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**Fachhochschule des
Mittelstands (FHM)**



MOVIDIS – Lecture: Company Founding

3/5 (SS 2022)

Organizational Information

Nr.	date	time
1	16.02.2022	3 pm – 4:30 pm
2	16.03.2022	3 pm – 4:30 pm
3	13.04.2022	3 pm – 4:30 pm
4	11.05.2022	3 pm – 4:30 pm
5	08.06.2022	3 pm – 4:30 pm

Beside those live-sessions we can arrange individual sessions (if you want):

MS-Teams-Link:

https://teams.microsoft.com/l/meetup-join/19:meeting_NmM0ZjFmNGYtMGlxOS00MzQzLWE0ZTEtMTVhMmQ2Mjl4NWQz@thread.v2/0?context={%22Tid%22:%225bf0da95-0f18-4542-9d8d-44c524396b7f%22,%22Oid%22:%22707784c7-d4a3-46e4-b470-856728c77c6f%22}

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Review: business plan



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Adjusted scope recommendation:

Contents:

- | | |
|---------------------------------------|-------------------|
| 1. Executive summary | approx: 1 page |
| 2. Product or service idea | approx: 3 pages |
| 3. Founding team | approx: 0,5 pages |
| 4. Industry and market | approx: 4 pages |
| 5. Marketing planning | approx: 3 pages |
| 6. Business system and organization | approx: 4 pages |
| 7. chances and risks | approx: 1 page |
| 8. Financial planning (3-5 year plan) | approx: 4 pages |

-> Questions about the overview content-chapters???

2. Exercise



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The Elevator Pitch

Task:

- Convince a potential investor – **or your customer target groups** - of your business idea within a very short time (about 30 seconds)! think carefully about what is important and use the FHM elevator ... ;-)

Decision criteria for the choice of the legal form

(-> depending on the different national legislation and company constitutions)

- Number of shareholders
- Minimum capital
- **Liability regulation**
- Tax burden
- Personal participation of the owners
- Transferability of the capital shares
- Disclosure requirements

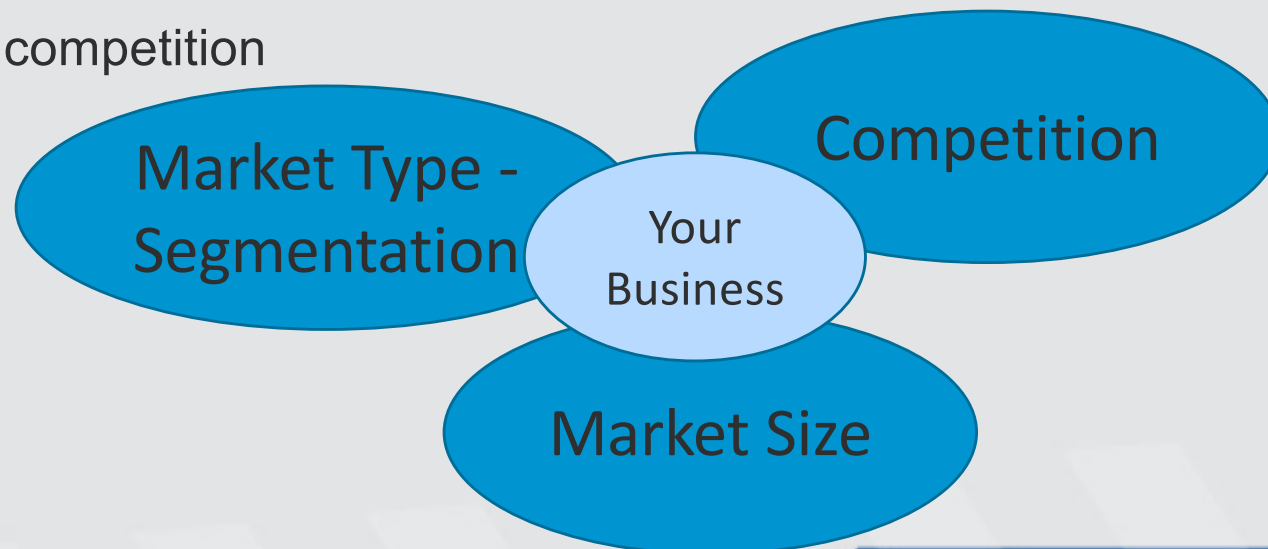
Structure / Chapters:

- **CHAPTER 1:** Introduction: basics of entrepreneurship & business planning
- **CHAPTER 2:** Business idea, business- and revenue model / management (Modules 1-3)
- **CHAPTER 3:** Market research, Marketing concept & sales forecast (Modules 4-6)
- **CHAPTER 4:** Cost planning & accounting, calculation & pricing (Modules 7-10)
- **CHAPTER 5:** Financial planning & risk-management (Modules 11-14)

3. Market Research

Industry and Market:

1. **Market Type:** Desired **market segments** and **target groups**
2. **Market Size:** Comprehensive analysis regarding **market potential**, **market volume** and **market growth**
3. **Competition:** Structure, existing and potential **competitors**, positioning compared to the competition



3. Market Research

How do you segment the market ?

