



2012 NSBE-Preneur Business Plan Competition

Official Rules, Requirements, and Judging Criteria

Welcome to the 2012 NSBE-Preneur Business Plan Competition (“NPBPC”). We appreciate your interest in participating in this year’s event, hosted by the National Society of Black Engineers (NSBE) Business Diversity and Entrepreneurship Programs. NSBE entrepreneurs will be invited to compete in the 2012 NPBPC. Teams will compete for awards, prizes, and the opportunity to pitch to seasoned entrepreneurs, investors, and potential business partners. Teams will have the opportunity to meet and network with other NSBE entrepreneurs, industry leaders, and business experts who will serve as judges for the competition.

GENERAL REQUIREMENTS

Each team must meet the following requirements in order to compete in the 2012 NSBE-Preneur Business Plan Competition:

Approved Participants: The competition is exclusively for NSBE Members of the following membership categories:

- ✓ **Collegiate Member**
- ✓ **Collegiate Affiliate Member**
- ✓ **Alumni Member**
- ✓ **Alumni Affiliate Member**
- ✓ **Lifetime Member ***

*Lifetime Members that would have otherwise fallen into one of the other categories are eligible for this competition.

Team Size: The presenting team should include at least one member and not exceed five members. (At least one member must travel to the national convention to compete). More than five team members can travel to the convention with the team, but only five students can serve as presenters.

Team Composition: This is a single competition for NSBE members, and a team consists of at least one member but no more than five members. There are no restrictions to the make-up of your team, but you will be placed in a cluster depending upon the overall team composition:

Participants of the above categories will be placed in one of the following clusters:

Collegiate Cluster

Your team will be placed in the Collegiate Cluster if the majority of your team members are categorized as Collegiate Members, Collegiate Affiliate Members, or Lifetime Collegiate Members. In the case where there are an equal number of Collegiate members as there are Alumni members, your team will be placed in the Alumni Cluster.

Alumni Cluster

Your team will be placed in the Alumni Cluster if the majority of your team members are categorized as Alumni Members, Alumni Affiliate Members, or Lifetime Alumni Members. In the case where there are an equal number of Collegiate members as there are Alumni members, your team will be placed in the Alumni Cluster.

Weighted Value System: To create a platform for fair competition, weighting will be applied to accommodate for the gap in skills and experience between the two clusters. Collegiate Cluster Teams will be scaled at 120% of their total point value; Alumni Cluster Teams will be scaled at 100% of their total point value.

Member Involvement: The competition is for NSBE member created, managed, and owned ventures. In other words, members must:

- (1) have played a major role in conceiving the venture,
- (2) have key management roles in the venture, and
- (3) own significant equity in the venture.

In general, at least one competing member of the team should be CEO, COO, President and/or Founder of the venture, or competing members of the team should occupy 50% or more of the functional area management positions that report directly to the CEO, COO, or President. Members of the team should also own 50% or more of the equity allocated to the management team and key advisors. An equity position of less than 50% of the equity allocated to the management team and key advisors, and/or less than 20% of the total equity of the venture will be suspect and require the competing members to show evidence that they were the major cause in the venture creation. (One objective of this rule is to exclude ventures formed and managed by non-NSBE members who have given token equity to NSBE members for writing their business plan.)

University Sponsored: The business plan can be prepared under, but not limited to, faculty supervision. For member teams in the Collegiate Cluster, it is likely that their business plan could be prepared for credit in a regularly scheduled course or as an independent study. The business plan must represent the original work of members of the team. All teams that are “University-sponsored” are strongly encouraged to notify their faculty or other University advisors of their intent to compete in the NPBPC, but is not required.

Nature of Ventures: The competition is for new, independent ventures in the pre-seed, seed, start-up, or early growth stages. Licensing technologies from universities or research labs is encouraged, assuming they have not been commercialized previously.

