Lund University
School of Economics and Management
Master Program in Entrepreneurship 2010-2011

Final Degree Project
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Part 1: Business plan
Part 2: Theoretical reflection
Part 1: Business plan
CampusTalk provides an online software solution for the efficient idea management within educational institutions for them to maintain a sustainable competitive advantage through continuous quality improvement as well as financial savings.
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1 Executive Summary

Proposed business
CampusTalk is a new venture that will provide an online software solution for idea management to educational institutions. The company is scheduled to begin operations in July 2011. CampusTalk will be owned and operated by the founder Anne Boehnke.

The software will allow the efficient idea management within educational institutions for them to maintain a sustainable competitive advantage through continuous quality improvement as well as financial savings.

The software will be provided as a hosted solution or “Software as a Service (SaaS)”, CampusTalk will further provide professional consulting, training and professional services to the customer.

Market
For both markets, idea management software solutions and cloud computing - of which SaaS is an application - , the market growth is to be assessed positively. The enormous financial saving potential of cloud computing of up to 70 per cent of total cost of ownership as well as an implementation time of up to 50-90 per cent faster than in-house solutions explain the rapid revenue growth of the market of about 48 per cent per year.

Idea management acceptance and implementation is growing in Germany as the saving potential is being recognized. 246 companies in Germany saved a total of about 1.55 billion EUR in 2009 through idea management.

Many of the over 400 educational institutions in Germany have started to realize the potential of
idea management as a tool for quality improvement as well as financial savings by using the creative potential of not only their employees but their students and are requiring a technical platform.

CampusTalk will differentiate in the marketplace in the following specific ways: by providing features and services to serve a university environment with more than 5.000 users in the form of a community portal, using the experience gained from the development of the software for and in collaboration with a university and by targeting exclusively the niche market of education.

Management

Anne Boehnke will serve as President and Chief Executive Officer. With more than ten years of experience in the IT and internet industry as well as five years of entrepreneurial experience, Ms. Boehnke is a visionary.

Ms. Boehnke will be supported by a strategic alliance with an IT operating company as well as by professionals in the industry from her business network. Further, the new venture will be part of an incubator program providing coaching and consulting services for the first year.

The company will be registered in the legal form of an "Unternehmergeellschaft (UG)" (entrepreneurial company with limited liability) with the goal to transform into a GmbH (company with limited liability) in year three.

Financial plan

The total capital requirement is 100% covered from own resources. External capital is not required. Since operating expenses and salary expenses are kept minimal and virtually no production costs exist, the company will generate profit from year one.

In years two and three the company will become more profitable as the client base increases from two in the first year to a planned 16 in year three.

A focus will be put on building a reserve (25 per cent of profit) to transform into the legal form of a GmbH in year three.

![](profitability_projection.png)
2 Business Idea

2.1 Introduction

CampusTalk provides an online platform for the efficient idea management within educational institutions. The old suggestion box system to collect ideas on paper is inefficient and unreliable. A new technical platform to simplify the administration of ideas and improve the collaboration on ideas and transparency of idea processing is required.

2.2 Product

CampusTalk is a software solution providing an efficient idea management for educational institutions, e.g. universities, colleges and other educational institutions (in the following called universities).

An online user interface allows the students, lecturers, professors and employees of the university to submit an idea. A major disadvantage of the old “offline” system is the lack of feedback – essential in times of social media and online interaction between individuals. With CampusTalk, people will be able to discuss and rate other's ideas as well as follow up on the processing of their own idea submissions and respond interactively.

The administration interface allows a responsible administrator to process the ideas by means of evaluating ideas for feasibility, connect similar ideas and forward suggestions to respective departments. These processes are supported by the discussion and rating tools in the online front end which can indicate the importance of a specific idea to the students as the “community”. Furthermore, feedback can be submitted by adding comments and update the idea processing status.

Furthermore, the system includes basic CMS functionalities \(^1\) to optionally include a news and downloads module (more modules available in the future), text pages for own content and the

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\(^1\) Content Management System, a system to edit web content online and without programming skills
possibility of the use of templates\textsuperscript{2} for the individual design of the user interface. Thus, the system can either be integrated in the existing online infrastructure of the institution or operated independently.

The software will be available as “Software as a Service” (SaaS). Using this model the software will be provided in a way that service and maintenance tasks as well as regular software updates are carried out by the service provider. Technically, this means the software will not be physically installed within the university's IT infrastructure, which implies a significant cost saving potential.

An SaaS solution does not necessarily cause a visible difference to an in-house application. A fully flexible customization of the user interface provides a possible comprehensive visual integration to the organization's system. An integration in the university's domain name structure as well as connection to existing authorization mechanisms (student logins) are possible.

2.3 Customer Benefits

Innovation and continuous improvement are important factors to achieve a sustainable competitive advantage and a long-term increase in organization's value.

Number of ideas

The particular advantage of using an idea management for the educational institution lies in the use of the creative potential of not only their employees but, in particular, the students. They are clearly in the majority and their ideas and (mostly improvement) proposals can provide valuable input for the optimization of study conditions, the learning environment, services and facilities.

Motivation and quality

Further advantages include the creation of a motivational and creative climate by recognition and appreciation through a feedback system and awards for ideas as well as significant potential savings through process optimization which will lead to a higher overall quality of the university and its environment.

Competitive advantage

An important factor for universities is their ranking. Educational institutions are competing internationally on the basis of quality. The continuous improvement of quality is therefore critical and this can be ensured by acknowledging the creativity and listening to the needs of the students.

\textsuperscript{2} Design templates to be filled with content, in web programming used to separate code from layout
(“customers” in a sense) and employees of the institution.

**Saving potential**

The introduction of a new software system is often accompanied by financial and human resources for buying and maintaining the system as well as the IT infrastructure. This factor is considered as very important as financial resources can be scarce in the educational environment. Therefore the service offered takes an alternative approach to buying a software system by providing it as an SaaS solution which can save the organization up to 77% of total costs of ownership.

