

The Step By Step Business Plan Guide

Part 2

Raising Capital and Making Money

With your Business Plan

THE STEP BY STEP
Business Plan Guide



Everything you need to know to write
a killer business plan that is sure to
get you the funding you need!

Chapter 1: You need Capital

If you are reading this part of our book, you have now either have a business plan, or have a great sense of what is needed in one. This part of our book is going to teach and show you how you can raise capital with your business plan.

What do I mean by this? Well, simply, think about your business idea, close your eyes and imagine it. You probably imagine in flourishing to great heights, making you and many people rich beyond your wildest dreams. You imagine everyone loving your idea, fame, fortune, etc. However, let us burst that bubble and bring you down from the heavens back to reality.

Hi, welcome again, now that you are down here, you should know that 95% of businesses fail because of poor planning and bad strategies. You should know that tons of people take their life savings and put it into their million dollar idea only to find that they have stumbled upon a beautiful fed-ex cardboard box sitting in the street. This is the dark side of business; this is where no one wants to go.

So, why am I telling you all of this? I'm telling you this because imagine if you can go into your business risk-free. Imagine if someone was just going to give you start-up money, or someone was just going to give you \$1,000's and \$1,000's of dollars just so they can also see your business flourish. This my friend is what this section of our book is about.

Leaving your risk of placing your own money into your business, and raising the capital with someone else's.

money, but I'm telling you that there are many types of competitions that give \$1,000's away to 1st place winners.

There are also many investors who give tons of money to new business ideas, for if they do flourish they are rich.

Envision going back in time to 1997, and stopping by at Sergey Brin and Larry Page's dorm room, and when you asked, "What are you guys doing in here", and they told you all about their 'Google' search engine strategy, and you said, "Wow, here is \$500,000 to start it up". Right now, you would be ridiculously rich. That is how investors work.

For the most part though, we are going to concentrate on competitions, this is because they are free, simple, and all you have to do is submit your already created business plan.

Competition's work like your first million, its hard work to make the first million, just like it is hard work to win the first competition. Because of this, we are going to try to provide you with the most useful information possible regarding, types of competitions, what competitions and investors are looking for, Analyzing your business potential, Quick tips, and a nice size directory of business plan competitions to get you started.

Sit back, grab a cup of coffee, clear your head for the next 20 to 30 minutes and let's sit and read our guide to making money with your business plan.

Before moving onto what a business plan competition is, I would like you to read this short article from, "Business Week" magazine.

What's Behind High Small-Biz Failure Rates?

Flawed statistics may make entrepreneurs' prospects look worse than they are

Q: Do you have any idea where I can locate some statistics that reflect the failure rates of high-tech startups? For instance, I'd like to know how many businesses are started each year and how many survive the startup stage.

--B.B., San Francisco

A: Numerous studies have looked at small-business failure rates over the past 30 years. Unfortunately, the results are often contradictory or vague. Getting good data on small, privately held companies -- and interpreting it accurately -- isn't easy because they don't have to report their financial results.

William Dennis, senior research fellow for the National Federation of Independent Business' Education Foundation, analyzes a survey of 36,000 households each year for the Wells Fargo/NFIB Series on Business Starts and Stops. The latest one, available on the NFIB's Web site, www.nfibonline.com, reported that 2.9 million businesses were launched in 1997, involving nearly 4 million people. Another 1 million people purchased 700,000 existing businesses that year.

The data showed that most new businesses are very small. More than two-thirds start in the owner's home, and only 21% initially employ someone besides the owner, says Dennis, who will release the 1998 report shortly. He doesn't track startups by industry category.

For business terminations, the Wells Fargo/NFIB study uses data of the U.S. Census Bureau, which only records closures of companies with employees. Those statistics show that about half of businesses that employ people are still operating five years after they open. "I feel good about the accuracy of the startup numbers," Dennis says, "but there are undoubtedly a lot of underreported stops."

The NFIB estimates that over the lifetime of a business, 39% are profitable, 30% break even, and 30% lose money, with 1% falling in the "unable to determine" category. Even when a business closes its doors, there can be many reasons for what's statistically a "failure," including a sale or merger, which may actually be a sign of robust financial health or good prospects. "When a business ends, it may be because the investors have lost their investments or because they have sold out profitably," Dennis notes.

The premise that there are many reasons -- not all of them bad -- for business closures, was behind a study by John Watson and Jim E. Everett published in the *Journal of Small Business Management* in October, 1996. The authors studied 5,196 startups in 51 managed shopping centers across Australia between 1961 and 1990 to try to determine true failure rates, because they felt that bankers and venture capitalists were basing negative views of small companies on dubious statistics.

Their data showed that annual failure rates were greater than 9% when failure was defined simply as "discontinuance of ownership." When failure was defined as bankruptcy, however, the number dropped to less than 1% annually. About 4% of the businesses that closed their doors each year "failed to make a go of it." And owners disposed of about 2% of businesses annually to prevent further loss. The authors concluded that cumulatively 64.2% of the businesses failed in a 10-year

period -- if failure was measured as discontinuance of ownership -- but only 5.3% actually filed for bankruptcy during a decade.

For more information, check the U.S. Census Bureau's Characteristics of Business Owners Database at www.census.gov. Several commercial research firms collect financial data on businesses, compile it as reference and research material, and sell it to lenders and other interested parties. Other sources of small-business data are: Dun & Bradstreet, www.dnb.com; Robert Morris Associates, www.rmahq.com; and Financial Research Associates, www.frafssb.com.

Have a question about running your business? Ask our small-business experts. Send us an E-mail at editors@businessweekmail.com, or write to Smart Answers, BW Online, 46th Floor, 1221 Avenue of the Americas, New York, NY 10020. Please include your real name and phone number in case we need more information; only your initials and city will be printed. Because of the volume of mail, we won't be able to respond to all questions personally.