Future Eligibility: Ventures may compete in the NPBPC only once. Teams that participate in this year’s competition will be ineligible to compete in follow-on competitions with the same venture. But, teams that participate in this year’s competition with a uniquely different venture are eligible to compete in follow-on competitions.

Attendance: Team members should arrive at the Convention Center at a future specified time to validate registration and ensure all members are accounted for. To qualify for placement, teams

must be present for the Opening Round the Final Round. Teams must attend General Session on Saturday morning to receive their awards. Teams should plan their return travel NO EARLIER than Saturday evening.

Required Forms: If the venture has been incorporated, you will be required to provide proof of your business through a registered Employer Identification Number and/or Articles of Incorporation. Proof is required to qualify for placement.

GENERAL INFORMATION

Qualification to participate in the NPBPC is determined by meeting the deadlines below.

➤ How to Enter

To enter, each team member should complete the online registration. It is NOT necessary to provide the exact name of the team and team's members when registering. However, all team information must be submitted by the specified deadline or else your team will be ineligible from competing in this year's competition.

Important Deadlines – Pre-Competition

March 2 nd , 2012	<u>Phase I Deadline</u> ➤ Submit Intent to Compete by Registering Online: http://impak.nsbe.org ➤ Submit Executive Summary (PDF File) to businessplancompetition@board.nsbe.org
March 9 th , 2012	<u>Phase II Deadline</u> ➤ Submit <u>Written Business Plan & Website</u> to businessplancompetition@board.nsbe.org
March 16 th 2012	NPBPC announces Teams To Compete
March 23 rd , 2012	Withdrawal Deadline • Last day to withdraw without penalty (see below)

Withdrawal Penalty: If a confirmed team DROPS OUT AFTER March 23rd, 2012 FOR ANY REASON, each member will be ineligible to compete in future NPBPCs for one year. Each team that commits to participating will be expected to compete at the NPBPC in Pittsburgh. Last minute cancellations are costly to the NPBPC, our sponsors, supporters, volunteers, and could prevent another team from competing. PLEASE PLAN ACCORDINGLY.

➤ NOTE: Due to the challenges of making travel arrangements in a timely and cost effective manner, the NPBPC will work with each team on a case-by-case situation if traveling from outside the United States.

Executive Summary Submission: the final executive summary from each team is due to the NPBPC Team via email at businessplancompetition@board.nsbe.org. Please submit an electronic version via email in Adobe Acrobat PDF. No other format will be accepted.

Each team's Executive Summary will be evaluated and reviewed by the NPBPC Review Panel for thoroughness, completeness, and quality. Teams will be notified of changes or revisions that will need to be made at least one week in advance of the competition.

Teams competing at NPBPC are required to submit their full written business plan to businessplancompetition@board.nsbe.org. Any team that does not submit their full written business plan by this date will be ineligible for the competition.

Guidelines: Executive summaries must be limited to 5 pages of text (typed, double-spaced, minimum 12 pitch font, and 1" margins on all sides.) The Executive Summary should include information on:

Company summary

Customer/market analysis (market size and potential market share)

Product or service description

Intellectual property status (e.g., patents, licenses, etc.)

Competitive differentiation

Management team and/or advisors, including relevant experience

Financial highlights

Status and offering of the company (how much investment you are seeking)

In your executive summary, we expect you to convey:

The problem or need your company solves

The size of the accessible market & evidence that customers will buy your product/service

Your differentiation vs. competition and how you will sustain that

The experience of your management team and/or advisory boards

The current state of development (e.g., beta, customer trials, etc.)

Timeframes to achieve significant revenue and/or cash flow positive

The amount of funding you are seeking

Written Business Plan Submission: A complete written business plan will be due to the NPBPC via email at businessplancompetition@board.nsbe.org. Please submit an electronic PDF version via email.

