



# Info for start-up entrepreneurs

## The business plan

A well prepared and critically thought-out business plan is an important basis for your successful start as a self-employed person.

The business plan helps you to structure your plans, make your business idea more precise, and assess its economic potential. Alongside economic sustainability, questions of ecological and social sustainability play an increasingly important role in the success of plans for new businesses. Use the business plan as a work document to prepare, plan, and make your self-employment a reality, and later as a useful controlling tool.

Funding sources pay close attention to a business plan when making decisions, while company members and other business partners can also use it for orientation. Business plans can be adapted to particular target groups. But start by writing the business plan for yourself.

In the same way every start-up idea is as individual as the person(s) behind it, every business plan is also different. This template aims to help you create your own business plan. Make sure to use a clear, logical structure and an easy-to-read style. Incorporate informative charts and tables in the plan. Adapt the structure and content to your personal requirements. The aim is to create a business plan of 20 to 30 pages at most.

This document is based on the requirements of Germany's public development banks (LfA, KfW) and the savings bank Stadtparkasse München. If you plan to use your business plan to help convince banks, investors and other key contacts to support you, we highly recommend writing it in German. A German template can be downloaded free of charge as a **Word file (written presentation of the business plan)** and an **Excel file (financial section of the business plan)** from:

[www.startup-in-munich.de/planning/business-plan](http://www.startup-in-munich.de/planning/business-plan)

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## Free services for Munich's business startups: Start-up advice from the City of Munich

**Basic startup information, featuring specific issues & industries, local contact points:**  
[www.startup-in-munich.de](http://www.startup-in-munich.de)

**All business plan informationen and our template:**  
[www.startup-in-munich.de/planning/business-plan](http://www.startup-in-munich.de/planning/business-plan)

### **Information session: How to start a business (in English)**

Attend our online information session for a brief overview of all key start-up topics. Topics include an overview of startup formalities, choice of legal form and tax overview, private and operational security, subsidies and financial aids and coaching-programs. This 2-hours session is free of charge.

Find and register for a session:

[www.veranstaltungen.muenchen.de/raw/veranstaltungen](http://www.veranstaltungen.muenchen.de/raw/veranstaltungen)

## Startup assistance by phone and email

We provide basic knowledge about starting a business in areas such as start-up formalities, business plan, choice of legal form and tax overview, social and company insurance, subsidies and financial aid, seminars and events, office space and start-up centers.

Contact us by phone or email with individual questions:

**Phone Mon-Thurs, 1 p.m. – 5 p.m. at 089 2332 1759**

**Email [start@munich.de](mailto:start@munich.de)**

If you like to discuss numerous questions or get a first business plan feedback from us please arrange for an appointment.

To arrange for an appointment for consultation please send us the completed [appointment form \(PDF, 118 KB\)](#) and note our [information data protection \(PDF, 113 KB\)](#). Our consulting services are free of charge. Our consulting services are available in English and upon request in French and Spanish, too!

Please note that we cannot advise on insurance, tax, or legal issues. The Chamber of Skilled Crafts (HWK) offers advice on starting a skilled crafts business.

Our services are free of charge.

## Who can help you with the business plan?

Write your business plan yourself and get feedback from the relevant industry experts or start-up initiatives. As a self-employed person you have full entrepreneurial responsibility for your business plan and the estimates, plans and decisions described there. Industry associations can be a valuable contact for entrepreneurs in terms of feedback.

Initiatives which are offering support are for example chambers, non-profit organizations, coaches or tax advisors with industry-specific know-how

[www.startup-in-munich.de/planning/networks](http://www.startup-in-munich.de/planning/networks)

Forum for German Associations | Search for associations

[www.verbaende.com](http://www.verbaende.com)

## **Business plan**

*Create a cover sheet with information such as:*

*Business idea*

*Founder(s)*

*Address*

*Phone*

*E-mail*

# Business plan – Written presentation

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## At a glance

*Please note: Although this written summary comes at the beginning, it should not be written until you have finalized the business plan. Are you working in a team to launch the business? Then provide details of everyone on the start-up team. The summary of your business model is the cornerstone of your company presentation. Readers – such as banks, investors and customers – will read and assess it very carefully. It should be about 1-2 pages long.*

**First name, last name, date of birth**

**Start-up project**

**Target group**

**Location**

**Legal form**

**Company name**

**Launch date**

*Please take the following information from the finalized financial planning data:*

**Overall capital requirements**

- Total investment outlay
- Costs (buffer) for the start-up phase

**Financing**

- Equity
- Borrowings (debt)