Market Segmentation:

Dividing a market into groups of potential customers (**target groups**) who share similar characteristics and who have similar product- and service needs



3. Market Research



Examples:

Market Segmentation			
Geographic	Demographics	Psychographic	Behavioural
Grouping customers based on defined geographical boundaries	Grouping customers based on customer personal attributes	Grouping customers according to lifestyles	Grouping customers based on actual customer behaviour toward products and services
For example: <ul style="list-style-type: none">▪ Region▪ Country▪ Population▪ Climate	For example: <ul style="list-style-type: none">▪ Age▪ Gender▪ Nationality▪ Ethnicity▪ Occupation▪ Income▪ Social class▪ Family size▪ Religion▪ Education	For example: <ul style="list-style-type: none">▪ Lifestyle▪ Personality▪ Values▪ Attitudes▪ Opinions▪ Interests	For example: <ul style="list-style-type: none">▪ Brand loyalty▪ Benefits sought▪ User status▪ Usage rates▪ Occasion▪ Readiness to buy

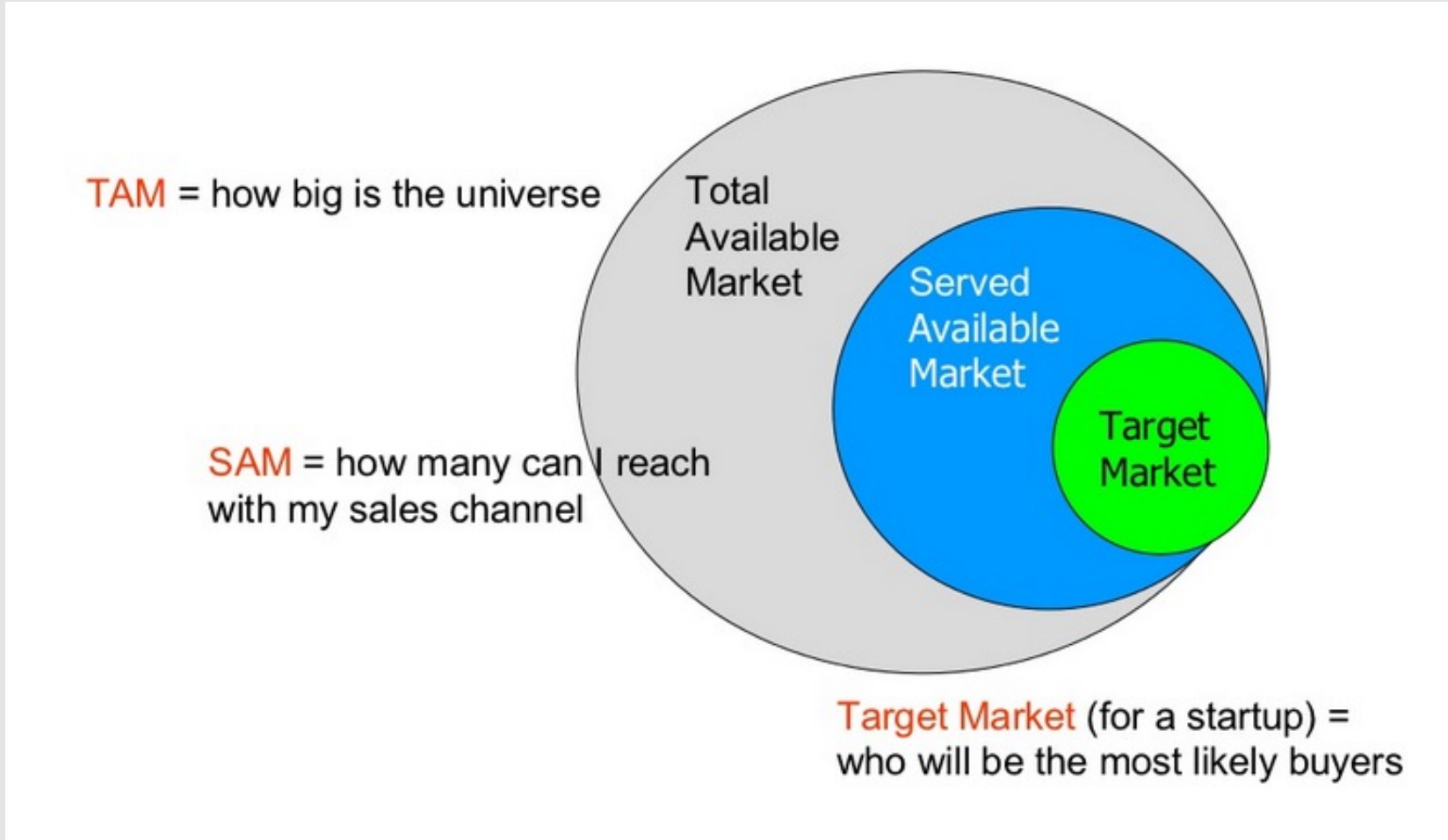
3. Market Research

Criteria for the estimation of the market potential:



