

NTG audits: easing access to financial backing

Adding certainty to investment decisions

After the global financial market crisis, the economic framework has shifted worldwide. Hard times have hit the real economy, now making it all the more important to ensure business is supplied with fresh capital – to keep healthy companies up and running, but especially to support small and medium-sized companies. As well as providing a useful tool to estimate credit risk, NTG audits should always be called on to assess the potential of technology, markets and patents.



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The German network for market and technology audits (NTG) was established on behalf of the German Giro and Savings Bank Association (DSGV). Members of the German savings bank organization have already been able to use the NTG to assess financial backing options since 1996. Since 2005, it has been open to all clients. It is based on a modular auditing system only available through the Mannheim-based Steinbeis Transfer Center for Technology Evaluation and Innovation Consulting (TIB). The TIB uses the audit to assess the market and technology-based opportunities and threats of products and technology and the feasibility of introduction.

Financing fledgling, small and medium-sized business, or technological innovations, is a major risk to financial backers who normally have little security to speak of. The decision to provide investment therefore has to be carefully weighed up and covered for. Under such circumstances, the backer and the borrower can call on the network for market and technology audits, or NTG, at the Steinbeis TIB Transfer Center.

The TIB audit system is based on a variety of groups of questions, which can be used on a pick and mix basis to match customer requirements. Thus, an audit could take the form of a short assessment of a funding

proposal to an all-encompassing market, customer and competition analysis. There is also the option of evaluating technological trade mark rights. The TIB Transfer Center can call on a pool of 1300 experts to work on any given project from the Steinbeis Network, Fraunhofer Institutes, universities and consulting engineers. As the network is continually expanding and renewing itself, expertise can be provided on completely new topics.

To show how the NTG audit system works in practice, take the example of a medium-sized family-run automotive supplier with 50 employees, specialized in the manufacture of intelligent braking systems for trucks. Following a dip in market demand for commercial vehicles, company turnover slumped severely, forcing the company to turn to new areas of business. To develop a braking system for cars and enter the market, the company needs around five million euros.

Discussions with potential investors lead nowhere; the owner-manager is typically told that investments are much too risky at the moment and the technological standard of the braking system is difficult to assess. The firm's financial advisor at the bank says that backing could be provided if the company were to provide a thorough and impartial expert report. The owner-manager then invites the TIB Steinbeis Transfer Center to write an audit. A suitable expert is called in to supervise the entire auditing process. The manager of the automotive supplier is given the completed report, which is subsequently forwarded to the potential backer.

The auditor's expertise helps everyone involved in the process as it clearly highlights weak links in previous planning. The recommendations make it possible to adjust planning. The financial advisor at the bank can now use the impartial audit as a carefully considered assessment of the investment project. In the end, this medium-sized enterprise did indeed receive the funding it required.

According to a study carried out by banking group KfW in February 2010, businesses are likely to find credit tight this year. This is partly caused by a surge in demand for credit because of the increased level of production and investment activity. In contrast, banks are being more hesitant, given the

number of defaulters on loans and growing restrictions on the issuing of credit. As a result, competition among companies for increasingly scarce funding will intensify.

The NTG audit system offered by the Steinbeis TIB Transfer Center makes it easier to assess investment risks and eliminate weaknesses in business plans earlier in the process, thus paving the way for financial backing.

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New Steinbeis Enterprises

Abbreviations:

SCC: Steinbeis Consulting Center

SRC: Steinbeis Research Center

SIC: Steinbeis Innovation Center

STI: Steinbeis Transfer Institute

STC: Steinbeis Transfer Center

The following Steinbeis Enterprises have been founded as of end of November 2009:

Steinbeis Transferzentren GmbH an der Hochschule Ulm, Ulm

Director: Dipl.-Wirt.-Ing. August Musch

SRC Applied Research in Power Electronics, Rostock

Director: Prof. Dr.-Ing. Hans-Günter Eckel

SCC Electromobility and Drive Engineering, Gerlingen

Director: Prof. Dr.-Ing. Nejila Parspour

STC Vegetable Waste Treatment Technology and Sustainability, Weingarten

Directors: Prof. Dr. Georg Nuoffer-Wagner
Dipl.-Ing. (FH) Timur Elmas

SIC Center for Systems Biomedicine, Falkensee
Director: Prof. Dr. Thomas Meyer

SCC Advanced Web Technology, Stuttgart

Director: Prof. Dr.-Ing. Peter Thies

STI Projectdesign/Networked Cultural Work, Stuttgart

Director: Dipl.-Kulturgestalterin
Stefanie Seiz-Kupferer

STI Design, Management and Technology, Schwäbisch Hall

Directors: Dipl.-Verw.Wiss. Thomas Hilbert
Dipl.-Ing. (BA) Walter Beck, MBA

STI Convergence Management, Berlin

Directors: Prof. Dr. Frank Keuper
Dipl.-Betriebswirt (BA) Carsten Rasner

STI Excellence of Management and Innovation Intelligence (EMII), Filderstadt

Directors: Dipl.-Ing. (BA) Walter Beck, MBA
Dipl.-Ökonom Vassili Toropov
Dipl.-Oec. Constantin Pivovarov, MBA

STI Business, Engineering and Technology – Bulgaria, Filderstadt

Directors: Dipl.-Ing. (BA) Walter Beck, MBA
Prof. Dr.-Ing. Florin Ionescu
Prof. Dr.-Ing. Kostadin Kostadinov

STI Institute for Integrative and Transcultural Asian Medicine, Berlin

Director: Sonja Maric, M. A.

STC Material Technology, Tuttlingen

Director: Prof. Dr. Haid Mozaffari-Jovein

SCC Transport and Logistics, Flein

Director: Prof. Dr. Dirk Lohre

15 Talents SIBE GmbH, Herrenberg
Director: Dipl.-Verwaltungswirtin (FH)
Bettina Rominger, MBA

STC Safety and Security Engineering, Unterkirnach

Director: Prof. Dr.-Ing. Ulrich Weber

STI Training and Diagnostics of Suitability, Filderstadt

Directors: Dipl.-Ing. (BA) Carsten Stehle
Dipl.-Betriebswirt (BA) Gunther Wemmer

Steinbeis Consulting Services Ltd., Ankara

Directors: Tamer Öztin

Melih Aral

STC Hybrid Drive Technology and Simulation Technology, Köln

Director: Dipl.-Ing. Gunnar Lerch

STI Culture Transfer, Stuttgart

Directors: Prof. Cordula Beelitz-Frank
Prof. Heidemarie Kurtscheid

STI Culture Management, Stuttgart

Director: Ute Schüler, M. A.

SCC Corporate Development & Innovation, Weilrod

Director: Dipl.-Ing. (FH) Erna Marie Busch

STC Applied Tourism and Regional Research, Greifswald

Director: Prof. Dr. Monika Rulle

STC Medical Sensor Technology, Measuring and Signal Processing, Ilmenau

Director: Prof. Dr.-Ing. habil. Peter Husar

STI GSA Professional Speaker, Berlin

Director: Markus Hofmann

STC Optical Measuring and Automatic Optical Inspection, Rottendorf

Director: Prof. Dr. Gunther Bohn

SCC Innovations Management and Know-How Transfer NORD, Hamburg

Directors: Betriebswirt (VWA) Christopher Scharf
Dipl.-Kfm. Dorian Scharf
Dipl.-Ing. Hans Protschka