

Start-ups: The flexible way to success

The number of start-ups continues to rise. When it comes to innovation, Switzerland is a world leader thanks to its renowned universities. The entire innovation process, from the initial idea through to the launch of a marketable product or service, is often a rocky road on which hurdles from the most diverse subject areas have to be overcome. With Grant Thornton as your start-up partner, you benefit from our valuable experience and expertise from day one.

Grant Thornton's experienced specialists know what is important when implementing a business idea and can provide start-ups with a full range of auditing, accounting, tax, consulting and legal services.



From the initial idea to your own company

In recent years, more than 40,000 new companies have been founded each year in Switzerland, creating a large number of jobs. Promoting innovation and supporting the commercial implementation of ideas is important

for a country like Switzerland. However, observations show that start-ups often lack the experience, knowledge and network to successfully and sustainably implement a business idea. Often, all resources are spent on the creative and supply aspects of implementation.

The fact that the success of a start-up also depends to a large extent on its foundations is forgotten. Careful and comprehensive advice at all stages following the establishment of a company is undoubtedly worthwhile, as it can help avoid costly conflicts with the authorities, customers and



competitors. Professional consulting also takes into account the later phases of the company, such as restructuring or sale (exit). With this in mind, mistakes should be avoided in the start-up phase that could lead to difficulties later on.

Challenges and our service capabilities

In our experience, a start-up requires support during the early stages, particularly in the following areas:

- **Structuring of the company formation while taking into account the shareholder structure**

Already at the time of formation, it is advisable to carefully draft the necessary corporate law documents and, where necessary, to supplement “standard drafts” with customised provisions (e.g. rights of first refusal).

We can assist you with all of the following:

- Adapting draft Articles of Association to the specific needs of the shareholders.
- Drawing up a shareholders’ agreement, in particular to regulate any additions and disposals of shareholders.

- **Internal organisation**

In addition to the outwardly visible structuring of a company, it is also worthwhile to design the internal structure appropriately. This includes a balanced set of organisational regulations that assigns competencies, rights and duties to the individual bodies and any other committees in a balanced manner.

- Clear organisational regulations.
- If required, preparation of additional directives for individual business areas.
- Establishment of a rudimentary internal control system (ICS) as a risk register to ensure an overview of potential risks from the outset.

- **Corporate Housekeeping**

In our experience, start-ups regularly pay too little attention to the documentation of corporate law processes. It is therefore not surprising that actions are sometimes taken without formal resolutions – probably because often the time or knowledge to do so is lacking. However, the lack of legitimation under company law may prove to be disadvantageous, for example, in the event of a conflict.

At the latest when outside investors are brought on board, the company must undergo an initial critical examination. Missing documents are not conducive to trust.

- Proper maintenance (and updating) of share and common share ledgers.
- Correct drafting of necessary resolutions of shareholders’ meetings and governing bodies.
- Filing and archiving of the corresponding documents.
- Writing all documentation in such a way that even an outsider understands the context and the actions are comprehensible.

- **Intellectual property rights**

A business idea as such cannot be protected from imitators. However, adequate protection of core elements of a business idea can be achieved.

- Careful formation of a company (business name) and purpose.
- Registration of trademarks.
- Application for patents.
- Protection of designs.
- Securing domain names.

- **Business contracts and general terms and conditions, cooperation agreements**

As soon as operational business starts, the question of a set of carefully drafted contracts for the company’s possible underlying transactions arises, including general terms and conditions. In today’s environment, effective partnerships with suppliers are becoming increasingly important, with the question of “make or buy” having to be answered. Corresponding partnerships must be contractually regulated in order to guard against possible conflicts.

- Preparation of contracts necessary for the operation of the business.
- Preparation of the general terms and conditions.
- Preparation of possible cooperation agreements, regulation of joint venture structures.



- **Employment contracts**

Every company depends on good employees. In the case of start-ups in particular, it is important to consider whether and how employees should participate in the company's success. The associated contracts must be given the necessary attention.

- Preparation of employment contracts.
- Developing an employee stock ownership plan, plan review, and advising on tax and accounting implications.

- **Restructuring and financing**

Start-ups often after just a short period of time face the question of growth and the associated restructuring.

Grant Thornton is happy to assist companies with the question of optimal financing, the drafting of the relevant contracts and the associated implementation work.

- Implementation of capital increases.
- Structuring debt and equity.
- Structural adjustments to the existing organisation.
- Drafting of share and common share purchase agreements.

- **Accounting quality**

In the very first phase of a start-up, the focus is on the development and implementation of the business idea and less on the professional management of the accounting. Initially, the most important thing is the level of liquid assets needed for day-to-day operations.

We can assist you with all of the following:

- Advice with the establishment of the right accountancy set-up including related processes.
- Correct implementation of posting mechanisms according to the appropriate set of rules.
- Being set up correctly from the start saves costs that could be incurred later on for unnecessary system changes and inefficient processes in accounting tasks.
- Complete outsourcing of accounting and/or payroll to our accounting specialists.
- AwaWeb: independent management of the accounting with technical support by specialists if questions arise.

- **Reliability of the financial reporting**

During the early stages of a start-up's lifecycle, the focus isn't on the financial reporting and the reporting won't yet meet the level of professionalism that will be required by new, larger investors in the future.

- Audit services (limited statutory audit or final audit).
- Review of semi-annual/annual financial statements (Swiss Code of Obligations, Swiss GAAP FER, IFRS or US GAAP).

- **Reduction of tax risks for further business expansion**

As the start-up grows, more and more markets can be developed and expanded into regions, which in turn can bring new tax risks (VAT, transfer pricing, etc.).

- Support with VAT clarifications and the development of legally-compliant procedures.
- Preparation of tax rulings, transfer pricing agreements.
- Tax implications of restructurings.
- Correspondence with tax authorities or courts in relation to judgements.

A strong partner

Grant Thornton is a reliable and solution-oriented partner for start-ups, supporting them in all matters from the initial idea through to the launch of a marketable product or service. Thanks to Grant Thornton's comprehensive advisory approach, additional specialists can be called in at any time.

We look forward to working with you to put your company on a firm growth path.



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