Chapter 2: What is a Business Plan Competition?

When I was doing the research for writing this book, I was looking for a quote to start this chapter with. This quote was to define what a Business Plan Competition is exactly, however, after two hours of research via the internet I decided, I will quote myself.

Personally, I feel a business plan competition is like any other business opportunity. It is an investment of your time, and with great work, will come great outcomes. It is very essential to be prepared to walk into a very, very, rival competition. You will have 18 year olds all the way up to 60 year olds trying to get their last business idea out there. There will be people that have had their business plan professionally written, and paid \$1,000's for it.

We want to prepare you for this, now some business plan competitions are different then others.

My local competition, located in Syracuse, NY. Is a \$25,000 reward to first place. \$8,000 reward to second place, and \$3,000 reward to third place. Now, in this competition, like others you submit your business plan. Then there is a cut. If you make the cut you will then a chance to explain the business plan in the semi-finals. If you make the cut again, you go to the finals and give a speech to a large audience.

This type of business plan needs tons of time for preparation, however, there are smaller competitions that hand out \$1,000 here or \$3,500 there. These

competitions can be found online, and usually these just require the submitting of your business plan.

It all depends on what you want to do. If you have an idea that takes \$1.2 million dollars to start. You may want to go to some of the big competitions and speak out, because sometimes investors will be in the room. However, if your business takes \$1,000 to start up, submit it to some online competitions, the more, the merrier.

There are many different types of business plan competitions. Most are University run, however there are many others as well. We will begin with the University run competitions.

Universities:

- Institutionally-run
- Student-run
- Departmental
- University-Wide
- Cross-University
- International

The “institutionally-run” business plan competition, is exactly how it sounds. A local institution is usually holding a competition, this is like the Piansci Business Plan Competition in Syracuse. These are usually pretty tough competitions as the competition comes from students, teachers, businesses, etc.

A student run business plan competition is usually like a club, in my local area the entrepreneurship club runs a small business plan competition and awards \$1,500.

A departmental business plan competition is mainly strictly to students for it is run through the department, like a business department. This is not where we want to be unless, you are a student. However, most of the time these

competitions offer limited or no reward, expect experience.

A universal-wide competition is like, Harvard's Competition. This means you can create teams or have a business plan from the students of the school, however, that is it. You can not pull in someone not enrolled in Harvard.

The last two are pretty self explanatory. As we move into the higher paying competitions I want to leave you with the suggestion of touching up on public speaking. Sometimes a simple, "umm" can lose \$25,000.

Firms:

- "Intrapreneurship" for within companies
- As a profit making initiative for identifying investment opportunities regionally, nationally, or internationally.

Ok, now this is where the big money is made, competition from firms, corporations, and businesses. The first bullet is not essential for it is usually a competition held within a company to better the business. However, the second bullet- If you can find these competitions, one you don't even have to win, and two if you win you will be rewarded by the \$10,000's.

“As a profit making initiative for identifying investment opportunities...” As all of us know, nothing in this world is given for free without reason. Why would a firm give away \$200,000. Simply because, they will now invest in the company and reward in the profits. These types of business plan competitions are great for just getting your business idea out there.

Most of the time, people who enroll in these competitions get a business model patent first, to protect there idea, because a lot of people attend these competitions.

In the audience, is not only investors for the firm who is running it, there will be investors for tons of other firms,

Angel Investors, which are private people who personally invest. A competition like this one, can bring tons of opportunity knocking at your door.

Chapter 3: Past Competitions and Awards

I feel it is very important for you to feel motivated. You can only feel motivated if you look at past successes and see what the possible outcomes are. So, I compiled past awards, competitions, and summarized them here:

This is a long list, but please it is in your best interest to read it all:

Contest: Bain & Company Start-Up Challenge

Winner: Leasing Point [from the University of Chicago Graduate School of Business]

Team: Phil Pfirrmann, Andrea Roberts, Jeff Scolnick

Contact: jeff@leasingpoint.com

Prize: \$50,000 and support from Bain's in-house incubator.

Funding: Seeking initial financing.

Description: The management consulting firm invited teams from seven top B-schools to compete in its first national business plan competition. The winner, Leasing Point, aims to be a leading online exchange for the leasing and financing of business equipment. The team, which includes a University of Chicago MBA and several equipment-leasing industry veterans, is targeting companies that lease manufacturing and transportation equipment costing more than \$1 million, such as printing presses, airplanes and rail cars. The company already has a CEO, CTO and an advisory board, and it is currently building a Web site and negotiating with investors for its first round of financing.

Contest: Carnegie Mellon University, University of Pittsburgh and Duquesne University -- EnterPrize

Winner: SmartOps [from Carnegie Mellon]

Team: Michael Abowd, Vivek Khemka, Ian Lomax, Faustino Santana, Sridhar Tayur, Marty Wagner

Contact: stayur@cyrus.andrew.cmu.edu

Prize: \$60,000

Funding: Closed \$1 million in angel funding.

Description: Application service providers were big in this year's business plan contests. SmartOps is an ASP that is developing tactical planning software for managing multistage supply chains. Translated, that means it intends to help corporations orchestrate the complicated task of getting raw materials from suppliers at the correct time and delivering finished goods to customers when and where they're needed. Led by Sridhar Tayur, an operations and manufacturing professor at Carnegie Mellon's Graduate School of Industrial Administration, the team is in the final stages of developing its software, has three customers, is hiring executives and is talking to venture capital firms about additional funding.

Contest: Columbia University Graduate School of Business, Outrageous Business Plan Competition

Winner: Newlines Airways

Team: Julian Cook

Contact: jc@newlines.com

Prize: \$5,000

Funding: Raised \$1.8 million in seed money and is looking to raise another \$35 million to \$40 million this summer.