**Revenue and profitability forecast:**  
(operating result or pre-tax profit)

- Year 1:
- Year 2:
- Year 3:

*The following points are intended as suggestions for a rough outline structure.*

## **1. Business idea (product/service)**

- What is your business idea (product, service, innovation)?
- Who is your target group?
- What special benefits can you offer customers?
- What role does sustainability play: What is sustainable about your product/service?
- What unique selling proposition (USP) sets you apart from other market players?
- Why should customers buy your product/service? What problem does your product/service solve for them?
- What special service(s) do you offer in the pre-sales and post-sales phases?
- At what prices do you sell your product/service?
- What are the costs of production/acquisition?
- What volume do you plan to sell?
- Motivation: What caused you to want to become self-employed and realize your idea? What personal and professional factors back up your decision?
- When will production/service provision go live (what is the current state of development)?

## **2. Profile of the founder/team**

- What school and vocational/professional qualifications do you have?
- What business administration qualifications do you have?
- Personal data sheet complete with proof of qualifications and job references (where these exist)?
- What industry experience do you have?
- What personal strengths do you have as an entrepreneur?
- What business administration, professional and personal weaknesses do you have as an entrepreneur? How do you plan to make up for these deficits?
- Do you receive the support of friends, family and/or a partner?
- Have you ever been self-employed before? If so, in what industry?
- What contacts/references do you have?
- What assignment(s) will you handle in the company?

### 3. Market assessment

- What is the market volume for your product/service? Describe your industry on the basis of statistics, studies, intercompany comparisons etc.
- What developments/trends is your industry experiencing and how will the market in your sales territory develop in the future?
- Customer segmentation: Which customers do you approach (e.g. small or large customers, retail or corporate customers, age structure, gender, income, marital status, education/profession, geographical attributes, lifestyle etc.) How do your customers feel about sustainability?
- Are you dependent on a small number of large customers?
- How, when, why and from whom will your future customers purchase your product/service?
- Have you already obtained feedback about your product/service from potential customers?
- Which suppliers will provide you with what products?
- Will you commit to cooperative ventures with other providers?

### 4. Competition

- Who are your competitors (e.g. a small number of large companies or a large number of small companies, online, local, regional, national, international etc.)? Do you distinguish between direct and indirect competitors?
- Are there other developments heading in your direction?
- What do the products/services of your competitors cost?
- What are your competitors' weaknesses from a customer's perspective?
- What pricing strategies and sales concepts do your competitors adopt?
- What does the competitive situation look like in terms of price wars or territorial protection, for example?
- What are the strengths of your company/how do you differentiate yourself from your competitors (e.g. with value added, services, USPs)? Does sustainability already play a role in your competitive environment?

## 5. Marketing and sales

- How and by doing what do you respond to the needs of your customers (e.g. acquisition, customer care, complaints management, quality control)?
- What costs do you estimate for your marketing activities at launch and during ongoing operation?
- How do you draw the target group's attention to your product/service?
- What marketing channels will you use (e.g. your own website, social media, advertisements, catalogues, newsletters)?
- To what extent can you make use of existing contact with customers?
- Is your strategy focused more on pricing or more on service?
- Where do you want to sell your product/service (e.g. via retail stores, online shops, nationally, internationally)?
- What sales volumes do you target over which periods?
- Which territories are you targeting?
- What sales partners will you work with?
- What sales channels will you use (e.g. the Internet, stationary retail, cooperation partners)?

## 6. Sustainability

Sustainability relates to the economic, social, and ecological dimensions of your business activity. Just like financing and marketing, it is a cross-cutting task which helps to ensure the long-term success of your business.

- Which sustainability aspects will be integrated into the business model?
- What specific benefits will arise as a result? For example cost savings, increased sales, long-term security, stronger customer ties, competitive advantages, better risk management, improved reputation and recognition, acquiring and retaining staff, company culture
- Economic aspect: e.g. fair interaction with business partners, consumer protection, supplies and purchasing, product quality, product information
- Environmental aspect: e.g. resource consumption, renewable energies, environmental impact at the business location, environmental awareness among staff, environment management, climate protection
- Social aspect: e.g. continuing education and training, equal opportunities and diversity, job security, employee participation, family-friendly working conditions, social benefits
- Corporate Social Responsibility (CSR): company donations and sponsoring, awarding contracts to social organisations, voluntary work by staff



## 7. Company organization and personnel management

- Who is the founder (you alone or a team)?
- What legal form do you plan to give your company?
- Launch date, shareholders/partners, managing director, employees, headquarters, business mission?
- How are roles split within the company (e.g. customer acquisition/care, purchasing, merchandise management, sales, marketing, accounting, payment systems, invoicing, taxation, legal matters, controlling, personnel management/planning)? Do you have a flowchart illustrating this role split (names, qualifications, time allocation)?
- How do you want to design your personnel structure (e.g. number of permanent employees/freelancers/temporary staff, salaries, qualifications, training and development)?
- What statutory prescriptions/formalities must you comply with (e.g. licenses, approvals)?
- How do you organize your production/service delivery process (e.g. what work steps are completed when a customer places an order, which aspects do you purchase from suppliers)?
- What materials, machinery and office equipment do you need?

