



Fachhochschule Köln
Cologne University of Applied Sciences



Institute for Technology and Resources Management
in the Tropics and Subtropics

Business Plan

Business Administration and Management

WS 13/14

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Your WG UG

Coaching Services for Foreign Students to find a WG



WG for Integration

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Finding the Niche Market



- Cologne is an attractive city for German and foreign students
 - Total 90,000 students each year
 - 10% are Foreign students
- Challenges: Language, culture, new city etc.
- And: **Finding proper accommodation!**



Finding the Niche Market



- Traditionally: Student housing
 - Too many students for few rooms
- The Wohngemeinschaft (WG)
 - Typical living style for students
 - Best way to integrate and learn language
 - First social network

How to get a room in a WG?



Process



1. Online apartment-search engine
 - WG-gesuch.de, Studentenwg.de
2. E-Mail introducing oneself
3. Invitation to "casting"
 - Hard selection process due to big demand
4. Get to live in the room 😊

Problem Identification



Critical steps:

- Search an appropriate room
 - Not to far away and not to expensive
- Introducing letter/e-mail
 - Interesting enough to be invited
- WG-Casting
 - Stand out, be interesting, creative, exceptional



Opportunity: Many key insights to this process are unknown to foreign students therefore the failure rate is very high

2. Project Idea



- **WG-Coaching**
 - Scientific findings, local student knowhow
 - 10 hour workshop
 - Offered before start of semester
- **Customers are not the students (low Purchase power) but the universities**



Find your WG Workshop

Intercultural Integration (2 hours)

- Foreign students would be familiarized with the German cultural context
- Contrasting different cultural backgrounds

Knowing your Strengths (2 hours)

- Personality assessment of each participant
- Identification of strengths & opportunities

Strategic WG Search (1 hour)

- Using WG search engines
- Using personal wishes to find promising WGs

Writing the proper correspondence (2 hours)

- Grammar and Style of correspondence
- Knowing how to put your strengths onto paper

WG Casting (2 hours)

- Getting to know the process
- How to succeed in the casting using your strengths

Practical Case Simulation (1 hour)

- Searching the WG
- Correspondence
- WG Casting

Product

- **Personalized to our customers needs**
- **Adressing all aspects of the process**
- **Local Insights for foreigners**

3. Competition Overview

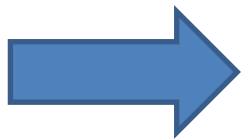


- Few online Websites:
 - Students upload data
 - Website searches available rooms
 - Very general
- Online WG-coaching:
 - One offer in Germany (Munich)
 - Just online
 - Unprofessional
 - Costy (€100/5 hours)

4. Legal Organization of the Company



- **Unternehmergesellschaft (haftungsbeschränkt) § 5a GmbHG**
- Government tool in order to support small entrepreneurs
- All legal benefits of a GmbH + a "credit" for the 25,000.00 EUR of the commercial registration until the company is profitable



The private equity of the owners would not be liable in case the project shouldn't succeed. → Investment security



5. Investment Analysis

5.1 Cost Calculation



Equipments Costs

Equipments		Unit	No.	Rate	Total Amount
i	Laptos	no	3	1.500,00 €	4.500,00 €
ii	Telephone	no	1	35,00 €	35,00 €
iii	Printer	no	1	120,00 €	120,00 €
iv	Router	no	1	200,00 €	200,00 €
Total					4.855,00 €

5.1 Cost Calculation



Investment Calculation

Investment Calculation	Investment	Depreciation Year	Depriciation Cost
Equipments	4.855,00 €	3	1.618,33 €
Licenses cost	25.000,00 €		
Unexpected	5.000,00 €		
Circulating Capital	5.000,00 €		
Total	39.855,00 €		1.618,33 €

5.1 Cost Calculation

Investment Costs



Total Investment	39.855,00 €	
40% own capital funds	15.942,00 €	
60% loan	23.913,00 €	Interest rate of 8% for one year

Interest Paid on debt

Year	Balance of debt	Interest rate (%)	Interest Cost paid	Repayment
1	23.913,00 €	8	1.913,04 €	7.971,00 €
2	15.942,00 €	8	1.275,36 €	7.971,00 €
3	7.971,00 €	8	637,68 €	7.971,00 €
	Total Interest Paid		3.826,08 €	
	Total Repayment			23.913,00 €

5.1 Cost Calculation



Personnel Costs

Salary		Unit	No	Rate	Total	Year 1
i	Coach	Hour	10	50,00 €	500,00 €	8.000,00 €
ii	Employee	Month	1	2.000,00 €	2.000,00 €	24.000,00 €
iii	Intern	Month	2	1.000,00 €	2.000,00 €	4.000,00 €
Total					4.500,00 €	36.000,00 €