Description: Newlines is a London-based airline that expects to take off in January 2001 and will offer premium- and business-class flights between London and New

York. Planes will be equipped with the latest Internet and electronic gadgets "in order to enable the business traveler to use his time efficiently while traveling," according to the company's business plan.

Contest: Fuqua School of Business at Duke University, Startup Challenge

Winner: OmnipreSense

Team: Vamsee Pamula, Michael Pollack, Vijay Srinivasen, Jeremy Usher

Contact: jeremyu@yahoo.com

Prize: \$30,000

Funding: Currently refining business plan before seeking venture funding.

Description: OmnipreSense is building technology that melds microelectromechanical systems (MEMS) with wireless technology to connect laptops, digital assistants and Internet-enabled cell phones with peripheral devices. MEMS are chips with both electronic and mechanical functions. This dual functionality allows these chips to "interact with the physical world in ways [that chips haven't before]," says cofounder Usher. The startup is still building product prototypes and is looking for an incubator or office space that will keep it close to MEMS manufacturers in North Carolina's Research Triangle Park.

Contest: Garage.com's PlanEdu

Winner: Quicksilver Genomics [from the University of California at San Francisco]

Team: Rey Banatao, Jose Haresco, Sean Mooney, Sandra Waugh

Contact: reyban@cgl.ucsf.edu

Prize: \$150,000

Funding: Not available

Description: Biotech companies won at least four of this year's business plan competitions. The richest purse went to Quicksilver Genomics, which won \$150,000

for placing first in PLANedu, the inaugural contest held by online angel-investor network Garage.com. Led by a team of four Ph.D. candidates in medical information sciences, pharmaceutical chemistry and biophysics, Quicksilver Genomics aspires to build an application-service-provider platform to help researchers discover drugs based on human genome research. The startup says that by using its computing platform, pharmaceutical and other companies will be able to uncover lead compounds from unclassified gene sequences and turn them into patentable products more quickly.

Contest: Georgia Institute of Technology's DuPree College of Management, Business Plan Competition

Winner: B2Bfast.com

Team: Brian Fortner, Angela McCorkle, Adrienne Rollerson, Adam Schwartzberg, Jay Tramonte, Sarah Trout, Simon Yin

Contact: simonyin@excite.com

Prize: \$500 and a spot in the school's Advanced Technology Development Center, an on-campus incubator.

Funding: Looking for \$150,000 in seed financing.

Description: The startup is launching a Web marketplace for technology startups, other small businesses and their suppliers. Registered buyers set up a private page to view information on strategic partners and suppliers and to bid on merchandise and services. Likewise, vendor companies set up their own private pages to aggregate information about customers and make bids on contracts. The team expects to have a working prototype by July. Although competitors such as Onvia.com and BizBuyer.com have a substantial foothold in the market, B2Bfast.com believes that it can compete by charging suppliers only when they complete a sale, not when they submit a bid, which is the current practice.

Contest: Harvard Business School, Harvard Business Plan Contest

Winner: Bang Networks

Team: Sarah Boatman, Robert Dreyer, Robert Rosin, Tim Tuttle

Contact: info@bangnetworks.com

Prize: \$10,000 in cash and \$10,000 in professional services.

Funding: Near to closing first-round funding.

Description: Although Bang is keeping what it's doing under wraps, company officials will say they're building a distributed infrastructure network linked to a broadcast platform to give Internet media companies a "scalable, real-time content-delivery solution." The technology is ready to go, but the team won't say when the launch is expected to happen. Founders include Dreyer, an architect of the Pentium processor; Rosin, a member of the Harvard Business School class of 2000 and a former WebTV program manager at Sony; and Tuttle, an MIT Ph.D. who worked in the university's AI lab. "We've been literally inundated since winning the contest with VCs, people looking for jobs, old friends who saw us on CNN and even real estate agents." Rosin says.

Contest: London Business School, E-Posium business plan competition

Winner: Sibilance

Team: Rana Ganguli, Gregory Garson, Michael Smith

Contact: msmith@london.edu or www.sibilance.com

Prize: \$18,200, incubation from E-start.com and technical support from Sun Microsystems.

Funding: Seeking first round of financing.

Description: Sibilance is a personal concierge service for European users of Internet-enabled cell phones and other wireless devices. According to the startup, the online concierge uses preferences from users and their friends, and editorial

reviews, in order to recommend restaurants, clubs, bars and pubs. It also will dish up news, train schedules and customized advertising. The startup team includes veterans of Oracle and IBM.

Contest: Massachusetts Institute of Technology's Sloan School of Management, MIT \$50K Entrepreneurship Competition

Winner: EyeGen

Team: Kiril Alexandrov, Susan Bevers, Zoran Zdraveski

Contact: kiril@bostonbookreview.org or zzz@mit.edu

Prize: Winner receives \$30,000.

Funding: Seeking \$2.5 million in first-round funding.

Description: In its 11-year history, the MIT contest has spun off 50 companies, including Akamai and FireFly. EyeGen, a 3-month-old Cambridge, Mass.-based firm, was a finalist in two other national competitions. EyeGen is developing biomarker technology that renders biomolecules visible to the naked eye without exposing scientists to radiation and other health risks. EyeGen's scientists have found a way to use color to mark biomolecules, which the company says works better than accepted methods of radioactivity and fluorescent dyes. According to company officials, the markers could have multiple uses, such as tracking DNA damage during drug delivery. Since launching, the cofounders have refined their business plan, filed for patents and talked with potential customers. They're seeking seed financing to hire additional scientists and executives and to move into an office.

