



The Yale Venture Challenge Business Model Competition Competitor's Guide

What is the Yale Venture Challenge?

For ten years, the Yale Entrepreneurial Society (YES) has hosted the Yale Venture Challenge (formerly the Y50K), to educate Yale students, faculty, and staff about entrepreneurship and encourage them to create new ventures.

Who is eligible?

All full-time and part-time Yale students, staff, and faculty at all levels of education and from any department are eligible to enter with the exception of YES staff coordinating judging for the competition. Individuals that do not meet this requirement may join or form teams, provided that at least one of the principal contestants on the team is a current Yale student, staff, or faculty member.

Teams are encouraged to seek the involvement of Yale faculty, alumni, post-docs, researchers, staff, students from other schools, and people from outside the Yale community. Entries must be the original work of entrants and may be entered by an individual or a multi-member team. The size of a team is not restricted, and neither is the number of entries submitted by a team or an individual. However, participants in the Yale Venture Challenge are strongly encouraged to only enter one time as this is the most effective way for an individual or team to learn from the Competition process in a focused manner.

Teams that have already secured arrangements for capital from any source must disclose the amounts and sources clearly in their entries. Past entrants have generated capital while in the Competition in the form of sales revenues or contracts, research grants, and personal or family funds. Ventures that have received outside investment from venture capital firms, private investors, or industry sources may be considered ineligible to compete and should contact the competition director.

The organizers and judges of the Yale Venture Challenge reserve the right to disqualify any entry that in its judgment violates the letter or the spirit of the competition guidelines. (This includes Yale students on University approved leave of absence.)

How Do the Prizes Work?

The Yale Venture Challenge rewards all competitors with feedback from qualified judges and offers several prizes (see below). Furthermore, the Yale Entrepreneurial Institute and the Yale Entrepreneurial Society provide additional resources for future enterprise development.

2012 Yale Venture Challenge Prizes

The Yale Entrepreneurial Society is currently in the process of acquiring over \$20,000 in prize money as well as legal advising, meetings with venture capitalists, and other prizes. More information is forthcoming. The winner of the competition will also be fast-tracked to the final round of the MassChallenge competition.

In order to claim a cash prize, a winning team's business must be incorporated. The name of the corporation need not be identical to the name of the Yale Venture Challenge entry and the team's contact person, as listed on the Yale Venture Challenge entry form, must be a director or officer of the corporation.

Elements of an entry:

All parts of the application should be submitted online at YouNoodle.com.

The Registration and one-page Executive Summary should cover the following:

1. **Business concept.** Describes the business, its product and the market it will serve. It should point out what will be sold, to whom and why the business will hold a competitive advantage. (i.e. What are you doing and what's new about it?)
2. **Financial features.** Highlights the important financial points of the business including sales, profits, cash flows and return on investment. (i.e. How are you going to make money?)
3. **Financial requirements.** Clearly states the capital needed to start the business and to expand. It should detail how the capital will be used, and the equity, if any, that will be provided for funding. (i.e. What resources do you need to launch your venture and how will they be allocated?)
4. **Current business position.** Provides relevant information about the company, its legal form of operation, when it was formed, the principal owners and key personnel. (i.e. What skills do you and your team have that will serve this venture?)
5. **Major achievements.** Details any developments within the company that are essential to the success of the business. Major achievements include items such as: test marketing, prototypes, patents, contracts with vendors, partners, and/or early

adopters. (i.e. What milestones, if any, have you achieved already?)

The Business Plan submissions should be 15-25 pages in length. Keep in mind that the judges appreciate brevity and clarity. Yale Venture Competition business plan submissions should include the following components:

1. **Opportunity Statement / Elevator Speech:** How would you describe the business to a potential investor, team member, or customer if you had only a short elevator ride to share together? Use one to three sentences. Do not disclose any proprietary information or technology.
2. **Market Opportunity and Strategy:** What existing problem(s) will you solve with your service or product? What are the primary benefits to customers? What is the level of potential sales of your product or service? How will these sales happen? Who will your first customer(s) be?
3. **Product or Service Concept:** How will you sell your product or service? Where does your revenue come from? Develop a brief concept statement for the product or service that can be shown to potential customers.
4. **Competitive Advantage:** Who will the competitors be? How will your product or service compare to those of your competitors in terms of usefulness, cost, styling, ergonomics, time-to-market, strategic alliance, technological innovations, compatibility with related products, etc?
5. **Team:** Include a paragraph summary of each team member's background applicable to the proposed venture. If the full team is not assembled, include a description of the desired background and skills of the team members remaining to be recruited

Will my entry remain confidential? What about my intellectual property?