5.1 Cost Calculation



Rent and Other Costs

Rent		Unit	No	Rate	Total	Year 1
i	Office	Month	12	3.000,00 €	36.000,00 €	36.000,00 €
ii	Conference Hall	Month	2	1.000,00 €	2.000,00 €	2.000,00 €
iii	Laptop (15€ per week)	No	10	60,00 €	600,00 €	1.200,00 €
Total						39.200,00 €

Other cost		Unit	No	Rate	Total	Year 1
i	Stationery	Times	2	70,00 €	140,00 €	140,00 €
ii	Marketing Material	Times	2	1.000,00 €	2.000,00 €	2.000,00 €
iii	Transportation cost	Times	2	1.000,00 €	2.000,00 €	2.000,00 €
Total						4.140,00 €

5.1 Cost Calculation



Self Cost Calculation

Self cost in year 1-5					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total no of group (each of 10 students)	16	32	48	64	64
Total no of students	160	320	480	640	640
Costs					
Investment Cost	1.913,04 €	1.275,36 €	637,68 €	4.855,00 €	
Depreciation Cost	1.618,33 €	1.618,33 €	1.618,33 €	1.618,33 €	1.618,33 €
Salary	36.000,00 €	44.000,00 €	80.000,00 €	88.000,00 €	88.000,00 €
Rent	39.200,00 €	39.200,00 €	42.400,00 €	42.400,00 €	42.400,00 €
Other Cost	4.140,00 €	4.280,00 €	8.420,00 €	8.560,00 €	8.560,00 €
Total cost	82.871,37 €	90.373,69 €	133.076,01 €	145.433,33 €	140.578,33 €