Contest: New York University Stern School of Business' \$50K PLUS Business Plan Competition

Winner: Paperlink.com

Team: Maria Defino, Linda Dumas, Kevin Groff, Linda Lupold, Jeffrey Sander

Contact: kgroff@paperlink.com or www.paperlink.com

Prize: \$35,000

Funding: Received \$500,000 in seed money from individual investors and industry insiders. Currently raising first round of venture funding.

Description: The e-commerce infrastructure builder wants to help manufacturers and distributors of industrial supplies and branded and commodity paper products go online to compete with dot-coms invading the paper industry. The company, based in Somerset, N.J., and established in early 1999, has a slew of paper and technology industry veterans on staff, including Chairman Pike Peterson, former president of Unisource Worldwide, the country's top paper distributor, and Jeff Sanders, former CIO of Lucent's consumer products division. The company has two beta customers and expects to go live in the third quarter of this year.

Contest: UniversityAngels.com's \$50,000 Business Plan Contest

Winner: InMeeting.com [from MIT]

Team: Kareem Benjamin, Kiran Choudary, Gregorio Cruz, Luke Fu, Joon Hor, Karim Hussein, Gregoire Landel, Christian Manasseh, Jaime Solari, Sanjeev Vadhavkar, Padmanabha Vedam

Contact: vada@mit.edu or www.inmeeting.com

Prize: \$25,000

Funding: Received seed round and looking for first-round financing.

Description: InMeeting.com is a technology and services company that makes software to help automotive, aerospace, construction, defense and software firms create virtual design teams that function efficiently in multiple locations.

InMeeting.com will offer products and consulting services for these collaborative virtual teams. The startup says these services and products will improve communication and reduce project length and cost, in comparison with what is currently available on the market.

Contest: UCLA's Anderson School of Management, Knapp Venture Plan Competition

Winner: Tergum Therapeutics

Team: Carrie Caulkins, Peter Nicholson

Contact: peter.nicholson.2000@anderson.ucla.edu

Prize: \$10,000

Funding: Negotiating angel funding.

Description: Tergum Therapeutics is a research-stage company put together by Caulkins, a UCLA Ph.D. student in biomedical engineering, and Nicholson, a part-time Anderson MBA student and employee at Amgen. The startup is developing a nonsurgical treatment for degenerative disc diseases of the back.

Contest: University of Chicago Graduate School of Business, New Venture Challenge

Winner: The winner of the New Venture Challenge wasn't announced before press time. Competition finalists included: Sarvega Wireless, which proposes building customized wireless applications that companies can manage from existing wired applications; BoxDirect.com, an online exchange for the packaging industry; TheWireExchange.com, an online exchange for the wire and cable industry; UniverCite.com, a provider of supplementary online education for European and Latin American elementary and high school students; and Brightroom.com, a Web site for amateur athletes to buy and display photos from triathlons, marathons, bike races and other competitions.

Contact: Sarvega Wireless - John Chirapurath, mjchirap@gsb.uchicago.edu;

BoxDirect.com - Brett Holland, brett@boxdirect.com; TheWireExchange.com - David

Cole, mdcole2@gsb.uchicago.edu; UniverCite.com - Jose Dinis, j-

dinis@uchicago.edu; Brightroom.com - Sol Kanthack, mskantha@gsb.uchicago.edu

Prize: A total of \$50,000 to first, second and third-place teams.

Contest: University of Michigan Business School's Business Plan

Competition

Winners: Live e-Care, tied for first place with Eberwhite Data Technologies [see "Wiring the Rust Belt"]

Team: Dax Almendrax, Ken Hung, Jeff Russell

Contact: dax@umich.edu

Prize: \$2,000 and a spot in E-lab, the business school's on-campus incubator, which provides a computer server, software and other technical services.

Funding: Closing a seed round, which could include an investment from Michigan's student-run Wolverine Venture Fund.

Description: Live e-Care is an outsourcer of live customer service for Internet retailers. Its workforce will be located in the Philippines, with sales and other functions handled from the U.S.

Contest: University of North Carolina at Chapel Hill's Kenan-Flagler Business School, Venture Capital Investment Competition

Winner: A student investment team from Carnegie Mellon University

Team: Alex Churchill, Don Herzog, Matthew Levy, Rob Rice, Joe Woods

Contact: jwoods@andrew.cmu.edu

Prize: \$10,000

Funding: Not applicable

Description: In North Carolina's contest, student teams assume the role of a venture investor and evaluate five real startups. The teams read business plans, sit through company presentations, choose which startup to finance and then defend their choice in front of a panel of venture capital judges. The winning team, from Carnegie Mellon, bested finalists from UCLA and from Emory University. Woods

plans to join Mellon Ventures after graduation, other team members' post-grad plans were not available.

Contest: University of Southern California's Marshall School of Business

Winner: Channel IP

Team: Mark Galton, Dan Mader, Monique McCarroll, Scott Sorensen

Contact: info@channelip.com or www.channelip.com

Prize: Plaque

Funding: Currently seeking initial round of \$2.5 million.

Description: The Los Angeles startup is launching an online auction marketplace where TV networks, cable operators and Webcasters can bid on satellite transponder bandwidth from satellite firms such as GlobeCAST, PanAmSat and Loral Space & Communications. Channel IP, which plans to make money by collecting transaction fees from bandwidth suppliers, is currently in residence at USC's EC2 Incubator and expects to launch its service this summer.

Contest: University of Texas at Austin, MOOT CORP 2000 World's Leading Business-Plan Competition, Internet

Winner: Global Risk Exchange [from Babson College]

Team: Andrew Berry, John Bowman, Matthew Flanagan, John Rubens

Contact: www.grx.com

Prize: \$150,000 in hardware, software and services from Hewlett-Packard.

Funding: Received undisclosed seed financing; now raising first round of venture funding.

