planning – ideally, this should be presented in a table. Even without the financial plan, a sketch of your sales planning is important for your work.

KEY QUESTIONS 4.2

- ☐ What does the typical process of a product sale or service sale look like?
- ☐ Which distribution channels do you use for the individual target groups?
- ☐ What sales volume are you planning to achieve? How are sales and earnings distributed across the individual distribution channels?
- ☐ What requirements do you place on your sales team, e.g. regarding number, qualifications and equipment of sales staff?
- ☐ What terms of payment and discount do you offer?
- ☐ What does your service, consulting and maintenance offer look like?

5. MANAGEMENT



The readers of your business plan want to know who is behind the new company.

They want to be able to assess whether the important qualities for managing the new company are present. On the one hand, readers want to assess the professional and entrepreneurial qualities of each founding member and the motivation of each individual on the other. The readers want to see how the individual (entrepreneurial) personalities will complement each other in a team.

5.1 Key positions

Introduce your entire team. Explain the professional achievements of everyone who will be valuable for the new venture. It is worth mentioning if you have already worked together successfully as a team in the past.

Derive from the personal skills and knowledge of the individual who will be responsible for which tasks in the future based on their experience. Missing competences should be added quickly.

For the reader, the seriousness of a business plan becomes realistic if there

are financial commitments to the company, for example in the form of a financial foundation by the team members. Contractual agreements on tasks and responsibilities also indicate realistic plans.

To assess your planned company structure, it is interesting to know which agreements or contracts already exist with partners or research facilities, universities or institutes.

5.2 Legal form

The legal form you choose for your company defines the legal framework within which you will soon be operating. Depending on the legal form you choose, it determines, for example, how the company is organised, the legal basis on which it is based on and who manages the company. The decision for or against any legal form has personal, financial, tax and legal consequences. For example, you can choose between sole proprietorship (for one-person start-ups) and forms of partnerships and cooperations (for one-person or multi-person start-ups). In the table below you will find an overview of the most common legal forms for companies in Germany with important decision criteria. However, we make no claim to completeness.

KEY QUESTIONS 5.1

- ☐ What tasks and areas of responsibility will there be in your company (key positions)?
- ☐ What is the professional background of the management team and key personnel (e.g. education, professional activity, professional successes)?
- ☐ Do members of the management teams or key persons have personal patents and can you use them?
- ☐ What experience and skills does the team have in relation to the business project you are planning? Which skills might be missing?
How and by whom will they be supplemented?
- ☐ Does the team have commercial expertise?
- ☐ What special features does your personnel policy include (e.g. qualification, employee participation)?
- ☐ How should the compensation system be organised?



More information on
www.gruendersplattform.de

Once a legal form has been chosen, it does not necessarily have to be retained. In the event of various developments in the company, such as a change in the company structure or positive growth, it may be appropriate to change the legal form.

Due to the many possible consequences of choosing a particular legal form, which must be considered, professional advice from a lawyer or tax advisor is always recommended.

	Sole proprietorship	Civil law partnership (German: GbR)	General partnership (German: OHG)	Partnership company (German: PartG)	Limited company (German: GmbH)	Law entrepreneurial company (German: UG)	Non-profit limited company (German: gGmbH)
Alone or in a team?	alone	in a team	in a team	in a team	both (one-person-GmbH)	both (one-person-UG)	both (one-person-gGmbH)
Liability	unlimited	unlimited	unlimited	everyone is liable for professional mistakes	limited	limited	limited
Share capital	no	no	no	no	25,000 Euro	1 Euro	25,000 Euro
Tax	Income tax	Income tax	Trade tax	Income tax	Trade tax, Corporate tax	Trade tax, Corporate tax	Trade tax, Corporate tax
Accounting	simple accounting, EUR	simple accounting, EUR	double entry accounting, Balance sheet	simple accounting, EUR	double entry accounting, Balance sheet	double entry accounting, Balance sheet	double entry accounting, Balance sheet
Company name	fictitious name possible for e.K.	name of owner	name of owner	name of owner	fictitious name possible	fictitious name possible	fictitious name possible
Involvement of investors	unsuitable	unsuitable	unsuitable	unsuitable	well suited	well suited	well suited
Transparency	no register entry	no register entry	entry in the commercial register	entry in the partnership register	entry in the commercial register	entry in the commercial register	entry in the commercial register