5.2 Cash Flow Calculation

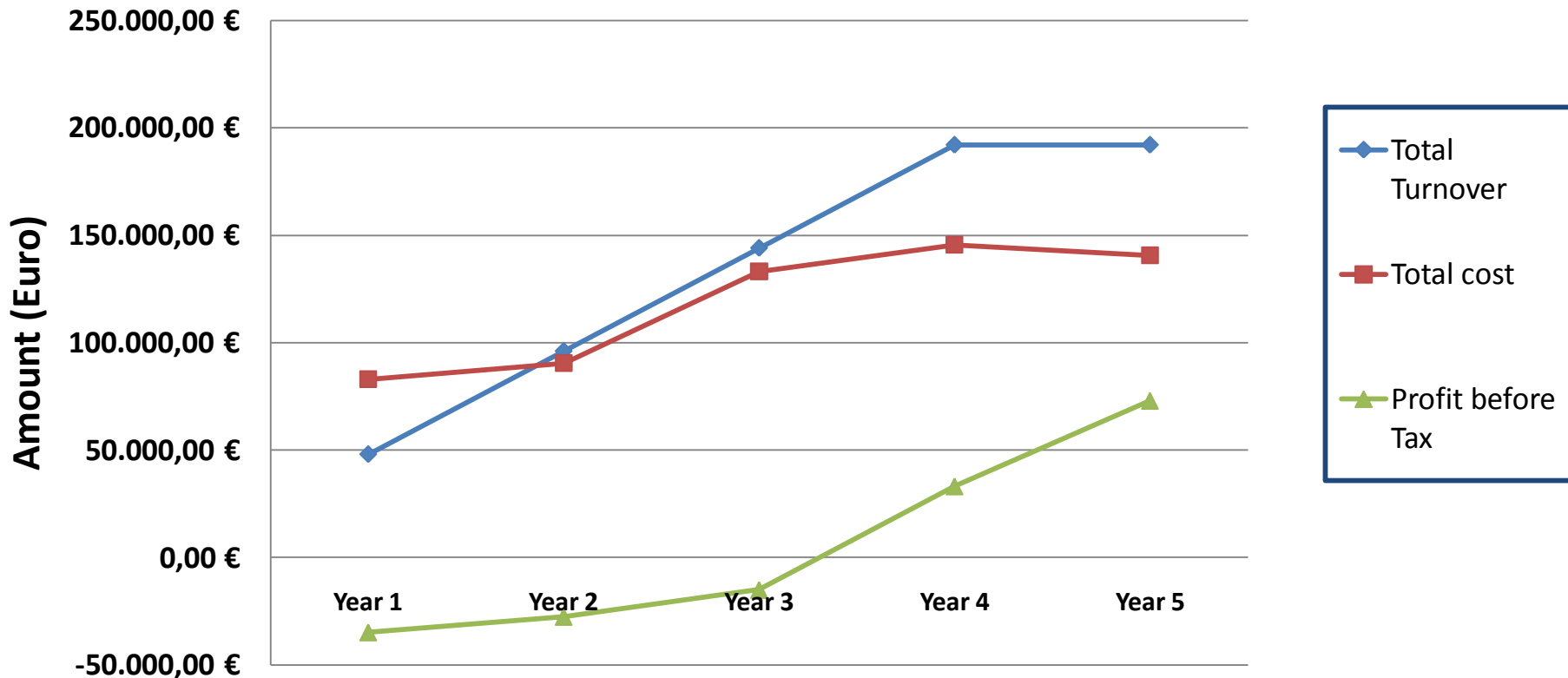


Year	Year 1	Year 2	Year 3	Year 4	Year 5
Total Students	160	320	480	640	640
Rate Per students	300,00 €	300,00 €	300,00 €	300,00 €	300,00 €
Total Turnover	48.000,00 €	96.000,00 €	144.000,00 €	192.000,00 €	192.000,00 €
Costs					
Total cost	82.871,37 €	90.373,69 €	133.076,01 €	145.433,33 €	140.578,33 €
Loss Carried forward		-33.253,04 €	-26.008,40 €	-13.466,08 €	21.478,69 €
Profit before Tax	-34.871,37 €	-27.626,73 €	-15.084,41 €	33.100,59 €	72.900,35 €
Taxes (40%)	0,00 €	0,00 €	0,00 €	13.240,23 €	29.160,14 €
Profit after Tax	-34.871,37 €	-27.626,73 €	-15.084,41 €	19.860,35 €	43.740,21 €
Cash flow (net profit + depreciation)	-33.253,04 €	-26.008,40 €	-13.466,08 €	21.478,69 €	45.358,54 €
Repayment Credit	7.971,00 €	7.971,00 €	7.971,00 €	0,00 €	0,00 €
Divident	-41.224,04 €	-33.979,40 €	-21.437,08 €	21.478,69 €	45.358,54 €