## 8. Location

- How important is the choice of location to your company/industry?
- What criteria should the ideal location satisfy (e.g. in terms of proximity to customers/suppliers, transport links, parking space, rental levels, size and condition of premises, proximity to frequently used facilities, purchasing power, expansion options)?
- How will the location develop in the future?
- Is the location subject to official requirements (e.g. change of use, structural requirements, fire safety, emergency escape routes, parking space, serving space, opening hours, workplace regulations for business premises)?
- Does the proprietor impose certain conditions (e.g. limited-term tenancy, notice periods)?
- Is the company operated from a rented apartment? Are the relevant criteria satisfied (e.g. local government regulations, conditions imposed by the proprietor etc.)?

## 9. Opportunities and risks

- What serious financial, personal or product/service-related problems could occur (e.g. lack of customers, emergence of me-too competitors, competitors growing stronger, lack of suitably qualified personnel, company growing too fast, bad debts etc.)?
- How do sustainability issues impact your risks, e.g. low-emission processes and products versus rising energy and materials costs?
- What protective and precautionary measures do you plan?
- Who will help you in the event of sickness or an accident?
- How do you rate the probability that these risks will materialize?
- What strategies/actions do you plan to mitigate risks?
- Do you plan to take out personal and company insurance?
- What financing alternatives (to promotional loans) do you have?
- Do you have an exit scenario?

## 10. Timeframe and goals

- Within what timeframe do you plan to realize your plans?
- What short, medium and long-term goals have you set for your company (e.g. quality goals, service goals, growth targets)?
- How do you intend to achieve them?
- How might your industry develop (e.g. competitors, demand)?

## B. Financial planning

The complete financial section of your business plan can be downloaded at [www.startup-in-munich.de/planning/business-plan](http://www.startup-in-munich.de/planning/business-plan) as an Excel spreadsheet template

An overview is available on the following pages.

The aim of the financial plan is to convert all your plans into numbers to check that your business can be financed and profitable.

### **The financial plan answers the following key questions:**

- What profits or loss do you expect in the first years? What assumptions are you making when estimating investment, running costs, and turnover development? How do you calculate your prices and orders?
- When will you break even, i.e. when will your income be equal to or higher than your operating costs?
- In the case of self-employment as main source of income:  
How long will it take before your anticipated profit as a self-employed person can cover all your living costs (including health insurance and pension contributions)?
- How much capital do you need to launch your company and finance the start-up phase?
- Do you need to borrow money from external sources? If so, how much and how do you plan to obtain it?

Work through various scenarios. Make the most of Excel by copying entire worksheets and playing with the numbers. How do the numbers change when you take a more optimistic or cautious approach? How do your plans look in the best- and worst-case scenario?

## Appendix

- Sample brochures, leaflets etc.
- Letters of intent/contracts etc.
- Draft rental agreement (if available)
- Draft franchise agreement (if available)

# Business plan – Financial section

## 1. Capital requirements plan

Long, medium and short-term investments  
+ Running costs  
+ Setup costs  
**= Total capital requirements**

## 2. Revenue and profitability forecast (for the first three years)

Calculation of the minimum profit needed to cover your cost of living:

Private costs  
+ Income tax  
**= Minimum profit**

Calculation of profit (operating result)/profitability forecast:

Revenue  
- Operating costs  
**= Pre-tax profit**

## 3. Liquidity planning (for the first three years)

Cash inflows  
- Cash outflows  
**= Liquidity (solvency)**

## 1. Capital requirements plan

<b>Capital requirements plan</b>	<i>Amount</i>
<p><b>Long-term investments</b></p> <ul style="list-style-type: none"> <li>• Land/building</li> <li>• Construction, structural alterations</li> <li>• Machinery/equipment</li> </ul> <p>etc.</p>	
<p><b>Medium and short-term investments</b></p> <ul style="list-style-type: none"> <li>• Initial stocks and material inventory</li> <li>• Cost of acquired inventories</li> </ul>	
<u>Other capital requirements</u>	
<b>Cost of start-up phase</b>	
<p><b>Setup costs</b></p> <ul style="list-style-type: none"> <li>• Launch costs</li> <li>• Registration/approvals</li> <li>• Notary/consulting/legal fees</li> <li>• Security deposits</li> </ul> <p>etc.</p>	
<b>= Total capital requirements</b>	
<b>Financing</b>	<i>Amount</i>
<b>Available equity</b>	
<b>Required borrowings</b>	