KEY QUESTIONS 5.2

- ☐ Is the business founded alone or in a team?
- ☐ What business objective is being pursued?
- ☐ What legal form should your company take and why?
- ☐ What do the business representation and liability regulations look like?
- ☐ How much capital is available?
- ☐ What formalities (e.g. bookkeeping) must be considered?

6. OPPORTUNITIES AND RISKS



This chapter is about realistically assessing the opportunities and risks which you are currently observing or which are likely to be observed in the future. The opportunities and risks considered in this chapter are related to external factors.

Describe the best and worst case scenarios for your business start-up. Ideally, you should draft two scenarios – a 'best case' and a 'worst case'. Vary different parameters such as price and sales volumes to illustrate the impact on your planning. Evaluate the probability of the opportunities and risks shown. Justify your assumptions with researched and verifiable facts and figures, for example from chambers, banks, and industry associations.

Sharpen your eye on the expected opportunities. If a market is changing, you should be able to react more effectively as a young, flexible company than your larger, more sluggish competitors. Or a change in the law may expand your previous limit of manoeuvre.

Your company's development and room for manoeuvre depend largely on your ability to recognise risks at an early stage and counter them effectively. Briefly describe the risks you have identified and how you intend to respond to them to limit the extent of any possible damage.

Risks lurk everywhere: competitors may react to your market entry with a massive counter-offensive. Or suppliers with similar and better products may emerge. How do you protect yourself against this? Try to be objective in your contingency plan and don't gloss over anything. Address critical aspects, this will earn you respect from investors. A reflective presentation highlights you as an industry expert who is well prepared for all eventualities.

KEY QUESTIONS 6

- ☐ In which areas of your company do you have to take action when which events occur?
- ☐ What opportunities can you identify and how will you use them?
- ☐ How can your opportunities have a positive impact on your sales?
- ☐ What risks do you see which might jeopardise your company?
- ☐ How can these risks be minimised or prevented in advance?
- ☐ To what extent can you minimise these effects (in the event of risks) by adjusting your plans?
- ☐ How do competitors react to your opportunities and risks?

7. FINANCIAL PLANNING



In this chapter you check whether your business concept is financially viable and profitable. Use the planning tables available at www.start2grow.de to help you make the presentation easier. Go through each table tab carefully and fill in all the fields.

To help get you started, check your entrepreneurial salary again (see chapter 2.3) and then start with your cost planning.

Think about the respective costs of your business project: cost for premises (rent, electricity, gas, telephone, cleaning etc.), employees, machines and / or vehicles, technical equipment etc. Check what the initial costs and what the recurring costs will be. Determine the expenses incurred, if necessary with the help of cost estimates through quotes from suppliers and service providers.

You are probably planning with a certain growth rate over the next few years. What impact will your plans have on turnover and possibly on additional personnel and space resources? You need to collect all these facts and their costs before transferring them to the tables. This information then results in statements for the next five years. If you have no previous experience with financial planning, it is advisable to ask the coaches (e.g. from the fields of tax consultancy or auditing) from the start2grow network for advice. Please bear in mind that many business ideas fail due to inadequate financial planning. It makes the most sense to include someone with relevant knowledge in this area in your team!

An important note:

Regardless of your legal form, you are obliged to prepare an annual income statement at the end of each financial year. You can find the legal provisions for sole traders in the German Income Tax Act (income statement) and for corporations and partnerships in the German Commercial Code (profit and loss statement).