5.2 Cash Flow Calculation

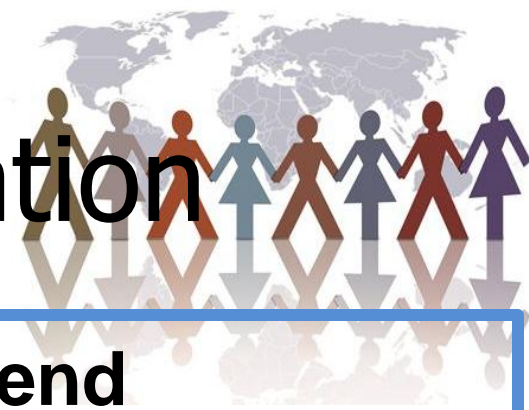


Cost, Turnover and Profit

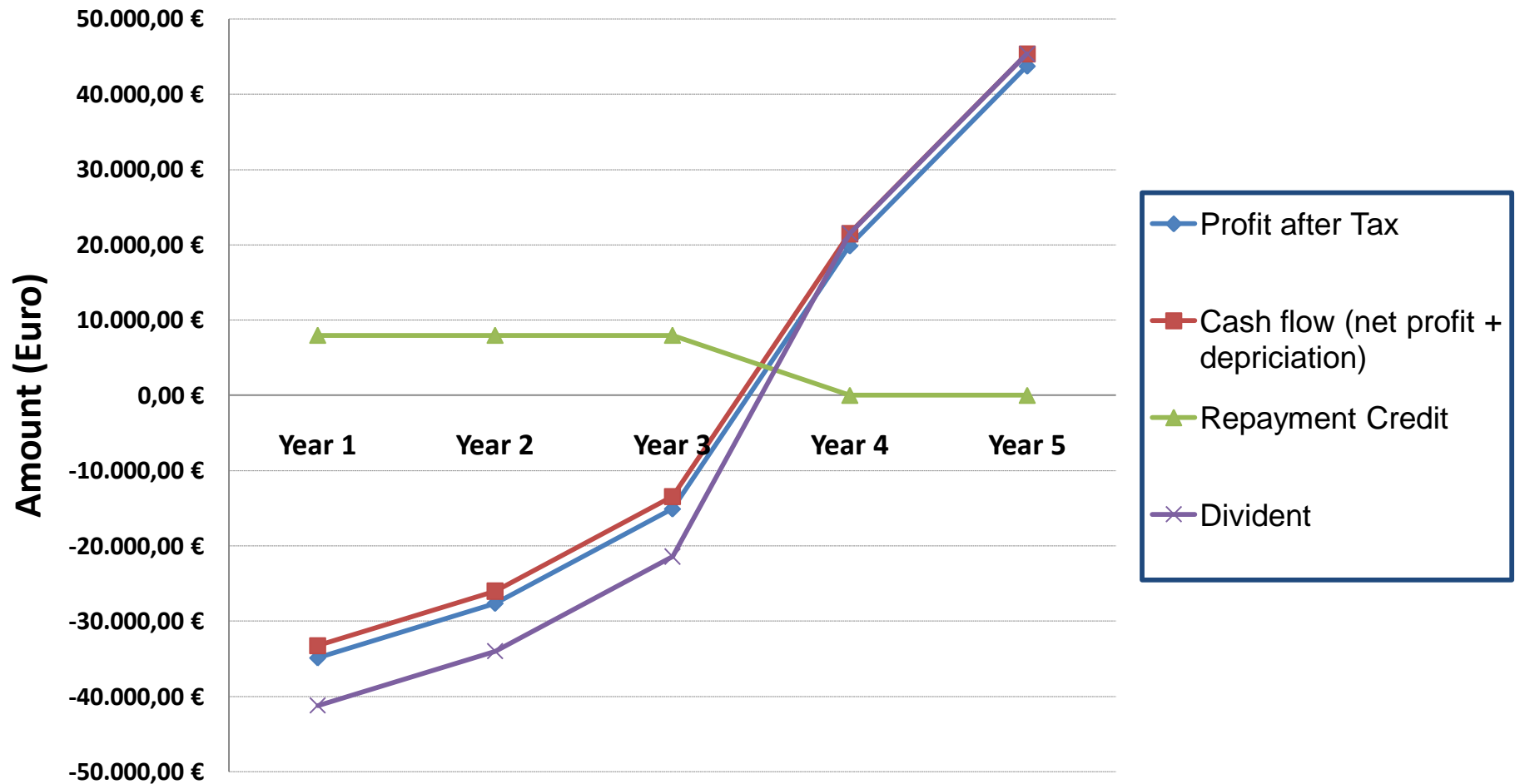


1. The break even point is achieved in the second year. (Revenues surpassed the costs)
2. The company becomes profitable in the 4th year

5.2 Cash Flow Calculation



Profit, Cash flow and Dividend



5.3 Funding



KFW
Bank aus Verantwortung

Suchbegriff eingeben

Registrar
Wish List

Increase contrast

Business > Expand & Steady > Promotion products > 062 product details

062 072
Credit From 1.00% pa eff.

ERP Regional Promotion
Up to 3 million euro development credit for investment in German regional aid areas

Overview Conditions How it works Forms & Downloads Examples FAQ

In a Nutshell

- from 1.00% p.a. APR
- with interest rate advantage for small businesses and companies in the new federal states
- Financing is limited to 50 to 85% of eligible investment costs
- up to 20 year term, up to 5 years interest-only start-up
- flexibly combined with other aid

What we support?

With the ERP regional funding start-ups, corporate successors and companies get in German regional aid areas up to 3 million euro loan to medium- and long-term financing of investments. We promote policies that are expected to deliver sustainable economic success. These include:

- ✓ Investments
 - Purchase of equipment
 - Machinery
 - Computer
 - Land and buildings
 - Construction costs
 - Furnishings
 - Company vehicles
 - Operating and office equipment
 - capitalized intangible assets (patents and licenses)
 - Software
- ✓ first participation
- ✓ Buy a business or corporate share if you take a manager function

➤ KFW Banking Group will be banking Partner for loan.

➤ For Coaching we will collect:
50 € from individual Student
150 € from DAAD office
100 € from respective University

300 € Total

[https://www.kfw.de/inlandsfoerderung/Unternehmen/Unternehmen-erweitern-festigen/Finanzierungsangebote/ERP-Regionalfoerderungprogramm-\(062-072\)/](https://www.kfw.de/inlandsfoerderung/Unternehmen/Unternehmen-erweitern-festigen/Finanzierungsangebote/ERP-Regionalfoerderungprogramm-(062-072)/)

6. Conclusion



- Unexplored market
 - No real competition
 - Risk of being an innovator
- Germany has a high commitment with integration
 - Lots of government institutions and organizations (CIM, DAAD, Deutschland Stiftung) fund and support integration initiatives
- Academic Institutions are the perfect customer
 - relative low price comparing other workshops of other consulting branches
 - high interest form these institutions to support foreign students
- The project has a major scale up potential
 - Big cities (Berlin, Munich, Hamburg) guest more foreign students than cologne



This business model has a low risk and a promising middle-term return on investment