

The Chair for Technology and Innovation Management (Prof. Dr. Joachim Henkel) at the TUM School of Management is offering a project study:

## Optimizing fixed costs in small companies – distracting from value creation?

### **Background and Motivation:**

A common obstacle to entrepreneurship, self-employment and innovative activity per se are fixed costs that often occur immediately after starting a venture. E.g., physicians or attorneys have to rent office space, crafts- or tradesmen may need to lease cars while engineers or software startups might rely on internet service providers. In particular for small and young companies regularly optimizing such costs is important to leverage initial funding, shorten the track to profitability and to foster growth. On the other hand, first interviews reveal that optimizing such costs by doing market research and changing providers is very unpopular in practice, allegedly because it distracts from value creation. This study aims to understand the relevance of fixed costs by industry among self-employed persons and small companies. Furthermore, it aims to understand how these entities proceed in optimizing their fixed costs or if they not optimize them, why they hesitate to do so.

### **Objectives:**

This study explores self-employed persons' and small companies' fixed cost structures and the employed optimization processes to gain basic understanding if and why optimizing fixed costs might distract from value creation.

### **Approach:**

You systematically identify major sub-segments and industries among small companies in the German market. You conduct qualitative research among the top sub-segments to lay grounds for a thorough questionnaire. You setup and conduct a large-scale survey. You analyze and present the collected data. In all these steps you get extensive coaching.

### **Contact:**

Please contact me, Timo Fischer (fischer@wi.tum.de), if you are interested in the topic or have any further questions. Your application should include a CV and a current transcript of records. For more information on our general requirements, the application procedure, and the style guidelines please go to our homepage <http://www.tim.wi.tum.de/index.php?id=210>. The thesis can be done either in English or in German.