General Guidelines: Written business plans are limited to 20 pages of text (typed, double-spaced, minimum 12 pitch font, and 1" margins on all sides), and includes the executive summary and summary financial data. Detailed spreadsheets and appropriate appendices should follow the text

portion of the plan but will be limited to 10 pages. Plans with fewer than 10 pages of appendices may not use the remaining pages to increase the size of their business plan beyond 20 pages. In total, the maximum number of pages is 30.

Contents of the Written Business Plan: your business plan should include (max 20 pages)

- ✓ Executive Summary
- ✓ Product or service description (incl. current status of development – beta, prototype, etc.)
- ✓ Customer/Market analysis (market size and potential market share)
- ✓ Sales and Marketing Plan (how you will go-to-market)
- ✓ Intellectual property status (e.g., patents, licenses, etc.)
- ✓ Competitor Analysis (competitors and your competitive differentiation)
- ✓ Management team and/or advisors, including relevant experience
- ✓ Financial highlights (cash flow, income statement, & balance sheet)
- ✓ Offering of the company (how much investment you are seeking, uses of funding, possible exits)
- ✓ Business Plan Financial Data: Financial data should include a cash flow statement, income statement, and balance sheet. This data should be included in a summarized fashion in the main section of the business plan. Include an explanation to the judges indicating how much money is required, how it will be used, and possible exit strategies. Detailed financial data and tables should be included in the appendix.
- ✓ Appendices: should be included only when they support the findings, statements, and observations in the plan. Because of the number of teams in the competition, judges may not be able to read all the material in the appendices. Therefore, the text portion of the plan (20 pages) must contain all pertinent information in a clear and concise manner. All appendices must fall within the 10 page limit; any pages over this limit will not be posted or otherwise provided to the judges.

Equipment: Teams should plan to bring a laptop and a copy of their presentation on a zip drive or CD. Please let the NPBPC Team know if you have any questions or have any special equipment needs by sending an email to businessplancompetition@board.nsbe.org.

NOTE: If your presentation contains video, graphics, and/or sound, you should let us know in advance, and we will try to help ensure that your presentation works properly at the Competition. However, we cannot guarantee that video, graphics, and sound will work 100% of the time.

Non-confidentiality: All sessions of the competition, including but not limited to oral presentations and question/answer sessions, are open to the public at large. Any and all of these sessions may be broadcast to interested persons through media which may include radio, television and the Internet. Any data or information discussed or divulged in public sessions by entrants should be considered information that could possibly enter the public realm, and entrants should not assume

any right of confidentiality in any data or information discussed, divulged, or presented in these sessions.

Due to the nature of the competition, we are not able to ask judges, reviewers, staff, or the audience to agree to or sign non-disclosure statements. However, the National Society of Black Engineers, the organizer of the NPBPC, will make every effort to limit distribution of business plans only to judges of the competition. NPBPC cannot guarantee that other individuals will not obtain access to electronic or hard copies of the business plan. All presentations are open to the general public, and some presentations may be videotaped. Attendance by media personnel is expected.

Copyrights & Permissions: If a team uses copyrighted materials and/or images from a third-party in their presentation or business plan, they must obtain permission and authorization from the owners to use this material in advance.

Note: event times are subject to change and contestants should reconfirm the schedule prior to the event.

Competition Details

The Elevator Pitch is your business overview that you should be able to deliver powerfully and concisely to any investor who happens to ride the same elevator as you. The first impression is critical in capturing the attention of a potential investor or customer.

The elevator pitch should provide enough information to peak the interest of potential investors and strategic partners. It should provide a clear picture of the company and its solution. It should be delivered effectively and succinctly.

The Written Business Plan & Website Presentation are the guts of your Executive Summary and should be presented in a logical, orderly fashion. The quality of the idea, the strength of the management team, and the clarity and persuasiveness of the written plan and oral presentation, all influence the judges' decisions. Ultimately, the winning team should be the team in which the judges would most likely invest their money.