Description: The startup is launching a property-casualty commercial insurance exchange to help large corporations interact directly with insurers. Initially, the Providence, R.I.-based company will offer umbrella and excess liability coverage and eventually will expand to other coverage areas.

Contest: Vanderbilt University's Owen Graduate School of Management, National MBA e-Marketing Competition

Winner: Team Outbreak [from Harvard]

Team: Matt Kohler, Dan Lieberman, Laura Nissenbaum, Christa Sutphin, Tiffany Tan

Contact: dlieberman@mba2001.hbs.edu

Prize: \$25,000

Funding: Not applicable

Description: Unlike traditional business-plan competitions, Vanderbilt's contest requires student teams to create an online marketing strategy for an existing brick-and-mortar company, which in this case is Wal-Mart. Team Outbreak, from the Harvard Business School, came up with the winning idea to install stations, which they called "E-Convenience Centers," within existing Wal-Mart stores where customers who ordered merchandise from the company's Web site can pick up and pay for purchases, make changes to orders and make impulse purchases. Initially, online orders would be fulfilled from in-store merchandise and, eventually, through Wal-Mart distribution centers that would group-ship orders to individual stores for pick-up.

Contest: Wake Forest University's Babcock Graduate School of Management, Babcock/Eno River Capital Elevator Competition

Winner: Medamorphosis Pharmaceuticals [from the University of Georgia]

Team members: Elliot Altman, Ken Nations, Dave Preston, Harald Zeiss

Contact: nationsfamily@hotmail.com

Prize: An invitation to pitch the plan to Eno River Capital.

Funding: Seeking \$3 million in first-round venture funding.

Description: In this first-of-its-kind contest, MBA students got two 28-floor elevator rides to pitch their business ideas to venture capitalists. Finalists had to make it

through a follow-up 30-minute Q&A session. The University of Georgia team won with a plan for Medamorphosis, a development-stage company intent on commercializing peptide stabilizing-and-screening technology that was developed by Altman, director of the University of Georgia's Genetic Bioengineering Center. The company has applied for patents and is beginning tests on a peptide-based antibiotic that officials say kills staphylococcus bacteria more effectively than current antibiotics. The company operates out of the University of Georgia Biotechnology Incubator.

Contest: CollegeClub.com - Incorporate This! Business Plan Challenge

Winner: Outdoorsman.com, from Brigham Young University

Team members: Evan Child, Sean Finnigan, Brant Harnois, Ryan Nichols, Mike Phelps

Contact: mphlps@hotmail.com, www.outdoorsman.com

Prize: \$10,000 and a trip for two team members to pitch to Campsix, a San Francisco incubator; \$5,000 donation to Brigham Young University

Funding: Seeking financing.

Description: CollegeClub.com, a hub for college students, invited undergrads from across the country to submit plans that were judged by venture firms, incubators and consultants for viability, projected returns and other criteria. The winner, Orem, Utah-based Outdoorsman.com, is a newly launched Web site for outdoor enthusiasts, with a specialized search engine that lets people search by interest, region or type of business. The site also features classifieds, maps and weather reports.

Contest: Northeastern University \$60K Business Plan Contest

Winner: LoanBright.com

Team members: Mark Barlow, David W. Black, Russell A. Straub

Contact: rastraub@loanbright.com, www.loanbright.com

Prize: \$40,000

Funding: Seeking first round of venture financing

Description: LoanBright.com, led by former Northeastern professor Russell Straub, provides Web-based tools for the nation's 36,000 mortgage brokers. The tools include a ready-built Web site that mortgage brokers can use as their own, and a real-time mortgage interest rate survey that brokers can plug into their sites to generate sales leads. The year-old company has already accumulated 180 customers, generated first-year revenue of \$450,000 and established an advisory board of industry veterans, including a former president of Ginnie Mae and a former vice chairman of Price Waterhouse. LoanBright, based in Dartmouth, Mass., is seeking venture funding to hire managers, complete software development and expand sales and marketing.

Contest: University of Michigan Business School - FuturTech Forum

Winner: NewsBiz

Team members: Brian Khoury, Ericka Lewis, Jim Mansfield, Scott Muldrow

Contact: jim@jimmansfield.com; www.newsbiz.com

Prize: A spot in E-lab, the business school's on-campus incubator that provides mainly computer server, software and other technical services

Funding: Currently seeking seed funding of \$500,000 to \$1 million.

Description: NewsBiz is creating a hub that reporters can use to find sources they need for stories and that public relations, university representatives and other media relations practitioners can use to pitch stories more accurately to journalists. The site also plans to offer some as-yet-unspecified commerce features. After a closed beta test, the startup's first product, NewsBizJournalist, is set to launch in mid-June. NewsBiz has contracted with an offshore Web developer to help build the site and is seeking seed capital to fund growth.

Contest: University of Virginia's Darden School - Business Plan Competition

Winner: Setagon Team members: Kiernan Conn, Kareen Looi

Contact: Not available

Prize: \$10,000 and a spot in Darden's Progressive Incubator, including \$15,000 in consulting and support services

Funding: Not available

Description: Setagon is a biotech startup that aspires to manufacture a stint to improve the success of an angioplasty for heart patients. In addition to keeping arterial passages open, the device delivers medication.

Contest: University of Washington Business Plan Competition

Winner: Aptelix

Team members: Christopher Ruff, Tim Sutton, Brad Thompson and Dan Aspleaf

Contact: chris@aptelix.com; www.aptelix.com

Prize: \$30,000 plus a spot in the Washington Resource Foundation's state-run incubator and \$1,500 in pro bono legal services

Funding: Seeking seed financing. Description: Wireless Internet service means you can use your cell phone to send e-mail or to shop. But did you ever try to punch a long message into your phone? No thanks. Three University of Washington class of 2000 MBAs and a friend have developed software that they say eliminates up to 90 percent of the keystrokes that go into sending e-mail over wireless devices. They started Aptelix to commercialize the program. Like police officers or CB radio fans who use a kind of verbal shorthand to exchange messages, Aptelix's founders are building a database of codes they say can be used to produce longer word strings and cut down keystrokes. They plan to launch the service with "a fun application for consumers" but envision a day when truckers, doctors, employee work groups and other people in specialized industries will use it with their own set of customized

codes, says cofounder Chris Ruff. The company has tested its working prototype and is looking for seed funding.