On top, the introduction of a professional idea management itself holds an enormous saving potential for the organization. A survey including 246 companies in Germany showed that in 2009 an overall saving of over 1.5 billion Euro could be realized through idea management solutions with an average implementation rate of 74.1% of all submitted ideas.

**Process**

The Illustration in Appendix II to this business plan, section 1.1 shows the process and benefits of CampusTalk idea management system.

### 2.4 Target Group

The target group for the product are universities and (specialized) colleges in Germany, at first small and medium-sized colleges are addressed. It is the goal of building a customer base and provide references. Following, also larger colleges and universities can be addressed.

A future extension to other educational institutions such as private institutions, academies, district high schools or institutions for adult education is planned.

Furthermore, long-term plans include to appeal to universities in Europe. The software is by its characteristic of multilingualism already prepared.

### 2.5 Status of development

The status of development can be found in Appendix II to this business plan, section 1.2.

### 2.6 Copyrights

Information regarding copyrights can be found in Appendix II to this business plan, section 1.3.

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3 Deutsches Institut für Betriebswirtschaft (dib), dib-Report 2009, 2010
3 Market

3.1 Market analysis

When undertaking a market analysis for CampusTalk, two sub-markets have to be considered:

1. idea management software
2. "Software as a Service" (SaaS)

Recently, there are about 30 providers of software for the management of ideas on the German market. Among these are established vendors, as well as young companies. The products range from software for a traditional suggestion system (suggestion box approach) to complex solutions for an efficient idea management with community character. Some focus on a highly technical shaped appearance, some systems rather represent an organizational-psychological approach.

Sales figures were not publicly available at the time of writing this business plan, but recent developments attest the market a positive growth potential.

Trend

The acceptance of an idea management has increased in economic institutions in recent years. A 2009 study by the German Institute of Business Administration (dib-Report 2009) on this subject shows a growing willingness of staff to contribute their ideas. Almost 1.3 million ideas were submitted within the 290 companies surveyed in the considered period. The overall benefits for companies from ideas submitted are worth a total of 1.55 billion EUR. An uptrend can be seen to continue since 2007. This development eventually has a positive impact on the willingness of companies to implement ideas of their employees. The realization rate was 74.1% on average and about 130 million EUR in awards for ideas have been paid during the period considered. Only in the Deutsche Post AG (main German mail service), the overall saving per employee was

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4 SoftGuide software directory, April 2011
5 Deutsches Institut für Betriebswirtschaft (dib), dib-Report 2009, 2010
calculated to 1.434,- EUR in the period considered.

The willingness to maintain an idea management requires in turn the technical means. According to the study, four out of five companies operating an idea management use a specific software or are planning to introduce such.

Illustration 2 shows idea management position amongst the emerging technologies:

![Illustration 1: Hype cycle of emerging technologies (Source: Gartner, 2010)]

[2] The IT market in general shows significant increases over the last two to three years. Above all, IT services will continue to benefit from an increase in the outsourcing business.

Software as a service has been one of the fastest growing sectors of the IT industry as it provides potentials savings of costs of five to ten times less compared to in-house installed solutions. Plus, SaaS-Solutions are 50-90% faster implemented and ready to go.

The customer does not only save purchasing costs but also the software life cycle costs for software and hardware, maintenance and updates as well IT and business operational costs are
taken into consideration\textsuperscript{6}.

Illustration 3 shows the comparison of total cost of ownership of an SaaS- compared to a licensed solution:

\begin{center}
\includegraphics[width=\textwidth]{tcost.png}
\end{center}

\textit{Illustration 2: TCO - SaaS vs. Licensed Solution (Source: Bershin & Associates, 2009)}

Approx. 50\% of the total IT expenditure by German companies now account to external services. According to a Bitkom study, Cloud Computing\textsuperscript{7} (of which SaaS is an application) ranks on first place amongst the most important IT topics in on the German market.

\textbf{Trend}

Revenues out of Cloud Computing in Germany will increase from projected 1.9 billion EUR in 2011 to 8.2 billion EUR in 2015. Revenue growth is an average of 48 percent per year. In five years, about 10 percent of total IT spending will account for this technology\textsuperscript{8}.

\subsection{3.2 Market potential}

The idea management replaces the traditional suggestion scheme and has become a management tool and thus more important also to the target group of educational institutions.

At German universities different models have already been implemented. The University of

\textsuperscript{6} The Board Room Advisors, Software as a Service, 2009
\textsuperscript{7} The provision of IT resources on demand via a computer network.
\textsuperscript{8} Experton Group, Study for Bitkom, 2010
Hamburg has implemented an idea management since 2001 and even runs idea contests. A telephone survey by the HTW in 2006 showed that an idea management system is being desired and sought. This trend is confirmed by the received feedback on the existing system at the HTW.

Own research shows that many German colleges and universities already use idea management, but in most cases not by using a software system but using traditional office tools like MS Word, Excel or Outlook. The ideas are entered in most cases on paper or by email.

In Germany there are about 410 universities, of which there are about 150 colleges and 86 universities (as of April 2011). More detailed information about which universities in Germany are planning the introduction of a software system for idea management plan or are considering is currently investigated. A survey will also question acceptance and budgeted costs to increase the knowledge about the needs of the target group.

In general, the market growth is to be assessed positively. Especially in the niche "Idea management for educational institutions" a steady growth can be expected shown by talks to potential customers and the development of market trends.

3.3 Competitor analysis

Competition
As shown in chapter 2.1, there are many vendors of software for idea management on the the German market, among which there are several providers of internet-based solutions.

However, three companies in Germany offer a Software as a service solution: the ikom Consulting GmbH with the product smartIdee, p.l.i. Solutions with Process IM and the the Hype Software GmbH with the product HypeIMT.

The advantages of the competitors over CampusTalk can be found in the period of existence and the related experience in business and trust from the customer perspective and the already established customer base and therefore references. However, the competitors, are not or only as part of other fields targeting the organizational form of an educational institution.