## 2. Revenue and profitability forecast

- How are your orders structured (tender structure, order processing time, seasonal fluctuations etc.)?
- How do you calculate sales volumes and prices?
- How long will it take before planned revenue generates sufficient profit to cover your personal cost of living (minimum profit for sole proprietors/partnerships)?

### **Calculation of the minimum profit needed to cover your cost of living:**

(for sole proprietors/partnerships; in the case of stock corporations, this is equivalent to the managing director's salary, such that costs are covered even if profit is zero.)

Housing costs (rent etc.)  
+ Social insurance (health/pension/unemployment insurance, provident saving, other insurance etc.)  
+ Other obligations (e.g. private loans)  
+ Mobility costs (car, public transport etc.)  
+ Cost of living (food, clothing, household goods, education, hobbies etc.)  
+ Reserves (vacation, sickness etc.)  
+ Other \_\_\_\_\_  
= Total private costs  
+ Income tax ([www.abgabenrechner.de](http://www.abgabenrechner.de)) \_\_\_\_\_  
**= Minimum profit**

Minimum profit is intended primarily as an aid to calculation. The crucial factor is that the minimum revenue calculated on this basis should be genuinely feasible. Accordingly, profitability forecasts should work on the basis of expected revenue whose realization must be plausibly presented.

**Calculation of profit (operating result)/profitability forecast:**

<b>Profitability forecast</b>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
<b><i>Revenue (net)</i></b> <i>- Cost of materials/cost of sales</i>			
<b>= <i>Gross profit I</i></b> <i>- Personnel expenses</i>			
<b>= <i>Gross profit II</i></b> <i>- Overhead costs</i>  <ul style="list-style-type: none"> <li>• <i>Tenancy costs</i></li> <li>• <i>Purchased services (e.g. freelancers' fees)</i></li> <li>• <i>Contributions, fees</i></li> <li>• <i>Company insurance</i></li> <li>• <i>Leasing installments</i></li> <li>• <i>Advertising and travel expenses</i></li> <li>• <i>Vehicle costs</i></li> <li>• <i>Repairs, maintenance</i></li> <li>• <i>General and administrative expenses</i></li> </ul> <i>- Interest on borrowings</i>  <i>- Depreciation and amortization</i>  <i>- Other costs</i>			
<b>= <i>Pre-tax profit</i></b> <b><i>(cf. minimum profit)</i></b>			

### 3. Liquidity planning

<b>Liquidity plan</b>	Month 1	Month 2	Month 3	--	Total
<b>1. Cash inflows</b> <i>Revenue (gross)</i> + <i>Other cash inflows</i> = <i>Total liquidity inflow</i>					
<b>2. Cash outflows</b> <ul style="list-style-type: none"> <li>• <i>Investments</i></li> <li>• <i>Personnel (including social insurance)</i></li> <li>• <i>Materials/goods</i></li> <li>• <i>Rental/franchise (company)</i></li> <li>• <i>Insurance (company)</i></li> <li>• <i>Other operating expenses</i> <i>(travel expenses, advertising, accounting etc.)</i></li> <li>• <i>Input tax/value-added tax (offsetting)</i></li> <li>• <i>Interest</i></li> <li>• <i>Loan repayment</i></li> <li>• <i>Private withdrawals</i></li> <li>• <i>Income tax and business tax</i></li> </ul> <i>Total liquidity outflow</i>					
<b>3. Liquidity balance (surplus/shortfall)</b> <i>(= total liquidity inflow minus total liquidity outflow)</i>					
<b>4. Liquidity balance (cumulative)</b> <i>(= monthly liquidity balance plus (cumulative) liquidity balance from the previous month)</i>					

This template is intended to provide initial guidance only. It lays no claim to completeness. The information contained herein has been carefully researched and diligently compiled. Nevertheless, the City of Munich does not accept any liability for incorrect or incomplete information. The explanations provided are subject to administrative and/or statutory changes and amendments. We therefore recommend that the reader address any detailed questions or unclear issues to suitably qualified professionals, e.g. tax advisors.