As an entrepreneur, you should always be aware whether you are making a profit or a loss in the current financial year.

7.1 Personnel cost planning

Think about what you want to achieve with which human resources. Keep in mind that as your company grows and becomes more successful, it will be necessary to adjust your workforce. Create a detailed personnel plan for the first five business years. Specify how many employees you want to employ, in which function and with what salary. Don't forget to take into account the employer's social security contributions (wages and non-wage labour costs).

Personnel planning and company growth are variables that are independent. Make sure that these variables fit together. As a new start-up company, calculate with cautious figures. If everything develops as planned, you can increase salaries over the years, plan additional staff, hire trainees or replace part-time contracts with full-time contracts.

KEY QUESTIONS 7.1

- ☐ What personnel requirements and personnel costs do you expect in the individual areas of your company in the next five years?
- ☐ Will salaries increase in line with sales and company success?
- ☐ When will you employ additional staff?



7.2 Investment and depreciation planning

In the investment and depreciation plan you list all investments and the related depreciations. Depreciation represents the scheduled and unscheduled impairment of losses. The amount of depreciation depends on the expected useful life of the asset. Low-value assets up to an amount of 800 euros can be depreciated in the year of acquisition. The so-called depreciation tables (depreciation for wear and tear) of the Federal Ministry of Finance can be used. However, they are not a binding legal standard. Nevertheless, the depreciation rates set out in the depreciation tables are generally recognised by case law as well as by administration and businesses as they reflect extensive expertise gained in practice.

The depreciation tables are available on the website of the Federal Ministry of Finance at www.bundesfinanzministerium.de where you can simply search for 'AfA-Tabelle'.

The investment and depreciation plan is usually presented in a table showing the year of acquisition, the depreciation amount and residual carrying amount over the useful life. The net price is always used as the

basis since any VAT paid has already been considered as input tax in the year of acquisition.

Investments must be included in your liquidity planning and your total amount of annual depreciation and amortisation must be included in profitability planning.

The start2grow spreadsheet can help you to plan the corresponding investments linked to your turnover and growth figures for the first five years.

KEY QUESTIONS 7.2

- ☐ What are your investment plans in the short term and for the first five financial years?
- ☐ Which major investments will be made, when and to what extent?
- ☐ How high is the resulting annual amortisation?



7.3 Profitability planning

With the help of profitability planning (sales and cost planning) you can find out whether your venture is actually worthwhile, in other words, whether it is profitable or not.

In a five-year plan, you compare the expected turnover with the expected costs. The more the turnover exceeds the costs, the greater the profit or profitability of your company. This calculation is an essential part of your budget calculation which should convince your investors of the economic viability of your venture.

You have already determined the costs of your private lifestyle (in the form of an entrepreneur's salary) in chapter 2.3. You should always keep an eye on this key figure in your planning as this must be the calculated minimum profit. Whether your profitability is good or bad must be checked against the average figures of comparable companies. You should also obtain quotes from future suppliers and demand prices from your potential customers. Ask the relevant industry or professional association, chamber of commerce and your bank for information on typical industry turnover and profits.

The researched figures are included in the profitability forecast without taking VAT into account.

When taking out a loan, please consider the start of your repayments. The grace period varies depending on the loan.

Take enough time for your research. The more realistic and accurate your calculation is, the more secure your start-up phase will be. Enter the depreciation calculated in the investment and depreciation planning. The investment expenditure itself, i.e. the purchase price for fixed assets is not included in the profitability planning because this payment does not lead to a change in the net assets of your company.

The item 'cost of materials' includes all costs for raw materials, consumables and supplies as well as the costs for purchased goods and services; the item 'personnel expenses' includes the wages and salaries with social security contributions and taxes determined in the personnel planning. If you want to set up a limited liability company, enter a salary for the managing director.