With its focus on education CampusTalk differentiates itself from other competitors. A reorientation of a competitor to specialize in this field is very unlikely. Here CampusTalk has the advantage of development time and knowledge of the internal processes within educational institutions and their requirements, which provides an advantage of specialization that reduces the entry barriers in the market.
The following table compares company data of the competitors:

<table>
<thead>
<tr>
<th></th>
<th>smartIdee</th>
<th>Process IM</th>
<th>HypeIMT</th>
<th>CampusTalk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra services</td>
<td>Consulting, Training</td>
<td>Consulting, Training</td>
<td>Customizing</td>
<td>Consulting, Customizing, Training</td>
</tr>
<tr>
<td>Target group industry</td>
<td>all</td>
<td>all</td>
<td>Production</td>
<td>Education</td>
</tr>
<tr>
<td>Target organization size</td>
<td>large</td>
<td>all</td>
<td>all</td>
<td>5-50K students</td>
</tr>
<tr>
<td>Employees</td>
<td>19</td>
<td>15</td>
<td>47</td>
<td>1</td>
</tr>
<tr>
<td>Customers 2011</td>
<td>&gt; 40</td>
<td>n/a</td>
<td>&gt; 120</td>
<td>2</td>
</tr>
<tr>
<td>Price / month</td>
<td>from EUR 299,-</td>
<td>n/a</td>
<td>n/a</td>
<td>from EUR 249,-</td>
</tr>
</tbody>
</table>

*Table 1: Competitor data*

A detailed feature comparison with competitors as well as the Unique Selling Proposition can be found in Appendix II to this business plan, section 2.1.

### 3.4 Risk / SWOT analysis

From the target group and competitor analysis the risks can be assessed. Industry and environment analysis frameworks (Porter’s 5 Forces, Environmental (PEST) analysis) were used to define the internal (strength, weaknesses) and external factors (opportunities, threats) influencing the projected performance of the venture.

Using a SWOT analysis the influencing factors were reassessed to discover potential for development and set up a strategy how to overcome the risks.

The SWOT analysis can be found in Appendix II to this business plan, section 2.2.

### 3.5 Sales planning

The sales forecast and the required activities for the period of the business plan can be found in Appendix II to this business plan, section 2.3.
4 Marketing

4.1 Product design

Properties

The requirements of a software from the customers' point of view depend on the type of user:

- Administrators / decision makers
  - Low installation and maintenance costs, rapid deployability
  - Security
  - Low running costs
  - Integration into existing websites of the organization
  - Workflow processes adapted to the university, easy configuration
  - Methods for evaluation of the ideas and statistics

- Users
  - Intuitive user guidance and usability
  - Transparency of the proposal progress
  - Proposal overview and search
  - Feedback
  - Discussion and rating
  - Incentives for given ideas

These requirements and customer benefits are already provided by the product.
Product range

The product will be introduced to the market as a single product. Three basic configuration options with different modules and layouts will be available as the standard, but the product is still flexible: Optionally, the user interface can be adapted to the corporate design of the organization (see “Services”). Modules (e.g. news module, download area, our own content) are integrated and can optionally be added to the websites front end.

The software will be updated regularly as, especially in the internet industry, technologies develop and change rapidly. The product will be up to date to current technological requirements at all times. The customer benefits from the regular updates which are included in the service.

The wishes and requirements of the customers will be taken care of while further development of the software. An own instance of the software can be used to collect customers' ideas on the product and as feedback forum.

In the process of implementation of the product within the organization consultant services and training will be provided to the customer. A demo version will be available on the product website to allow the customers to test if the software fulfills their requirements (“try and buy”).

Services

Additionally, the following services will be offered:

- Consulting on idea management implementation
- Customization user interface design
- Training in the software for administration interface users
- Modular expansion for special requirements
- Professional services such as technical support and consulting services

These services will contribute to long-term customer loyalty and increase the customers' satisfaction as well as provide further streams of income.

Customer Service

Customer service is one key factor in winning new customers as well as keeping existing customers satisfied. A customer service philosophy provides an essential opportunity to gain customer loyalty with continuous, all accepting, positive reinforcement.

CampusTalk will provide excellent customer service by:
• Treating every enquiry as a potential lifelong customer
• Providing an online feedback platform to report problems
• Having a free hotline to report problems or get advice and support
• Follow-up on existing customers’ satisfaction
• Establish a positive company image
• Added benefits like free demo/trial

4.2 Pricing

Prices of competitors are at around 3.600,- EUR per year but mostly cover only up to 5.000 users. From here the prices have to be calculated to suit larger organizations.

Pricing models also often consist of a price per user licensing system. For universities with a large number of students and employees these pricing models are not to be considered as attractive. Therefore, fixed pricing packages depending on the size of the organization will be used to further differentiate the product from competitors.

Table 5 shows a comparison of rough total costs of ownership for an in-house solution (from own experience in the IT industry and numbers from HTW for a commercial collaborating software purchased) compared to SaaS over the time of three years:

<table>
<thead>
<tr>
<th>Organization with 10.000 students</th>
<th>Costs in-house</th>
<th>Costs SaaS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy or develop software (approx. 10.000,-)</td>
<td>10.000,- EUR</td>
<td>-</td>
</tr>
<tr>
<td>Fee for hosted solution</td>
<td>-</td>
<td>23.364,- EUR</td>
</tr>
<tr>
<td>Installation</td>
<td>2.000,- EUR</td>
<td>-</td>
</tr>
<tr>
<td>Integration / Customization</td>
<td>2.500,- EUR</td>
<td>2.500,- EUR</td>
</tr>
<tr>
<td>Training</td>
<td>2.500,- EUR</td>
<td>1.250,- EUR</td>
</tr>
<tr>
<td>Hardware, Software, Security</td>
<td>5.000,- EUR</td>
<td></td>
</tr>
<tr>
<td>Hosting and Maintenance (part-time Employee)</td>
<td>36.000,- EUR</td>
<td>-</td>
</tr>
<tr>
<td>Updates</td>
<td>6.000,- EUR</td>
<td>-</td>
</tr>
<tr>
<td>Energy costs</td>
<td>1.500,-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65.500,- EUR</strong></td>
<td><strong>27.114,- EUR</strong></td>
</tr>
</tbody>
</table>

*Table 2: TCO comparison*
The calculation clearly shows the saving potential of an SaaS solution compared to an in-house system. The organization then also have to take into consideration the enormous saving potential each student could mean for the university which could eventually even cover the application's costs (see saving potential per employee/member of organization in section 3.1).