Chapter 4: Why do Winner's Win?

This is a very simple section of the book, but I believe it is one of the most important sections. This is a question that has been whined since your first competition when you might have been 4 years old. Why did he win and not I? What did I do wrong?

A Business Plan Competition judge, is like an investor. They are looking for a great idea with a great chance of R.O.I, this means Return On Investment. These judges want to reward a business and then see it actually happen. This is great because, usually if you win the heart of the judges you will of the rich investors as well. However, the one thing you should always keep in mind is... "Return on Investment".

This is a small case study that was an experience of a good friend of mine. He had a killer idea, one of those that you can tell anyone, and they will say, "That guy is going to be rich". or, "I wish I thought of that". This idea was so Bulletproof, however, the one small thing was missing. Not a

good R.O.I investment. This was because, the originator investors will make out with cash, however, the idea will fall apart as the later investors will make nothing. He did not win any competition.

Will my business make money

This chapter is long and lengthy but it only offers the most essential information. When it comes to analyzing the potential of your business it is almost impossible. This is because no one knows what is going to happen to the market, consumers, products, etc.

It is just like the weather forecast. The weather channel tells us tomorrow is going to be Sunny, they are analyzing tons of data to determine this forecast, however, how many times have we heard the saying, "the weather man is always wrong". There might be a strange occurrence of heavy winds and rain that were not expected. However, they only guarantee to provide us with a forecast.

We want to create a forecast known as a "break-even Forecast". This forecast can help you determine whether your business will succeed or not, and by showing this information to the judges and investors it can only make you more money.

This break-even forecast shows the investors and judges

the amount of revenue you will need to bring in to cover all the expenses of the business. This simply means you won't make any profit yet, but pure break even \$0.

Sometimes entrepreneurs don't even work on anything but the break even analysis. Some feel this is all they have to show to investors, and won't write a business plan unless they can show that their projected sales revenue far exceeds their costs of doing business.

To perform a break-even forecast you will need to calculate hypothesis or educated guesses of your expenses and revenues. This requires tons of research. Concentrate on these terms and calculations.

Fixed Costs: This cost includes rent, insurance, utilities, and other set expenses that won't change month after month.

Sales Revenue: This is the total amount of dollars you make from sales that your business brings in month after month or year after year.

Avg. Gross Profit on Sale: This is how much money you profit after each sale, so if you sold a car, take the sales price minus the expense of the car, and there is your gross profit on the sale.

Avg. Gross Profit Percentage: This is simply the average percentage of the gross profit. So in the above example if your sold a car for \$3,000, and it cost you \$2,000 to purchase. Your Gross Profit Percentage is 66.7%.

Ok, now you should have all the estimated calculations described above on a piece of paper. We will now begin to calculate your break-even point. Divide your estimated fixed costs by your gross profit percentage. This determines the sales revenue you will need to just break even.

If your break-even point is much higher than your expected revenues no one is going to go for this. You won't get any investors or judges. You will now need to assess the plan and decide what can be changed to create a easy break even point.

Examples that can help you achieve are:

- Find less expensive source of supplies
- no employees
- Work out of home to save rent
- Sell product at higher price

If you keep changing numbers and can not reach your break even point, even if the product is golden, your business idea should be scrapped and you should sadly walk back to the drawing board.

There you have it, that is how to analyze your break even forecast and give a much better presentation and better chance of winning. If you have a great break-even forecast and it is easily obtainable investors and judges will appreciate this. Especially if you can show how simple it is to reach this goal

Chapter 5: Quick Tips on Winning 1ST Place

Tip #1

The most obvious tip we have for you is enter a business plan competition.

Only 4% of the people reading this book will even think about entering a competition; please don't be afraid to go against other companies.

If you are afraid to enter yourself into a small competition how will you ever compete in the real world of business.

Tip #2

You must make your business plan believable.

This means don't go and say, we are untouchable. Our plan is 100% bullet proof no one can compete, blah, blah, blah.

Explain the financial picture, show the strengths, but don't undermine the weaknesses. By explaining the weaknesses you are only empowering yourself with that knowledge to allow it not to happen.

Explain the opportunities, and touch up on the threats and competition. If you do all of this you will wind up in the running.

Tip 3:

You must create a winning formula. This means while you are presenting your business plan or even writing it.

You must craft clear articulation of your mission, vision, goals, and most important financial objectives.

A judge or investor is not going to take the time to hear or read a business plan that you are mumbling through and shows a too complex problem. If the plan isn't simple it won't go anywhere. A great man once said, "keep it stupid simple".

The above three tips were tips delivered to me by one of my many mentors. He told me if I did all of those three things I would be in the running for 1st place. A few weeks later I won a small award, nothing big, just \$5,000 for winning 1st place in a Business Plan Competition.



Chapter 7: Directory of Business Competitions.

Here is a jump start and give you some more good business plan competitions to look into. Just Google them!

The \$100K Innovation Challenge at Case

To participate in the Competition participants must not have already received seed funding greater than \$100,000.

Asian MOOT Corp

Competition between the graduate business programs in Asia. The winner of the Moot Corp competition at the University of Texas represents the United States at this event.

ASU Technology Entrepreneurship Challenge

Participants are students from the Fulton School of Engineering and the Carey School of Business.

