



START UP YOUR IDEA!

5 Euro Business

The applied business start-up competition
for students

Project Guidelines

Main financial supporters:



Bayerische
M+E Arbeitgeber

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The 5 Euro Business Competition Project Guidelines

1. Business idea and business model

5-Euro-Business is a practice competition, not an ideas competition – it aims at experiencing the establishment of your own livelihood as a career perspective. You receive 5 euros as a symbolic start capital. It should be possible to achieve real sales during the company phase (6-8 weeks).

The nature of your business idea and your business model should target the economic viability of your company without depending exclusively on donations and sponsoring. Refer to chapter 2.9 of the participant handbook for more information on what you should pay attention to for the development of your business idea and business model.

It is indispensable for every start-up to get informed about potential provisions of the law and questions of product liability – in case of uncertainties it is recommended to consult the contact person of your university or the lecturer of the course “rights/trade mark rights”.

For legal, educationally conceptual, project-technical or ethical reasons, some ideas are **not allowed** to be used for 5 Euro Business. These include but are not limited to:

- Services and products that promote content that is racist, sexist, glorifies violence or is otherwise ethically questionable (e.g. products encouraging excessive consumption of alcohol like egoshooters)
- Services and products that degrade the dignity of individuals or groups of individuals, or discriminate against individuals on the basis of gender, sexual orientation, age or origin
- Harmful or dangerous products
- The production and sale of open beverages and food (if you intend to sell closed food at 5 Euro Business company events, please consult your supervisor first)
- The pure resale of goods without adding any value
- Babysitting
- Gambling in terms of Sec. 284 German Federal Criminal Code (StGB); speculation and commodity futures
- Construction financing
- Investment business and advice
- Travel agency-like activities
- Temporary employment agencies
- Realisation of a business idea which already generated revenues before the competition

All business ideas are to be approved in advance by the project implementing organization. The project implementing organization review all business ideas and reserve the right to reject them or ask for further explanation.

Examples of previous business ideas can be found under “Start-up Stories” on the www.5-euro-business.de website.

2. Legal form of your company

Legally, the 5 Euro business enterprise is a company constituted under civil law (GbR: German abbreviation for Gesellschaft bürgerlichen Rechts). The founders do not have to "establish" the company themselves, since this results automatically from the joint pursuit of a goal, namely participating in 5 Euro Business. The GbR has to have at least two partners. Each partner is personally and unrestrictedly liable for the liabilities of the company. Within the context of 5 Euro Business, the appointment of one of the participants as "General Manager" has no meaning in a strictly legal sense in the outside world.

3. Start of the company phase

The company phase starts officially after the event "Meet your Mentor" **following approval** of your business idea by the project implementing organization. The pre-conditions for starting your business activities are the enrolment of all team members, the submission of your company information ("**Unternehmensinformation**") and the approval of your business idea by the project implementing organization.

4. End of the project

Your company exists for a limited period of time. In order to conclude the company phase, the form "**Bestätigung über das Ende der Unternehmensphase im Rahmen des Projekts**" has to be completed and all business activities within the framework of Project 5 Euro Business then have to be discontinued. That does not mean there is anything to stop you starting your business "afresh" after the competition though.

Within the scope of 5 Euro Business, no further entrepreneurial activities are possible after the deregistration. **In the eyes of the organisers, anyone who wants to continue operating their business after 5 Euro Business has come to an end is highly welcome to do so! The Start-up Advice Centres at your university will be more than happy to help you in any way they can in this regard.**

Formalities at the end of the project (end of the company phase):

- Submission of the form "**Bestätigung über das Ende der Unternehmensphase im Rahmen des Projekts**"
- Submission of 1 team photo and 1 photo of your company (product/logo) in high resolution
- Your company is asked to sell its existing products, stocks and any inventory that exists. Everything that you were not capable of selling must not be accounted for in your income surplus statement.
- Outstanding invoices need to be paid.
- The purpose for which the profits are to be used, including the start capital (distribution to the GbR's partners, a joint party or donation to a charitable purpose, etc.) needs to be agreed.

Taxation:

- Generally, the profits of the GbR are proportionately subject to taxation and need to be stated on your income tax return. The eventual taxation depends on your respective personal situation and income.
- If you have any further questions in relation, you can find more information on the web at www.finanzamt.de or www.stmfh.bayern.de.
- For information on the taxation of the GbR itself, please refer to chapter „sales tax and business tax“ of the participant handbook.

5. Competition at the closing event

A maximum of ten teams present their companies at the closing event. If more than a total of ten teams participate in the project, the contestants will be pre-selected by the jury based on the business reports. The decision of the jury is final.

When there is a small number of participants, the organisers reserve the right to combine the closing events for two locations into one.

For more information, please refer to the 5 Euro Business handbook which you will as soon as you have registered in writing for the competition at an information event hosted by your university.

Project implementing organization:



Main financial supporters:



Regional organisers:



Colophon

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bbw e. V.
Infanteriestr. 8, D-80797 Munich
www.bbw.de

Contact:

Lisa Bultmann
Phone +49 (0)89 44 108-161
Mail: lisa.bultmann@bbw.de
www.5-euro-business.de

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bbw e. V. Munich

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