3. Market Research

Total available Market – Served Available Market – Target Market



(Source: Euromonitor)

3. Market Research

Competitive environment =
the number and strength of rival
firms competing in the market
for customers



597 x 573

(Source: Infographic world)

3. Market Research



Example:

competitor analysis

name Fleurs Flowers

target group Men or women from 25 years old with an average salary

competitors			most important findings	
<u>fromyouflowers.com</u>	Lidl	Valentino flowershop		
strengths	Offers flowers online	The price for flowers is low	Customers can order flowers online but have to pick them up at the store	An online shop seems to be more and more important. Customers want to be able to order flowers from their home. Customers also like it when they get something for free or a discount on something when they buy flowers
	Delivers at home though whole the region within 24 hours	Customers can buy flowers while doing groceries, they do not have to visit a different store	When ordering flowers above a certain amount the customer will receive a free vase	
	Package deals – get a discount on a vase when flowers are bought	Everyday there are new flowers	A lot of time is spend on wrapping the flowers as a gift	
weaknesses	There is no way that a customer can see the flowers before they are ordered	Customers cannot create their own piece since the flowers are all prearranged	The price for flowers is higher than in other shops	Customers seem to think that buying flowers is a personal and special occasion. They do not like it when buying flowers is less personal. They also do not like that they cannot create their own bouquet
	Ordering flowers is less personal	The flowers are made in mass	Ordering flowers takes quite some time	
	Customers cannot create their own bouquet of flowers	Buying flowers is not a special occasion since it is been done during doing groceries	The shop is not as much open as customers would like, for instance it is closed on Mondays	

date _____



(Source: businessmakeover.eu/de/tools/competitor-analysis)

3. Market Research

Key Questions

- How do you **segment the market** and what **market potential** + **market volume** do you estimate?
- Who are your **target groups**?
- How is the **industry developing**?
- Which **factors** are decisive for success in this industry?
- Who is the **current** and **potential competitor**?
- How permanent will your **competitive advantage** be?

3. Market Research

Exercise: Create a market analysis for your company

1. Describe the market for your business idea.
2. Record special factors and characteristics of the market.
3. Define your company's market position.
4. Describe the dynamics of the target market.
5. Determine the market potential for your range of services and products.
6. Describe your target groups and determine the customer potential.

SWOT - Analysis

A SWOT analysis is a compilation of your company's strengths, weaknesses, opportunities and threats.

The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision.

Analysis of the external factors

Analysis of the internal factors

Internal factors = Strengths (S) and Weaknesses (W)

->Refer to factors, which are the resources and experience readily available to you.

Examples for internal factors:

- Financial resources (funding, sources of income and investment opportunities)
- Physical resources (location, facilities and equipment)
- Human resources (employees, volunteers and target audiences)
- Access to natural resources, trademarks, patents and copyrights
- Current processes (employee programs, department hierarchies and software systems)

External factors = Opportunity (O) or Threat (T)

- >Influence and affect every company, organization and individual.
- >Whether these factors are connected directly or indirectly to an opportunity (O) or threat (T), it is important to note and document each one.
- >Are typically things you or your company do not control

Examples for external factors:

- Market trends (new products, technology advancements and shifts in audience needs)
- Economic trends (local, national and international financial trends)
- Funding (donations, legislature and other sources)
- Demographics
- Relationships with suppliers and partners
- Political, environmental and economic regulations

Internal + External Analysis



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1. Describe the **external** factors of your business idea.
2. Describe the **internal** factors of your business idea.

3. Marketing Concept

Marketing Concept

= A detailed plan describing how a product or service will be marketed.