KEY QUESTIONS 7.3

- ☐ How many customers do you expect? Check your sales plans.
- ☐ Do your sales cover all your private and business costs?
- ☐ Have you calculated your prices well so far or do you need to recalculate?
- ☐ How will your sales, income and expenses develop over the first five financial years?
- ☐ In which financial year will you achieve a positive operating result?
- ☐ How much profit will you generate in the short, medium and long term?



7.4 Liquidity planning

Detailed sales and cost planning (profitability planning) is necessary for liquidity planning. A well-founded liquidity forecast shows the solvency of your company for a specific period. In liquidity planning you compare your expected incoming payments with all outgoing payments.

Please note: Writing or receiving an invoice does not mean you already have the money in the till or that you have paid the invoice. The actual time for payment is decisive for liquidity planning. The liquidity plan therefore only includes transactions which directly lead to a change in cash and cash equivalents; depreciation, provisions and own work capitalised are not included. Record the amount and time of all incoming and outgoing payments, always including VAT!

Your company only remains liquid if the total cash inflows are higher than the total of cash outflows in each period. For periods in which this is not the case according to the plan, you must provide for additional capital. The sum of all individual amounts equals your total capital requirement over the planning period.

The further you look into the future, the more difficult it is to plan accurately.

Liquidity planning should therefore be carried out monthly for the first and second year and quarterly or half-yearly for the following years.

KEY QUESTIONS 7.4

- ☐ Which of your own resources will you contribute?
- ☐ How high are the monthly deposits and withdrawals?
- ☐ How high are the monthly amortisation and interest payments?
- ☐ How high is the monthly liquidity reserve?
- ☐ What additional resources will you need and when?
- ☐ Do you have an overdraft facility with your bank?
- ☐ How will your liquidity develop in the short and medium term?

8. FINANCING



In the previous chapter you drew up your financial plan and you have entered your figures in the start2grow tables.

The liquidity planning shows you what capital you need and when.

In your financial planning, you now consider from which resources the requirements are to be covered.

At the beginning, check how you can contribute your own funds – in the form of cash contributions or contributions in kind. If these funds and resources are not sufficient, you will have to borrow capital from other sources. First, find out about public funding programmes from the federal or state government. These loan programmes often have more favourable conditions than standard bank loans, e.g. they grant repayment-free periods.

Further financing options can be provided by business angels, venture capitalists, investment companies or private individuals.

Compare the terms and conditions of various financing options in advance, as well as repayment requirements. Bear in mind that investors may also have co-determination rights in your company. Discuss and agree on the consequences in terms of the company's goals as a team.



KEY QUESTIONS 8

- ☐ How high is the financial requirement for the next five financial years resulting from the liquidity planning?
- ☐ How high is your equity ratio?
- ☐ What sources of funding are available to you to cover your financial requirements?
- ☐ What securities can be offered?
- ☐ What alternatives are there to the financing concept?

EXCURSUS

HOW DO INVESTORS EVALUATE BUSINESS PLANS?

When preparing a business plan, it is important to know what investors look for. This applies equally to traditional bank financing and public funding as well as to so-called 'intelligent capital' which is provided by venture capital companies and business angels:

Venture capital companies (VC)

These investors are investment funds specialising in growth industries that provide venture capital to young, technology-oriented companies and support them in the first few years. However, VCs not only help companies with financing, but also provide them with advice and support – for example by providing contacts or counselling in difficult situations. This is why venture capital is often referred to as 'intelligent capital'. In return for their financial support, venture capitalists acquire a stake in a company which is recognised as having very high growth potential in the medium term. Conversely, the advantage for young companies is that they are provided with liable equity capital at an early stage when other investors are unlikely to be persuaded to make a major financial commitment due to the lack of collateral and uncertain prospects. After around five to seven years, venture capitalists sell their shares to the company's other shareholders or to other companies. They expect a high return on their investment.

Business Angels

These private investors are usually wealthy, successful individuals who act as sponsors to business start-ups. They support young companies by contributing their capital and their experience and at the same time opening up their network which brings significant advantage to many start-ups. Since business angels are usually entrepreneurs themselves, they prefer to invest their money in sectors in which they have their own experience.