The following pricing packages are calculated from the operational costs of hosting and maintenance. Larger number of users will lead to higher traffic and rising demand to the IT infrastructure, retrospective to higher running costs.

Services prices are based on market rates per hour for consulting, training or development.

The pricing packages for CampusTalk and additional optional services can be found in Appendix II to this business plan, section 3.1.

4.3 Communication

To introduce the product to the market, a variety of communication methods will be used:

Website and online marketing

The internet as an over-regional medium will be the most important advertising platform for the first nationally focused business.

On a website all the important information about the product will be presented. It will contain information about functionality, integration and the benefits that the product provides to the target group. Furthermore, screenshots and a demo version will be available. A case study as a reference sample completes the information package.

By means of search engine marketing and optimization and also entries in software directories and catalogs potential customers will be lead to the product website. These advertisement methods are feasible within a small budget.

Other communication media

The following additional advertising methods will be used to offer customers a complex picture of the product:

- Personal phone calls
- Mailings (personalized to key contacts within universities)
• Product advertising in trade magazines
• Printed material (sheets or brochures handed out at presentations and for download on the website)

Depending on the state of the acquisition of the target group different combinations of the above mentioned methods will be appropriate.

**References and Awards**

Special emphasis will be put on the communication of the software being awarded the Science Award for Idea Management in Germany in 2008, since it will help the venture to gain legitimacy and therefore a competitive advantage.

Also the software is being successfully used by the HTW Berlin. The team of idea management there is very satisfied with the product and has published a number of articles and press releases on the introduction of the system at the university.

4.4 **Distribution**

The product will be brought to the market via the direct sales as a single product. The product is purchased by the universities which will be directly addressed.

The distribution is taken over by the founder herself. The founder will attend coaching in order to close existing gaps in competences.

With growing business and higher demand of distribution planning, the founder is considering hiring sales representatives.

4.5 **Market entry**

With the existing reference customer HTW Berlin in Germany the product has already successfully entered the market. The communication will emphasize that the product has been developed within and in collaboration with a university and is being successfully used by a university.
5  Management

5.1  Founder

Profile

The founder is 32 years old and is currently studying a Master's Degree in Entrepreneurship at Lunds University in Sweden (degree expected June 2011) after obtaining a Bachelor's degree in International Media and Computing at HTW in Berlin, Germany, where she originally participated in the development of the idea management software to be commercialized within a team of five developers during a semester project.

The founder has over 10 years experience in software and web development and therefore a strong technical background with 8 years hands-on experience in the internet industry. Experience includes development as well as project management and conception of high-end web applications.

In many years of freelance and contractor work, the founder has built an extensive personal and business network. This network is as well international as she has spent several time working abroad in the UK, Australia and Sweden.

Entrepreneurial experience

The founder has been running her own company offering IT consulting and web development services in Berlin since 2006 (www.anneboehnke.de). She is working as a contractor managing all tasks from customer acquisition, project management including hiring sub-contractors and execution and delivery of projects. Consultants and lawyers are hired when needed, e.g. for accounting or legal services.

Additionally while in Sweden with partners she started a company in Lund in 2011 - a provider for professional photo services in Lund (www.eveshot.se) where she is responsible for IT operations and the development of the website.
Further experience was gained during the last nine month in Sweden working on an entrepreneurial project while being supported by lectures on entrepreneurial topics such as entrepreneurial marketing, industry analysis, small business growth and venture capital and being integrated in a mentoring system.

Table 8 shows the skills assessment of the founder:

<table>
<thead>
<tr>
<th>Skills</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting/taxes</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing research</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People management</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Product design</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal issues</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

*Table 3: Skills assessment*

### 5.2 Partnerships and cooperations

Since the founder is a solo entrepreneur and has a rather strong technical background, the company aims to build a network of partners and cooperations to receive consulting and coaching in less strong areas of expertise.

<table>
<thead>
<tr>
<th>Company / Organization</th>
<th>Services offered</th>
</tr>
</thead>
</table>
| ITKollektiv – IT Services and Development | • IT concept  
• Hosting, Maintenance, Security, Updates, Development |
| HTW Berlin - University of Applied Sciences | • Software concept, new ideas  
• Development as student project |
| HTW Berlin – University of Applied Sciences  
Start-Up Competence Center | • Consulting and Coaching  
• Support with applications for funding |
| Beuth Hochschule - University of Applied Sciences  
"Founder Workshop" Incubator | • Potential funding and coaching  
(Application planned) |

*Table 4: Partners and supportive organizations*
6 Organizational plan

6.1 Legal form of business

The business should be conducted in the form of an “Unternehmergesellschaft (UG)” (entrepreneurial company with limited liability). After consultation with the lawyer and consultants of the Start-Up competence center of the HTW Berlin this legal form was chosen.

It offers the possibility to limit the risks for the entrepreneur even with an initially small seed capital. The entrepreneur is obliged to build profit reserves to enforce the conversion to a GmbH (company with limited liability) in the future.

The conversion is aspired as the legal form of a GmbH are connected to credibility and trust which plays an important role in terms of customer acquisition.

The founder brings 100% of the seed capital into the company.

The starting capital of 5,000,- EUR is introduced in cash. Part of the capital will be used for start up costs and necessary investments to commence business, the rest will be held back as liquidity reserve.

6.2 Operation and facilities

IT Operation

IT Operation builds the core part of the business and requires high operational and security measures. 24/7 availability of all online services are mandatory.

Therefore, the application will be hosted and maintained by an IT partner company who have the expertise and experience in running an SaaS application with for 100% availability, including backups, addressing security issues and scalability for growth.