- **strategic** (long-term) marketing planning
 - regarding detailed market segmentation, competitive strategy, product positioning
- **operational** (short-term) marketing planning
 - regarding implementation of the strategies,
 - coordination of the marketing mix instruments (4 P's)

3. Marketing Concept



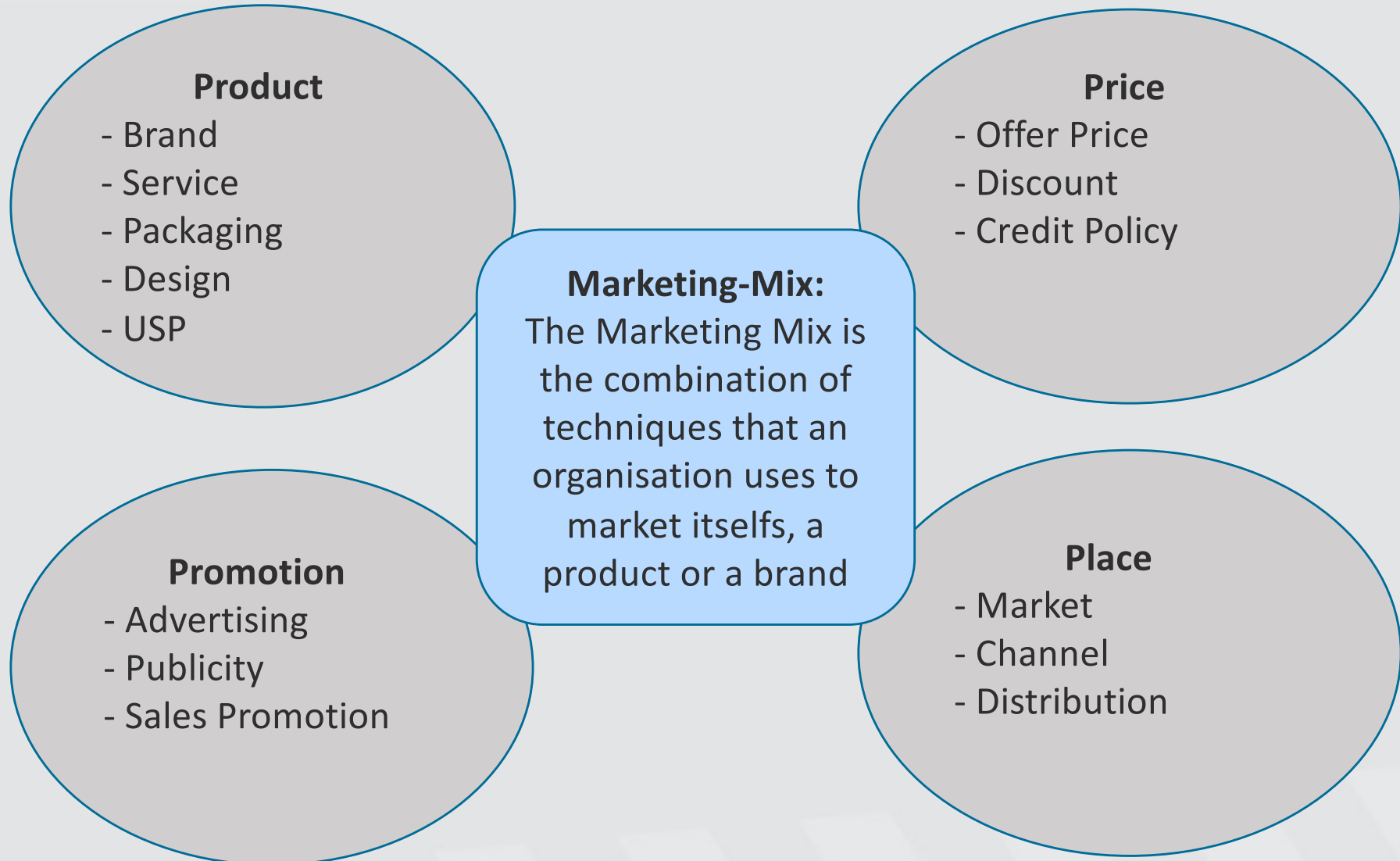
(Source: Becker, S.4)

3. Marketing Concept

Key question: What is the best way to sell your products and services ?

1. What is the **USP** of your business idea ?
 2. Who is your **typical customer** and what are his **needs** ?
 3. What marketing **strategy** are you pursuing ?
 4. How do you design your **Marketing Mix** ? (4P`s: Product, **Price**, Place and Promotion – these 4 points must be considered for your business idea!)
- > What is your **marketing concept** ?

3. Marketing Concept



3. Marketing Concept

Pricing strategies:

Penetration Pricing	Skimming Pricing
Setting a low price to established a significant market share	Setting a high price at launch
Used when trying to break into an existing market	Used for innovative products with little or no competition
Raise price as the organisation becomes established	High profit margin allows recovery of development costs
	Over time price is lowered to extend sales to new segments

Price
What factors affect
your price

3. Marketing Concept

Communication channels:

Print Media	Online	Outdoor	TV	Radio	Other

Promotion
Refers to **how** you **tell** people about your product or services

3. Marketing Concept

4 P's	Your activities
<p>Product What are the important aspects of your product ? Why do people want to buy your product ?</p>	
<p>Price What factors affect your price ?</p>	
<p>Placement When and where is your product available to customers ?</p>	
<p>Promotion List the ways in which you reach customers. What are your contact points ?</p>	



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