These considerations illustrate what venture capitalists, private investors and financing experts in banks look for in a business plan:

- The business idea must have a clearly tangible benefit for the customers, which is most clearly expressed in reduced costs for known benefits or in a new type of benefits for market participants.
- The company in which they invest should supply a large and growing market in the medium term – and it will usually aim to serve an international market.
- The product or service should be innovative. A fundamentally new technology or a superior manufacturing process has clear advantages as this makes it more difficult for competitors to enter the market.
- The business concept for developing the market must be coherent and accurate. Projections and estimates should be accurate, in other words, they should be based on convincing assumptions and facts. A high degree of planning certainty is a basic prerequisite for business success and can make a significant contribution to avoiding liquidity bottlenecks.
- All investors pay particular attention to the management. Ultimately, a business project stands and falls with the ability of its management to realise the business concept. In particular, a mix of skills required for innovative businesses must be taken into account which those wishing to found a company can rarely cover alone. An interdisciplinary composition of the management team is therefore recommended.

9. REALISATION PLANNING



Once your start-up idea has matured, you have dealt intensively with all the issues and realised that your project will be viable, start planning the actual implementation of your business start-up.

Begin by defining milestones to map your key implementation steps. The aim of milestone planning is to identify the critical path and to recognise which requirements must be met and by when. If milestones are not reached, alternatives should be identified quickly. Implementation planning will help you identify correlations and analyse the effects of individual implementation steps.

Try to plan each milestone as realistically as possible to increase your company's chances of success and find ideal time to enter the market. Four simple rules will help you here:

Split tasks into packages

- Since there are many small details involved in setting up a business, there is a risk of losing the overview. Therefore, summarise the individual activities in packages. A specific goal should be named for each package.

Set priorities

- Every plan consists of a series of events and assumptions, some of which run in parallel or are interlinked. Certain activities can jeopardise the entire project if they are delayed – similar to an assembly line production which has to stop if certain parts are missing. Such activities are called the 'critical path' and should be planned with particular attention.

Ask experts

- Use advice of experts to underpin any key planning steps. The entire start2grow coaching network is at your disposal. The coaches offer extensive expertise on all aspects of the business plan.

Reduce risks

- You have identified a number of risks in your process. Take measures to counter these risks from the very beginning. If you deal with the later, the project may be delayed or even jeopardised completely.

KEY QUESTIONS 9

- ☐ What are the milestones in the development of your company and when do they have to be reached?
- ☐ Which tasks and milestones are directly interdependent?
- ☐ What is the 'critical path'?
- ☐ What tasks will you be faced with as your company grows and how can they be sensibly grouped into work packages?
- ☐ Which partnerships are required for realisation?
- ☐ What resources (time and money) are you planning for follow-up developments?
- ☐ Do you have sufficient capacities for rising demand? Can you adjust them at short notice?
- ☐ Visualise your activities in a time diagram!

~~YOUR~~ NOTES

my





WE WISH YOU EVERY SUCCESS IN WRITING YOUR BUSINESS PLAN!

IF YOU HAVE ANY QUESTIONS, THE START2GROW
TEAM WILL BE HAPPY TO HELP YOU.

IMPRINT

Economic Development Agency Dortmund
Grüne Straße 2 – 8
44147 Dortmund

Phone: 0800 – 4 782 782
(Free of charge from all German networks)

info@start2grow.de
www.start2grow.de

Publisher
Economic Development Agency Dortmund
Managing Director: Heike Marzen

Editorial Office
Friedrich-Wilhelm Corzilius (responsible for content)
Andrea Schubert
Aleksandra Frings

Layout & design
©K-DESIGNBÜRO

Last updated: June 2026



*My shortcut to
updates on start-up
topics!*

We would like to thank the following for their involvement in start2grow:

