

CMU/MICHIGAN TECH NEW VENTURE COMPETITION - 2012

General Rules of Competition

Purpose of Event

The purpose of the event is to provide a forum and serve as a catalyst for students to create new and accelerate existing early stage businesses. This includes ventures based on technology developed by CMU and MTU students, faculty, and researchers. The CMU New Venture Competition provides the opportunity to earn start-up capital for these businesses, to enrich the careers of CMU & MTU students through network development and enhance the economic environment in Michigan through start-up business development.

The competition offers a vehicle for students enrolled at CMU and MTU to develop and test proposals for new ventures. It is designed to entice students to work on technology, product and service based business plans. It is the premier platform for identifying, nurturing, and showcasing entrepreneurial talent.

In addition, this year we have the privilege to include entrepreneurs from Michigan Technological University to join CMU students to further expand the possibilities for start-up business success in Michigan.

Also new this year is a category award for the “Best Social Venture”. This is intended to recognize & support the increasing number of students interested in using their entrepreneurial skills to create innovative approaches to persistent social problems through venture creation.

Who Should Enter

- Entrepreneurs with new venture ideas who have a passion to pursue turning these ideas into a commercial or social venture.
- Individuals with promising discoveries or inventions developed while working or studying at CMU and/or MTU and who would like to turn those innovations into a viable business.
- Individuals interested in translating pre-existing CMU and/or MTU technologies into commercial products.

Start-up Capital Awards

- 1st prize : \$ 30,000
- 2nd Prize: \$ 10,000
- 3rd Prize: \$ 5,000
- Best Social Venture: \$ 10,000
- Best Pitch: \$ 1,000
- Additional awards may be possible

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ELIGIBILITY:

1. In order to enter, the team leader must be a full time or part time matriculated student, undergraduate or gradual level who is currently enrolled in and pursuing a degree program, and who is registered at CMU and/or MTU in the Fall 2011 or Spring Semester 2012.
2. Students may participate in teams of no fewer than two and no more than five members. At least one member must be on campus and enrolled full time during the spring 2012 semester.
3. Team members may not join more than one team.
4. The business plan must be the work of the students. Participants may use reference materials however; the plan must represent the original work of the team. Participating students must:
5. Have played a major role in creating the business plan,
6. Have key management roles in the venture,
7. Own significant (majority & controlling) equity in the venture.
8. Plans are limited to a total of 20 pages; 10 pages of text, including the executive summary and summary financial data, and 10 additional pages of appendices.
9. Teams that have received any form of venture capital financing may not participate in the competition.
10. All CMU teams must have their business plans reviewed at the CMU Writing Center prior to March 1, 2012. Michigan Tech students are encouraged to have a review performed by the Michigan Tech writing center or other writers/editors.
11. Teams must utilize a mentor to assist them with their business plan creation.
12. The proposed business plan should not be in known violation of intellectual property rights.

DEADLINES:

1. Each team must submit an "Intent to Participate" form signed by the team leader to the IBIE/Grawn 164 in writing by **3:00 p.m. on November 18, 2011**.
2. The written executive summary is due **February 10, 2012 by 3:00 p.m. in electronic format** and hard copy to the IBIE office, Grawn 164. In addition, the "Intent to Present" form signed by the team members should be included.
3. CMU teams must have their Business Plans reviewed at the CMU writing center prior to **March 1, 2012**.
4. For CMU: The written Business Plan, including all appendices is due **March 16, 2012 by 3:00 p.m. in electronic format** using the SHAREPOINT file and one hard copy to the IBIE office, Grawn 164.
For Michigan Tech: The written Business plan, including all appendices is due March 16, 2012 by 3:00 p.m. in electronic format **and** hard copy to Tanya Maki (tanya@mtu.edu) located in the Dean's Office of the School of Business and Economics found in the Academic Office Building.

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GENERAL:

1. It is participant's responsibility to read and to abide by these rules. Participation in the competition means the participants have read these rules.
2. The CMU College of Business and Michigan Tech reserves the rights to update, add, or subtract from these guidelines at any time and may deny submission of a business plan for any or no reason.
3. In particular, and consistent with the design and purpose of the competition, CMU will evaluate plans based on the criteria identified above and will not accept plans that it deems, in its sole discretion, to be unethical or contrary to local, state or federal law. In addition, CMU reserves the right to reject any business plan for reasons including, but not limited to: The plan, or any part of the plan: is deemed to be in violation of the CMU Code of Ethics; violates any local, state or national law; or does not present sufficient content.
4. **Awards and rewards:** Prize money is granted to the business entity that the winning team forms, e.g. a corporation or LLC. Winning teams have until September 30th of the competition year to form their business entities. If the winning team fails to form the business entity and request the prize money within the specified period of time, the money remains in the competition fund and is not disbursed. Teams and their resultant business entities are responsible for any tax consequences of the prize.
5. Contestants must be willing to participate in subsequent promotional activity for the NVC.
6. Team members must be present for the competition and the awards ceremony to collect the prize money.
7. Competition prizes are intended for plans that the judges believe can become operating businesses of significant economic scale.
8. The competition is for new, independent ventures, start-up or early growth stage development.
9. Previously existing businesses with current sales greater than \$ 10,000 will not be considered.
10. Teams need not have invented the product(s) around which their plans are based, but permission to use the intellectual property involved must be secured from the intellectual property (IP) owner prior to plan submission. Team members should be part of the business structure.
11. Business Plans are encouraged to embrace the Michigan Growth Industries for example:
 1. Alternative energy ideas that focus on the next generation of energy-related products or services
 2. Advanced manufacturing industry ideas that focus on meeting diverse non-technical consumer and business needs
 3. Life science ideas include medical devices, instrumentation, biotechnology, therapeutics, and diagnostics
 4. For more information refer to: www.michiganadvantage.org.
12. **Nature of Ventures.** This competition is for new, independent ventures in the seed, start-up, or early growth stages. Generally excluded are the following: buy-outs, expansions of existing companies, real estate syndications, tax shelters, franchises, and licensing agreements for distribution in a different geographical area. Licensing technologies from universities or research labs are encouraged, assuming they have not been previously commercialized.

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ORAL PRESENTATION:

1. On March 30, 2012, each team will be given 15 minutes to present an overview/summary of its business plan to a judging panel and an additional 15-minute question-and-answer session.
2. Time limits will be enforced.
3. The presentation room will have LCD projectors, screens and a computer.
4. Each team must bring its presentation on a USB memory device and have the presentation saved in the SHAREPOINT file.
5. The order of presentations will be random.
6. Team members may observe other teams' presentations only after they have presented their own plan and been eliminated.
7. Teams named to the final round will present their plans to a different panel of judges in the afternoon using the same presentation format and rules.
8. All team members should be present for each presentation and for the awards ceremony.
9. Teams not in the Final Round qualify for the Pitch competition and should remain available for such.

JUDGING

Judges are asked to evaluate the plans based upon their potential to become a viable venture and will focus on the idea (product, services) it's potential for value creation, the market and marketing strategy, communication, the team & resources, and the financial performance predictions.

In addition, the Social Venture category will focus on "Social Value Creation", is the business model likely to make a substantial contribution to the solution of the issue it seeks to address, and is it sustainable for the period of time consistent with achieving the desired social impact. (See social venture section for more detail)

SOCIAL VENTURE

We **define** social venture entrepreneurship as "innovative solutions to persistent social problems (for example, environmental sustainability, green energy, nutrition, pollution, etc.) that create social value through sustainable business ventures". According to the ISO 26000 standard, sustainability has three components: social, economic and ecological. Sustainable business ventures provide products and services that satisfy the customer, and do so without jeopardizing the environment. In addition, they may enhance the environment as they operate in a socially responsible manner.

The measure of "Best Social Venture" will include criteria such as:

- What is the social value created, and how is it measured?
- What is the "Return on Social Value" investment?
- What is the plan for financial sustainability? What is the source of funding needed?
 - It should be planned to be self-sufficient, whether or not the venture is a commercial business or tax-exempt organization.
- What is the plan for achieving scale that is for replicating the business or expanding it to have the most impact?
 - Scalability looks at the potential for growth of the business and how well the financial and social goals can be scaled.
- If a not-for-profit structure is chosen, what criterion was used in the decision to do it?