Babson College Business Plan Competition

Separate undergraduate and graduate student events.

Big Bang!

UC Davis Graduate School of Management business plan competition. \$15K cash prizes. Open to teams with at least one member affiliated with UC Davis.

Big Red Ventures Business Idea Competition

The Business Idea Competition is designed to foster entrepreneurship throughout the extended Cornell community and to reward top business ideas. It provides a way for individuals to take their first step toward turning an idea into a viable business.

Bioscience Business Plan Competition

Open to academics, postdoctoral scientists and PhD students in all UK Universities and BBSRC-sponsored research institutes.

BIT

Students and researchers from leading Russian technical universities, scientific-research institutes, and business schools combine their efforts in turning innovation technologies into successful businesses.

Blueprint

The Universities of Durham, Newcastle, Northumbria, Sunderland and Teesside each hold their own business planning competitions throughout the year, and the winners of these competitions go forward to compete in the regional Blueprint competition.

Boomer Business Plan Competition

Open to individuals and teams of students, faculty or staff at accredited four-year colleges and universities; entrepreneurs from seed or early-stage companies with annual revenues of \$0 to \$1 million; and independent business professionals.

Business plans must focus on the 50+ market as the primary market for the product or service (50+ years of age, baby boomers or seniors). The grand prize is \$10,000.

Burton D. Morgan Entrepreneurship Competition

All Purdue students are eligible to participate in the event. Non-students -- such as students from other colleges, Purdue alumni and local residents -- can also be team members, but Purdue students must make the final presentations to the judges.

Case-Weatherhead Business Launch Competition

Participants must have a technology-based business concept, have at least one team member who is affiliated with Case Western Reserve University as a student, faculty member, or alumnus.

CIBC Ivey Business Plan Competition

Open to teams of two to six MBA students enrolled in an accredited Canadian University.

Donald W. Reynolds Governor's Cup

Open to all faculty-sponsored, full-time and part-time undergraduate and graduate students enrolled at any of Arkansas' universities or colleges.

The Duke Start-up Challenge

Each team must include one full-time student in any program at Duke.

Economic Fuel: The Humboldt County Student Business Challenge

A business plan competition for rural Northern California sponsored by the Eureka Reporter, a local newspaper. Students are encouraged to partner with individuals in the local community and network with business professionals. The competition is

open primarily to current students and recent graduates, but is open to any community member partnering with students on a Humboldt focused business venture.

Eller Business Plans Competitions

The University of Arizona sponsors two competitions:

Entrepreneurship Program Business Plans Competition and Intercollegiate Business Plans Competitions.

Eureka!

Eureka is IIT Bombay's annual business plan competition which is the biggest in India and one of the Top 5 in the Asia Oceanic region.

First Capital Challenge

\$50,000 competition for the best plan to start a high-potential business in Kingston, Ontario, Canada. Open to anyone, anywhere.

4th Annual Innovation Challenge

The official global Innovation Challenge, hosted at the University of Virginia's Darden Graduate School of Business in 2006. 2005 attracted 321 teams from 83 universities in 18 countries. Grand Prize \$20K, sponsored by Hilton and others in 2006.

The Global Security Challenge

An annual competition to find and select the most promising security technology startup in the world. Your venture must offer a technology product that can be used to prevent or analyze terrorist incidents or other criminal acts, or identify or locate the perpetrators or these acts.

Global Social Venture Competition

Students must create business plans that demonstrate both economic and social value. Each team must have an actively involved, current MBA student from any business school in the U.S. or abroad.

Gonzaga University Hogan Entrepreneurial Leadership Program Business Plan Competition

Undergraduate and graduate students from any program in any of the three collaborating institutions may compete for prizes in three categories totaling \$42,500. The collaborating institutions are Gonzaga University, Eastern Washington University, and Whitworth College.

Great Lakes Entrepreneur's Quest

Any person or group that has a business concept focused in or based on technology (such as an e-commerce platform, a life sciences application or advanced manufacturing breakthrough) can compete in the business plan competition. Each team must include at least one member who resides, works, or attends school in Michigan.

Growth Spurt

A great opportunity for start-up technology businesses in Northern Virginia to plug in to a wide resource network.

GSAS Harvard Biotechnology Club Business Plan Competition

Open to entrepreneurs, students and professionals worldwide, and does not require Harvard University affiliation. The competition offers a \$5,000 cash award for the first prize, a \$1,000 cash award for second prize and an opportunity for early stage biotechnology companies to have their business plans reviewed by seasoned venture capitalists focused on this industry and other biotechnology experts in the Boston area.

Harvard Business School Business Plan Competition

Every team must have a minimum of one Harvard Business School second year student.

Hong Kong University of Science and Technology International Business Plan Competition

Open to graduate students of every nation. Particular interest in business proposals relevant to China. May 5 - 7, 2006 - \$25k in awards.

I-Challenge

A joint technology contest organized by BASES, the Business Association of Stanford Engineering Students, and VERTEX, the Engineering Entrepreneurship Club at UC Berkeley. Student teams from all departments in the School of Engineering at either institution can submit entries highlighting technical creativity, innovation, and potential. Cash prizes totaling \$25,000 are awarded.

Intel+UC Berkeley Technology Entrepreneurship Challenge

Winners of competitions from around the world compete for multiple prizes.

The Marriott School Business Plan Competition

Open to Brigham Young University students.

Maximum Exposure Business Plan Competition

Participating teams must consist of at least one current New York University Leonard N. Stern School of Business MBA student. The competition is also known as the Stern \$50K Plus.

MegaBiz Competition

Three day Business Event on June 9th - 11, 2005.

Megabucks

The Annual Entrepreneurship Competition of Indian Institute of Technology, Kanpur. Open to students from universities across the world who are aiming to become business leaders of tomorrow.