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9 "The UG is a GmbH (German Limited Liability Company) to which only certain special provisions in the GmbHG (Act on German Limited Liability Companies) apply. The most important difference is that the UG can be founded with a theoretical minimum share capital of one Euro.", German Chamber of Commerce Stuttgart, April 2011
A detailed IT concept is being prepared.

The external partner will also provide development and consulting to the business.

**Office**

Being an online company, CampusTalk will not require own premises full time.

Meetings with customers will be held at the customers premises or optional at a co-working space in Berlin where the founder is a tenant and which offers the possibility to rent meeting rooms by hours or days.

### 6.3 Human Resources

The company will not be hiring full time employees in the beginning but work with freelancers when needed, e.g. designers for layout customization or financial consultants, to keep fixed costs low.

Since IT operations and development are carried out by an external partner, no own IT staff is required.

Sales and general business operations is taken over by the founder. As the business grows, the possibility of hiring part or full time employees will be considered.

### 6.4 Legal environment and security

Core issues as an SaaS provider include legal aspects like data protection, data security and reliability of technical services as customer data are held on the companies servers.

A guideline to address these issues according to German and European standards will be developed. He guideline will focus on specific issues that can arise and how to address them.

Further, the venture is interested in gaining a certification regarding its services in order to provide proven excellent services and gain legitimacy.

### Certification

CampusTalk will aim to meet the requirements for the “SaaS Seal of Approval”, a certifications granted by EuroCloud Germany. Providers are entitled to meet high quality and security standards and can earn a one to five star rating through a point rating system related to a list of requirements put together in collaboration with the German Federal Office of Information Security (BSI) and the Key Issue Paper on Information Security in Cloud Computing published in September 2010.

---

10 EuroCloud Germany Website, May 2011
   EuroCloud Guidelines Cloud Computing – German Law, Data Protection and Compliance, March 2011
6.5 Implementation plan

The company is planned to be established by July 2011 and will introduce the product in Germany in October 2011. From August to September 2011, a beta phase will be conducted in which the product in cooperation with the pilot customer HTW is tested. In October 2011 the product is ready for marketing to new customers.
7 Financial plan

7.1 Capital requirements

The total capital requirement of 4,673, - EUR is 100% covered by own resources as shown in the table below. A bank loan or other external capital are not required.

<table>
<thead>
<tr>
<th>Capital requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investitions</strong></td>
<td></td>
</tr>
<tr>
<td>Einrichtung und Büroausstattung</td>
<td>200.00</td>
</tr>
<tr>
<td>Marketing material</td>
<td>500.00</td>
</tr>
<tr>
<td>Website</td>
<td>0.00</td>
</tr>
<tr>
<td>Development</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Hosting 3 month</td>
<td>600.00</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td>2,300.00</td>
</tr>
<tr>
<td><strong>Pre-financing requirements 1) (B)</strong></td>
<td>1,273.00</td>
</tr>
<tr>
<td><strong>Founding costs</strong></td>
<td></td>
</tr>
<tr>
<td>Consulting / Coaching</td>
<td>0.00</td>
</tr>
<tr>
<td>Anmeldung/ Genehmigungen/ Eintragungen</td>
<td>0.00</td>
</tr>
<tr>
<td>Market introduction</td>
<td>500.00</td>
</tr>
<tr>
<td>Notary services</td>
<td>600.00</td>
</tr>
<tr>
<td><strong>Total (C)</strong></td>
<td>1,100.00</td>
</tr>
<tr>
<td><strong>Total capital requirements (A+B+C)</strong></td>
<td>4,673.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed capital</td>
<td>5,000.00</td>
</tr>
<tr>
<td><strong>Total financing</strong></td>
<td>5,000.00</td>
</tr>
</tbody>
</table>

Table 5: Capital requirements

7.2 Revenue and profitability projection

Resulting from the sales planning in section 2.5 represented sales and yearly revenue figures - assuming revenue per installation and estimated revenue from customization, training and development from the 2\textsuperscript{nd} quarter of operations onwards.
Figures show that the business will be profitable from year one.

Detailed information about monthly revenues, costs and net income can be found in Appendix II to this business plan in section 4.2.

7.3 Cash flow projection

The cash flow projection can be found in Appendix II to this business plan in section 4.2.

7.4 Sources and application of funds

An application to an incubator in Berlin is already planned. The program will sponsor the entrepreneur over a time of 6 month to one year with 2000,- EUR per month for living expenses, so living cost will not reduce income in the form of a salary to keep the expenses of the first year to a minimum. The program will also provide coaching and consulting services. In case the application to the program is unsuccessful, the founder has an also an income through her other business to secure living (working part time). The founder can as well access other resources for coaching and consulting from her partner, professional and personal network.

The priority will be put on covering the running costs of the company and on the building of the
reserve for the transformation into the legal form of a GmbH (25.000,- EUR). Which, according to the cash flow projection, will be completed by the third year of business.

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected income before tax</td>
<td>3.660,- EUR</td>
<td>30.565,- EUR</td>
<td>83.029,- EUR</td>
</tr>
<tr>
<td>Projected reserve 25%</td>
<td>915,- EUR</td>
<td>7.641,- EUR</td>
<td>20.757,- EUR</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>915,- EUR</td>
<td>8.556,- EUR</td>
<td>29.313,- EUR</td>
</tr>
</tbody>
</table>

*Table 7: Projected reserve to transform to GmbH*

From the second year, a salary can be paid to the founder. The amount will be based on the available resources. Complementary services of staff costs for freelancers and external services can be settled either through contracts or on an hourly basis.
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8.3 *Screen shots*

(German version at HTW)

Screen shots of the existing product can be found in Appendix II to this business plan in section 4.1.
8.4 Founder's resume

Anne Boehnke
Entrepreneur and IT professional

Since Feb 2011
Partner, EveShot.se
Local picture service and event calendar in Lund

Since Feb 2006
Owner, anne boehnke IT consulting
Web development and IT consulting

2003-2006
Web developer, diverse companies in Germany and internationally (UK, Australia)