Rules

Elevator Pitch

All Teams will compete in the Elevator Pitch Competition on Friday, March 30th. Each team will be given a maximum of 60 seconds to present its elevator pitch to the panel of judges. Index cards or other notes will not be permitted for the Elevator Pitch Competition, as you would not expect to have the benefit of these notes in a real life situation. This presentation will be given by one team member. The 60 second Elevator Pitch will be uninterrupted. There will be no Question and Answer period. Teams will be judged on their oral presentation alone.

Written Business Plan & Website Presentation:

All Teams will compete in the Written Business Plan & Website Competition on Friday, March 30th. Each team will be given a maximum of 10 minutes to present a summary of its business plan and website. Presentation slides are permitted for the Written Business Plan & Website Competition, and should be limited to no more than 10 slides. This presentation can be given by one or more members of the team. The 10 minute Written Business Plan & Website Competition can be interrupted with a Q&A period. Teams will be judged on their oral and visual presentations.

Judges Evaluation Criteria

Judges will score each team that presents on a scale of 1 (very poor) to 7 (excellent). The teams with the best (i.e., highest) overall scores will be the winners.

Judges should evaluate each team based on how convincingly they present their business concept, such that the judge would want to learn more about the company as a potential investor. The best

teams are those teams that an investor would want to schedule a follow-up meeting for further discussion because they believe this company represents a strong investment opportunity.

The best teams should communicate the following:

- ✓ Clear explanation of their product/service and the problem it solves
- ✓ How their company is unique and differentiated
- ✓ Sizable market opportunity and ability to penetrate that market
- ✓ Current Development Stage
- ✓ Viable business model
- ✓ Clear measures of success and potential exit opportunities
- ✓ Understanding of how much money is needed and how it will be used

Common Elevator Pitch Mistakes

- ❖ No energy and passion in the presentation
- ❖ Too much technical language; focusing on the technology rather than the customer need
- ❖ Failure to explain what customer problem you are trying to solve
- ❖ Too much discussion about the idea and product and not enough explanation about the market, business opportunity, and revenue models
- ❖ Listing too many names of clients or partners. Indicate how many clients and name a few big names to spark interest

To help you focus your Elevator Pitch, remember to highlight the following key topics – remember you’re just providing a “teaser” to the audience with the purpose of having them ask "tell me more about your company":

1. Product and service offering (e.g., the problem and your solution)
 - a. Brief description of offering
 - b. What problem or need does it solve? What are the benefits of your product?
2. Unique Differentiators
 - a. Why is this unique or different from competition?
 - b. Is this difference sustainable (e.g., patents, intellectual property, etc.)?
3. Market Opportunity & Target Customers
 - a. Who are the targeted customers?
 - b. What is the size of the market?
 - c. Is there evidence they will buy the product?
4. Current Development Stage
 - a. What is the current status of technology/venture?
 - b. What are key next steps?

- c. Business Model – how will the company generate profitable revenue?
- 5. Milestones and Success Metrics
 - a. What are the success metrics?
 - b. What is the exit strategy?
- 6. Capital Needs
 - a. How much funding is needed to move forward?
 - b. How will the money be used?
 - c. Why is your business an attractive investment?

Scoring – Criteria

The winners of the competition will be determined by the judges' ranking of the teams. This ranking will be based on the judges' willingness to invest in the company as noted above. The ranking will be completed by the judges at the end of each day's competition. Judges will rank the teams from 1 (team least likely to receive funding) to 7 (team most likely to receive funding).

To assist the judges in this decision process and to provide additional feedback to the teams, the judges will fill-out 3 scorecards for each team in Round One. The 3 scorecards will cover:

1. Part I - Verbal Presentation (Elevator Pitch)
2. Part III - Written Business Plan & Website
3. Part IV - Business Viability

The individual scorecards are designed to provide guidance for judges in evaluating the individual components of each team in order to develop their overall rankings. Scorecards are also designed to provide feedback to the competitors, and will be given to competitors at the end of each day.

