HOW TO...
MAKE CLEVER USE OF BANKING SERVICES

The long-term success of any business is achieved by matching good ideas with a solid financial structure. Although startup companies may be unorthodox in many ways, it literally pays off to take a holistic approach to banking early on. More than just a provider of financial services, your bank can be a long-term partner that helps out in the early stages of founding, periods of growth and maturity.

To get started, a relationship manager will take you through five quick steps to set-up an account. They will walk you through the process, documentation and answer any questions unique to your company. The next vital step is to have an open discussion on the company mission/vision. By the end of this conversation, the entrepreneur should be able to answer the following: Can the bank match your structure? Does it have a presence in your market? What are the bank’s capabilities and how extensive is its network? What are the identified risks? This analysis should help in choosing the appropriate banking partner.

Debt financing is a common topic of conversation. Banks traditionally consider startups as a risky investment, but can use their network to help tap into the pool of available funding alternatives. Public development funds is one of many examples. These are issued in various varieties and generally take shape in the form of grants or credits. Since the bank will know your business model, it can suggest and assist in the application for public funding from institutions such as the German Development Bank (KfW) or the European Investment Funds.

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ABOUT US
Berlin is much more than just a business location for Deutsche Bank - it is the city where Deutsche Bank was founded in 1870. Today, approximately 4000 people work for Deutsche Bank in Berlin. The bank provides a broad range of banking services to private individuals, self-employed clients as well as to businesses of all sizes. Aside from its Berlin-wide network of branches, there is one unique Deutsche Bank branch that can only be found here: “Q110 – Deutsche Bank of the future”. Located on Friedrichstraße, it presents visionary ideas and concepts for the future of banking.
Operational roadblocks may add another layer of complexity. Internet startups in particular have a broad scope and business models that hinge on international expansion. When entering foreign markets, however, you need to be able to efficiently handle financial transactions across borders and currencies. We are witnessing an increasing amount of startups that penetrate markets with exponential pace. The ability to open local currency accounts and/or structure a solution that minimizes exchange rate exposure is a key focus to strengthen your financial structure.

As the startup transitions into a mature state, your bank should be able to shift focus and equip you with a multitude of additional services. This can include concepts for company pension schemes, investment strategies, or preparing for an initial public offering of your successful venture. It is also important to note that the services do not only include corporate topics, but can also work with a founder on wealth management. Wealth accumulation plans should be made early on in order to maximize the realization of a successful business venture.

A bank’s industry experience can help take your company to the next level and offer perspectives that can be easily overlooked. A simple example is the decision for a centralized or decentralized treasury function. Although easy to change early on, the added complexities of a growing international operation will inevitably cause unintended consequences. Similar to spaceships, startups embrace cutting edge technology, complex systems and recruit the visionaries of our time. Exploring uncharted concepts and evolving at an increasing pace magnifies the importance of a sturdy launch pad.

Helping build the next generation of great products and opening up new markets is very exciting and meaningful. Startups@Berlin was designed by Deutsche Bank to address the unique challenges faced by today’s innovative startup companies. The multilingual team offers entrepreneurs a one-stop shop covering a wide array of banking services. Our mission is to tailor scalable solutions specific to your needs, yet flexible to change. The team in Berlin is connected internationally and can facilitate the offering of capital market expertise and cash management solutions. Feel free to get in touch with any questions and give us a chance to help solidify your company’s foundation.