Studies
2010-2011
Master Program in Entrepreneurship
Lund University, Sweden

2005-2009
Bachelor Program in International Media and Computer Science
HTW Berlin, Germany

Apprenticeship
1999-2002
Software Developer
HUP AG, Berlin, Germany

Other
Languages
German, English, Russian, French, Swedish

Interests
Photography, History, Motor sports, Sports
8.5  *Financial plan: Tables*

The detailed financial projections can be found in Appendix II to this business plan in section 4.2
Part 2: Theoretical reflection
Theoretical Reflection
Lund University – Master Program in Entrepreneurship 2010/11

Title: Fitting “outside of the box” – Am I an entrepreneur?
Author: Annegret Boehnke
Date: May 2011

Abstract

Problem
A small business owner is not necessarily an entrepreneur, an entrepreneur isn't necessarily a small business owner. Entrepreneurship is not just about starting new ventures, it can also involve revitalizing or starting new fields of business inside mature organizations. Who is an entrepreneur really?

Purpose
“The entrepreneur” has a rather blurry definition. The purpose of this document is to define the entrepreneur from an own observational perspective from the last month throughout the program. This reflection looks at the differences and similarities compared to own experiences.

Method
The method used to complete this paper is auto-ethnography. The study is a reverse study based on own experiences of the author between August 2010 and May 2011 while being a student of the Master Program in Entrepreneurship at Lund University.

Results
The definition of an entrepreneur is blurry and not explicit. Entrepreneurship is relative. A clear self image helps the entrepreneur to define him/herself, regardless of the name itself. Starting one or two businesses doesn't make an entrepreneur, vice versa there are certainly many people who have no idea how entrepreneurial they act in the business world.
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1 Introduction

1.1 Background
This document is part of the Master Program in Entrepreneurship and represents an assignment regarding the study of the practical relevance of entrepreneurship theory. The frame of reference consists of theoretical or public policy articles on entrepreneurship and the used method is self reflection upon own entrepreneurial process and experiences.

The collected data are observational I have recorded throughout the program, including learning journals, guest lectures from practitioners, advice from support agencies. Additional data include own research collected and literature about the topic.

The data analysis focus on the relevance, problems and challenges in current entrepreneurship theory in relation to own entrepreneurial experience.

1.2 Problem discussion
Entrepreneurship is a broad field in all, research, as a scholarly field as well as from an own perspective.

A small business owner is not necessarily an entrepreneur, an entrepreneur isn't necessarily a small business owner. Entrepreneurship is not just about starting new ventures, it can also involve revitalizing or starting new fields of business inside mature organizations.

And what about the so-called lifestyle entrepreneurs, those who just want to be able to live their life doing what they love and being able to support themselves? Are they not “real entrepreneurs”? And why? Can the types be combined?

Who is an entrepreneur really? There are different types of entrepreneurial organizations. They all engage in entrepreneurship in different ways. Yet entrepreneurs in one group tend to think the others aren’t the “real” entrepreneurs [Blank 2010].

1.3 Purpose
“The entrepreneur” has a rather blurry definition. The purpose of this document is to define the
entrepreneur from an own observational perspective from the last month throughout the program. This reflection looks at the differences and similarities compared to own experiences.

2 Master Program in Entrepreneurship at LU

2.1 The program

The Master Program in Entrepreneurship at Lund University is designed for people to become successful entrepreneurs. People who think of starting their own business or are constantly coming up with new ideas.

Up to the academic year 2010/2011 the program focused on entrepreneurial skills to enable individuals to discover and exploit opportunities in the marketplace, meaning with a focus on new venture creation. The program builds on real life experience, with real life entrepreneurs as mentors and an action-oriented teaching approach. Within an international expert committee evaluated the program in Lund as an excellent centre for higher education in entrepreneurship in Sweden.

From academic year 2011/2012 the program will consist of two the focus areas of new venture creation, which focuses on the creation of new independent ventures, and corporate entrepreneurship and innovation, which focuses on the entrepreneurial process in existing businesses.

The knowledge and skills gained from the program are valuable for students who want to start up own businesses or commercialize research developed at Lund University.

2.2 The entrepreneurial process

The entrepreneurial process throughout the program follows four distinct phases described in the concomitant literature to the course [HPS 2007]:

(1) identification and evaluation of the opportunity,

(2) development of the business plan,

(3) determination of the required resources, and
management of the resulting enterprise.

The process taught throughout the program instruct students on the process of formulating, planning, and implementing a new business.

3 Frame of Reference

3.1 Types of entrepreneurs – different perspectives

3.1.1 The 4 types of entrepreneurship

Blank [Blank 2010] describes four distinct types of entrepreneurial organizations: small businesses, scalable startups, large companies and social entrepreneurs.

Small business entrepreneurship

Small business entrepreneurs often find a company to fulfill a dream, make a living and feed their families but rarely strive for growth and wealth. Yet, they also go on uncharted course, take entrepreneurial risks and only make money if the business succeeds.

For many small business owners the only capital available is their own savings and those of relatives. They seem to have a different definition of a successful business model: when they make money, they can feed their family or live their life as they wish. They are often not interested in growing their business.

Scalable startup entrepreneurship

Unlike those small business owners, scalable startup entrepreneurs start businesses, knowing they want to build a large company. Once they find a profitable business model they realize that scale requires external venture capital to fuel rapid expansion. With venture capital comes accountability to board members, forecasts, and other people’s agendas. Success, for a scalable startup, is a many-times return on investor’s money. This happens either by a public offering of stock or by selling the business.
Large company entrepreneurship

An example: In the late 1980s, IBM decided to compete in the rapidly growing PC market. The company established their new PC division which developed the IBM PC and brought it to the market in less than a year. Three years later the division had sold 1 million PC’s, was employing over 9000 people and had 1 bn. dollars in sales.

Meaning: Large company entrepreneurship engages in new markets on a large scale.

Social entrepreneurship

Social entrepreneurs are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. They often don’t take a salary but are just as focused on scalability, asset leverage, return on investment and growth metrics as any other type of entrepreneur.