Melbourne University Entrepreneurs Challenge

At least 30% of your Team must be, or have been enrolled, students or staff members of a Victorian university in the year of entry.

Miller Urban Entrepreneurs Series Business Plan Competition

Offers adults 21 to 35 years old an opportunity to win \$50,000, \$20,000 or \$2,500 grants. Sponsored by Miller Brewing.

The MIT \$50K Entrepreneurship Competition

All full-time and part-time MIT students at all levels of education and from any department, registered with MIT for the current semester, are eligible to enter.

The Moot Corp Competition

One of the original competitions. MBAs from business schools around the globe come to The University of Texas at Austin each year to present their business plans to panels of investors.

Nanochallenge

An international business plan competition organised by Veneto Nanotech. Anybody from anywhere who has an innovative and high-growth Nanotechnology business idea can participate.

New Venture Challenge

Each team is required to have at least one student from the Graduate School of Business, University of Chicago. This includes campus, part-time, evening, or weekend students.

New Venture Champion

Interuniversity competition sponsored by the University of Oregon.

New Venture Competition

Open to all currently registered University of California, Santa Barbara students.

North Shore Business Plan Competition

Open to startups and emerging businesses located in Essex County, Massachusetts or willing to commit to locating in Essex County.

Oxford University Business Plan Competition

Open to anyone with an imaginative idea for creating a new business. Located in Oxford, England.

Palo Alto Software Business Planning Competition

Contestants must submit plans that are for a new business that has been running less than one year, or for an expansion of an existing business. All plans must be in Business Plan Pro format.

Plan for the Future

Young entrepreneurs from across the United States can win one of ten \$1,000 scholarships and up to \$7,500 in seed capital as part of a business plan competition sponsored by BizFilings and the National Federation of Independent Business through its non-profit education organization, the Young Entrepreneur Foundation.

PowerUP! Business Plan Competition

PowerUp! aims to give Sacramento Capitol Corridor clean energy entrepreneurs a competitive edge in the resource race by training contestants in the best practices for creating winning presentations. This Clean Energy Business Plan Competition will divide \$50,000 in prize money among the top three contestants. PowerUp! is designed to help new business leaders create a compelling story to attract funding for their start-up and accelerate the time to market for their initial products.

Queen's Entrepreneurs Competition

QEC is one of Canada's leading business plan competitions. Founded in 1988, QEC has grown from a competition between Canadian Universities into an international event. Each year undergraduate teams from around the world are invited to participate in the competition.

Rice University Business Plan Competition

Hosted by the Rice Alliance for Technology and Entrepreneurship, the Rice University Business Plan Competition offers over \$260,000 in prizes, including \$100k investment grand prize and over \$75,000 in other cash prizes. It is open to graduate students from all universities. Over 150 VC's, investors, entrepreneurs, and other business leaders serve on the judging panel.

Start-up NH Business Plan Competition

\$250K in awards, \$130K first place prize. 2nd annual event sponsored by PSNH (Public Service of New Hampshire) and Governor Craig Benson.

Start-up Singapore

A national business plan competition and enterprise launcher jointly organized by the National University of Singapore (NUS) Entrepreneurship Centre (NEC), NUS Business School Alumni Association (NUSBSA) and NUS Entrepreneurship Society (NES).

Sustainable Venturing Business Plan Competition

At least one (1) graduate-level business school student at the University of Colorado - Boulder must be a member of the venture team.

Syracuse Business Plan Competition

Open to all graduate and undergraduate students enrolled at Syracuse University. Students must have been enrolled during at least one semester of the current academic year. Over \$40,000 in prizes awarded to top three teams. Help sessions available to teams through the Business Plan Laboratory. Intents to compete can be submitted on-line.

Tech Valley Collegiate Business Plan Competition

Open to all full-time registered students in a college or university located within the 19 county Tech Valley region. Cash and prizes total \$50K.

UC Berkeley Business Plan Competition

A self-funded, student-run competition open to ventures run by UC Berkeley students and alumni.

UMass Lowell \$10K Business Plan Competition

Open to all current UML registered students and alumni within one year of their graduation.

University of San Francisco International Business Plan Competition

The competition is open to graduate students from all universities and features a Judging Panel of Silicon Valley Venture Capitalists and \$25,000 in cash prizes.

University of Washington Business Plan Competition

Open to students who are enrolled in degree-seeking programs at: Washington State University, Seattle Pacific University, Pacific Lutheran University, Seattle University, and the University of Washington.

Venture Adventure

An undergraduate business plan competition hosted by the Center for Entrepreneurial & Family Enterprises at Colorado State University.

Venture Capital Investment Competition

The VCIC is a strategy competition for venture-minded and entrepreneurial MBA students. This one-of-a-kind competition gives students from top business schools a real-world venture capitalist experience - student teams interact with real entrepreneurs from real companies with real business plans.

Venture Challenge

San Diego State University Business Plan Competition, open to all students currently enrolled or enrolled during the calendar year prior to the competition.

Wharton Business Plan Competition

Any student(s) in any School of the University of Pennsylvania are eligible to participate as individuals or on teams. At least one member of each team must be an active student at the University of Pennsylvania (graduate or undergraduate). Partnerships between students and non-students are eligible.

WPI Venture Forum Business Plan Contest

To be eligible, Business Plans must involve technology-based ventures and describe the development of a new product, a new application or process in an existing business, or the start-up of a new business.

Y50K Yale Entrepreneurship Competition

A university-wide business plan competition that provides start-up funding, as well as educational, networking and mentoring opportunities, to Yale entrepreneurs.

Provided by: SmallBusinessNotes.com

recommendations

<http://boards.universalclass.com/requests/detail/1014.htm>