Scoring – Process

In Round One, teams in the competition will be divided into two clusters: Collegiate Cluster and Alumni Cluster. Collegiate Cluster Teams will be scaled at 120% of their total point value; Alumni Cluster Teams will be scaled at 100% of their total point value.

Each judge will assess the **oral presentations, written business plans, and business viability** of the teams in their clusters in the Round One of competition.

Please note: The scorecards will be used in the calculation of the winning teams and to provide feedback to each participating team.

There will be one competition with one of each of the following winners:

- ❖ Grand Prize Winner – 1st Place
- ❖ 2nd Place Winner
- ❖ 3rd Place Winner

Company: _____

Part I: Verbal Presentation (Elevator Pitch)

Please evaluate the elevator pitch based on the following aspects:

(Using this rating system: 7 = excellent, 6 = very good, 5 = good, 4 = adequate, 3 = fair, 2 = poor, 1 = very poor.)

Content/Organization (Is the content presented in a clear, logical, sequential and informative matter?)

Excellent Very Poor (Clear, exciting and effective as a stand-alone overview of the plan)

7 6 5 4 3 2 1

Context (Is the content relevant and persuasive in its key points? Does the presenter capture the attention of the judges as a stand-alone presenter?) 7 6 5 4 3 2 1

Communication (Gestures, analogies, pitch tempo; were questions answered concisely and effectively)

7 6 5 4 3 2 1

Time Management (How well did the presenter manage the time allotted? Did the presenter appear to be confident, comfortable, and in control.) 7 6 5 4 3 2 1

Overall Assessment of Verbal Presentation (Based on the 1 minute pitch, is the plan clear and compelling?)

7 6 5 4 3 2 1

Company: _____

Part II: Written Business Plan

Please evaluate the elevator pitch based on the following aspects:

(Using this rating system: 7 = excellent, 6 = very good, 5 = good, 4 = adequate, 3 = fair, 2 = poor, 1 = very poor.)

Executive Summary

Excellent Very Poor (Clear, exciting and effective as a stand-alone overview of the plan) 7 6 5 4 3 2 1

Products or Services (Description, features and benefits, pricing, current stage of development, proprietary position) 7 6 5 4 3 2 1

Market and Marketing Strategy (Description of market, competitive analysis, needs identification, unique capabilities, sales/promotion) 7 6 5 4 3 2 1

Management (Backgrounds of key individuals, ability to execute strategy, personnel needs, organizational structure) 7 6 5 4 3 2 1

Summary Financials (Presented in summary form, easy to read and understand, consistent with plan and effective)

7 6 5 4 3 2 1

Offering and Viability (Proposal/terms to investors—clarity of investment proposal; investment potential)

7 6 5 4 3 2 1

Overall Assessment of Written Plan (Is the plan clear and compelling?) 7 6 5 4 3 2 1

Part III: Business Plan Viability

Areas for Improvement

Company: _____

(Using this rating system: 7 = excellent, 6 = very good, 5 = good, 4 = adequate, 3 = fair, 2 = poor, 1 = very poor.)

1. Market Opportunity Excellent Very Poor

(There is a clear market need presented as well as a way to take advantage of that need.)

7 6 5 4 3 2 1

2. Distinctive Competence

(The company provides something novel/unique/ special that gives it a competitive advantage in its market.)

7 6 5 4 3 2 1

3. Management Capability

(This team can effectively develop this company and handle the risks associated with the venture.)

7 6 5 4 3 2 1

4. Financial Understanding

(This team has a solid understanding of the financial requirements of the business.)

7 6 5 4 3 2 1

5. Investment Potential

(The business represents a real investment opportunity in which you would consider investing.)

7 6 5 4 3 2 1

6. Presentation (Oral and Visual)

(The team presented their venture in a logical, persuasive manner, and answered questions well.)

7 6 5 4 3 2 1

Prizes: Prizes for the competition will be announced when teams are notified of their acceptance into the competition.

NSBE-Preneur Business Plan Competition Contact Information

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