When the four entrepreneurship types are compared it is obvious what they have in common - they all are resilient, agile, tenacious and passionate – according to Blank the four most common traits of any type of entrepreneur.

But there are also obvious differences in each type: attitude towards personal risk, size of the vision and overall goal.

The table below shows the differences between the entrepreneurship types:

<table>
<thead>
<tr>
<th></th>
<th>Personal Risk</th>
<th>Financial Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business</td>
<td>High</td>
<td>Feed the Family</td>
</tr>
<tr>
<td>Scalable Startup</td>
<td>High</td>
<td>Get Rich / Implement Vision</td>
</tr>
<tr>
<td>Large Company</td>
<td>Low</td>
<td>Feed the Family / Get Promoted</td>
</tr>
<tr>
<td>Social</td>
<td>Moderate</td>
<td>Save the World</td>
</tr>
</tbody>
</table>

*Table 1: Entrepreneurship types (Source: Blank, S., 2010)*
3.1.2 The 4 types of entrepreneurs

Not from the type of business but rather from the perspective of the perceived feasibility and desirability, Fitzsimmons and Douglas [FD 2010] define four types of entrepreneurs.

Their study finds a positive relationship between the perceived desirability and entrepreneurial intentions and also between perceived feasibility and entrepreneurial intentions.

Though previous studies show state that entrepreneurial intentions are high when also both perceived desirability and perceived feasibility are high, the results of the survey show that even in high/low and low/high combinations entrepreneurial intentions can be high.

As a result, four different types of entrepreneurs are introduced:

(1) the natural entrepreneur (high-feasibility/high-desirability),
(2) the accidental entrepreneur (high-feasibility/low-desirability),
(3) the inevitable entrepreneur (low-feasibility/high-desirability) and
(4) the non-entrepreneur (low-feasibility/low-desirability)

as shown in the illustration below.

Illustration 1: Types of entrepreneurs (Source: Fitzsimmons & Douglas, 2010)
3.2 Personal traits of entrepreneurs
Words chosen to describe an entrepreneur are often: motivated, focused, confident, aggressive, dominant, leader, etc. While these traits taken together may describe some entrepreneurs, they certainly do not describe all entrepreneurs [Bibby 2011].

In general opinion, entrepreneurs seem to have to be people who have loads of energy and imagination, are self confident, set themselves goals and view money as a measure of accomplishment and piece of mind. They usually persist in problem solving, take risks, learn from failures (others as well as their own), take the initiative, accept personal responsibility and gather and use all available resources to achieve their goals. Entrepreneurs never give up and never quit striving for success. They are risk-takers who believe in themselves and and act rather than think [Tucker 2011].

A common view also is that entrepreneurs are 24/7, meaning there is nothing more important than the business. It is in fact an important point that keeps many people from starting their own business.

4 Methodology

4.1 Auto-ethnography
The method used to complete this paper is auto-ethnography. Auto-ethnography is a qualitative research method that allows the author to write in a highly personalized style, drawing on his or her experience to extend understanding about a societal phenomenon.

The five key features of analytic auto-ethnography are:

(1) Complete member research
(2) Analytical reflexivity
(3) Narrative visibility of the researcher’s self
(4) Dialogue with informants beyond the self
(5) Commitment to theoretical analysis
The author is hereby part of the group which is studies and looks at questions from an own personal perspective through observation and own experience.

Also known as narrative inquiry it is to be distinguished from storytelling. Of interest to narrative inquirers is not what was experienced so much as what meaning did the writer make of what was experiences.

4.2 Study environment and collection of data

The study is a reverse study based on own experiences of the author between August 2010 and May 2011 while being a student of the Master Program in Entrepreneurship at Lund University.

While being part of the group of entrepreneurs data have been collected through the work and interaction within the group and teams while working on entrepreneurial projects. No direct interviews or questionnaires have been done as it is a reverse study which will try and answer a question from the experience of the last month.

Further data have been collected through a written learning journal which was to be completed every week to report on the project status and current problems or success factors. The journal is now useful to recall stages of the project and personal development.

5 Results and Analysis

5.1 The beginning

I wrote the following paragraph during the first month of the course after having read different articles about entrepreneurship and entrepreneurs in class, reflecting on Fitzsimmons and Douglas' four types of entrepreneurs [FD 2010]:

“From my former entrepreneurial experience I can find myself in different types of entrepreneurs depending on the opportunity or situation. I don't think someone is set that an individual is one or the other but it can change.

I don't think I ever was a non-entrepreneur. I always had a strong need for alteration and independence and therefore could never imagine a normal 40-hours week, “fastened” to a desk, doing the same thing over and over again. I have done several jobs before with these conditions and
never felt really happy with it. 
Since I started my own business and working as a contractor freelance I feel so much better, although I am facing a lot more challenges now since I don't have a fixed income and have to find the jobs myself. But for me independence clearly outweighs safety. 
So I guess I am a natural risk taker and therefore a natural entrepreneur most of the time. I am also very much into risky sports, riding a motorbike and doing rock climbing. In Germany you are not supposed to put these kind of spare time activities on your CV because the human resources department will not hire you – too risky. For me it was no big problem to quit my job and from there stand on my own feet and work as a contractor. It was for my family, though. They were very sceptic about me and my plans. But I was somehow never worried. 
Then there was a project from university in 2007. Together with a group of four other developers I have developed an internet-based software for innovation management in educational institutions which worked very well at our university and also after launch appealed to other universities. We realized that there was very good feedback for our software and that this could not only be a project, but an opportunity to commercialize it. This made us accidental entrepreneurs in the situation because we haven't planned to commercialize the software when we were developing it. 
And then another part of me is the inevitable entrepreneur. I have lots of ideas in my head which I'd love to realize but most of them are not yet developed to a stage where they are actually feasible. So to say, I believe that everyone might have experienced one or the other type of being an entrepreneur and that a person is not tied to be one or the other."

When I arrived for the program in entrepreneurship I was convinced I am already an entrepreneur. I had my own business, so to say. I had an enormous need for freedom and a very low fear for risks or insecurity, also financially. I always felt I had to go my own way and for me this meant my own business. However, when looking at the personal traits I hardly actually fulfill any of the main preconditions for being a successful entrepreneur which include a stable psyche, strong decision making skills, self-confidence and leadership qualities.
5.2 Change of perspective

Definition

When coming to the program I realized that there is more to entrepreneurship than being self-employed, having your own business and maintain a good lifestyle – at least to other people.

Only in class I found that people make a big difference between entrepreneurs and small business owners or so-called lifestyle entrepreneurs. The main characteristic of an entrepreneur, in most people’s definition, seems to be the desire to innovate. When they think small business, they see a pizza shop. When they think entrepreneur, they see Google, Apple, innovation and newness. Entrepreneurs push new ideas while small business owners use existing ideas and business models [Hupalo 1999].

People – and also the program - obviously understand that there is a difference.

Working styles

While working on the entrepreneurial project from November on and with my new team I had many discussions and issues regarding working times. I strongly believe that a lot of work is necessary to build your business and keep it running. But unlike about 80% of the people I talked to seem to have a very similar view on the topic: Most people believe that entrepreneurship is a 24/7 job, that you will have to work 80 hour weeks to get things going, that you will not have a life next to your business. Another very common assumption is that you have to do everything yourself in the beginning.

I think that it is this view is which leads to the fact that (in Germany) people are very skeptical about venturing out on their own. It's not mainly about the fear of not having the financial background or having to take decisions on their own but a lot about the myth of having no life at all when running your own business [Faltin 2010]. I know many small business owners who live this “no-life” and to me it has nothing to do with entrepreneurship. It is true, in that sense I agree with the common view that there must be a difference.
Team building
From the working style issue, problems in my project team arose. The team members had different approaches to working hours, working speed and views on what it means to work on your own, which, in the end, led to the split up of the whole team.

In general I consider the team building process as one of the major facts to the success of the business. Team members have to decide carefully who to work with. This is difficult in situations where the team members are almost unknown by the time the teams are chosen. I understand this is necessary due to the educational environment and small time frame available for the program.

The parting of the team let me ask myself the question where in the entrepreneurial types I would still see my self or if in any of them at all. Everyone around me seemed to believe in the same values of the “24/7” approach. But for me it is no option, I know my limits and take care not to push them. I always saw it as the only opportunity to actually have a life and live it.

At this time around January 2011 I did not feel as an entrepreneur at all.

Ambitions
Coming back to the entrepreneurship types discussed earlier I also found that most of the entrepreneurs in the program strive for the big business – for scalable startup entrepreneurship.

Entrepreneurs in my view are not necessarily big, they range from solo projects to major undertakings. A small business owner can be very satisfied in his small business and still be entrepreneurial.

However, according to what I read and found, an entrepreneur rather exploits his talent and ambitions and has constant urge to grow his business. A small business owner apparently needs to bring the constant drive to grow himself into an entrepreneur with him. Running a one-person business is a creative, flexible and challenging way to become one's own boss. It is about creating a life, as it is about making a living. But only courage, determination and foresight make an entrepreneur. Only the entrepreneur seems to venture out to explore new grounds – not the small business owner.
Type of business
To many, also entrepreneurship is a lot about the type of the business [Beerman 2009]. According to literature the entrepreneur is someone to create value. In many common views the entrepreneur is someone who creates something new, and only new and make a lot of money. The business idea or the business model have to be innovative, high-tech and in best case an invention to patent and the numbers have to be big.

However, small business owners might not have a patent or innovation to deliver, but are they therefore less entrepreneurial? Aren't they fighting the same challenges around running your won business the “real” entrepreneurs are?

Even the topic of social entrepreneurship seems to be kind of a step child in the entrepreneurship environment I experienced during the last year. It is not as interesting because it's not innovative and profitable enough. It is said to be “not real entrepreneurship”.

5.3 The “solo-lifestyle entrepreneur”
Overall, these experiences have led to a significant change in my perspective on what is entrepreneurship and where I see myself in it. It was a valuable experience to find out about my preferences regarding the above mentioned attributes: definition, team, working styles, ambitions and type of business.

By now I am back to solo entrepreneur and although I might miss out on advantages having a team for me it is the right choice.

I will not work alone, though. I have a partner network around me to support me with important tasks in terms of running the business and an incubator to give mentoring and consulting for the start up phase. This also is part of the concept of not doing everything alone and work 80 hours. I believe, it does not necessarily have to be part of entrepreneurship.

I see myself as “lifestyle entrepreneur”, because I don't have the urge for growth and exit. I want to maintain a living, enjoy what I do and have time for life. I don't mind creating value and something new and make money, though, and I have lots of ideas. I just don't want to make it highest priority.
6 Conclusion

The definition of an entrepreneur is very blurry and not explicit. I tried to fit myself in the common views and definitions which turned out to be very difficult.

Being an entrepreneur is probably a lot about feeling like one or dependent on the environment you're working on. During this year I was surrounded by high-potential, innovative and very promising scalable ventures and theirs ambitious founders which often made me feel not to fit in this environment.

But how do we measure if someone is successful as an entrepreneur? How do we measure personal business success? The most common method is financial worth, meaning the more the business is worth, the more successful the entrepreneur is. One of the other measures of success is the quality of the products or services.

But what are the key factors in which entrepreneurs see themselves as being successful? As a solo entrepreneur, I measure success and entrepreneurship in a very personal way. I am able to earn enough through my IT consulting business to easily afford a flexible lifestyle and I don't have to go corporate again if I don't want to. It also allows me to work on new ideas and other projects next to it, ideas that might not generate a fortune but are fun to pursue and create value. That's success to me.

Success if relative as is entrepreneurship and its definition. A clear self image helps the entrepreneur to define him/herself, regardless of the name itself. Starting one or two businesses doesn't make an entrepreneur, vice versa there are certainly many people who have no idea how entrepreneurial they act in the business world.
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