In accordance with general practice in entrepreneurship competitions and the venture capital industry, judges are not required to sign non-disclosure agreements. However, as a required component of the Yale Venture Challenge submission, we ask that you submit a name for your business/venture idea and a short (50 words or less) description of your idea – a public non-confidential summary – that may be published by the organizers in promotional materials or press releases. Do not disclose proprietary information about your idea in the short description. The final round presentations will also be open to the public and teams should exercise discretion in the disclosure of sensitive proprietary information.

The competition cannot and will not take responsibility to protect the intellectual property or other rights of the contestants. Teams with a novel product or service may

wish to take the advice of outside counsel as to whether or not to file trademark or patent applications prior to submitting their application.

Deadlines?

First Round	12:00 PM, Friday, March 16, 2012 Business Plan Due
Final Round	5:00 PM, Thursday, April 19, 2012 Live Presentation/Innovation
Summit	

No entries submitted after the deadlines will be accepted. **Teams must electronically submit their Yale business plans online to contact@yesatyale.org**

How Does Judging Work?

A panel of judges from the Yale and New Haven venture communities, including experienced entrepreneurs, venture capitalists, legal professionals, and patent experts read the entries. Judges will be responsible for reviewing and evaluating the First Round business plans. In this process, entries are reviewed by experienced professionals in each of their respective divisions. Each entry is read and rated by a minimum of three judges individually. The scores provided by these judges are tallied to determine which business plans advance to the Final Round. The Final Round teams will present their business ideas to a separate panel of judges during YES's annual Innovation Summit. The judging panel will have reviewed all the Final Round teams' plans in advance. The presentations provide teams with the opportunity to pitch their businesses to the judges in the way they would pitch to a potential investor. Upon listening to the presentations, the judges will confer and select the winners for the cash prizes.

The following are some of the general criteria that may be considered by the judges. These criteria are chosen to mimic those used by industry, private investors, and venture capitalists in evaluating the attractiveness of new venture opportunities:

- feasibility
- high growth potential
- quality and breadth of experience of the team members
- ability to withstand competition
- originality of any new technology
- market leadership potential
- well-defined market opportunity
- written quality of entry

The following questions will also be used as general guidelines for judges in all divisions:

- Is the opportunity as presented both highly attractive and clearly realistic?
- Is the business defensible from competitors?

- What comparisons are there to past success stories that indicate this venture will succeed?
- What is the amount of up-front capital investment required?
- Do the market and financial projections demonstrate that the team understands its business?
- How long will it take from the current stage of development to bring this to market?
- Can this venture achieve a leadership position in the market?
- Has the team gone out to the market already to test its ideas?
- Who will be the first customer(s)?
- Is the team of sufficient breadth, balance, and quality to make its ideas happen?
- Is the team focused on its target market?
- What is the expected time and amount of pay-off to investors? For Social Entrepreneurship entries, what is the expected time and amount of pay-off to the targeted community?
- Is the plan clear and well-written?
- Does the team have the necessary communication skills to present a compelling story?
- What roles will the team members play in the venture?
- Are the team members dedicated to the venture and their roles in the group?
- Does the team have a clear plan for spending the investment money it receives?
- Why is this business going to be around and a real world winner in 5 years?

Most crucially when comparing plans: Which business in 10 years will Yale and YES be most proud of?

Yale Venture Challenge Judging Criteria

Final score = Phase 1 + Phase 2 + Phase 3 + Presentation

Phase 1: Idea Creation & Team Building	
Description of the original idea & assumptions	/10
Summary of the team composition	/10
Initial business model canvass	/15
Lessons learned	/15
Phase 1 subscore	/50

Phase 2: Execution & Advisory	
Discussion of first implementation of idea	/10
Changes to business model canvass	/15

Lessons learned	/15
Description of the advisor/advisory team and functions	/10
Phase 2 subscore	/50

Phase 3: Iteration & Competition			
Description of iteration pivot points and lessons from each pivot point			/25
Lessons learned			/25
Coherence of business model canvass			/15
Quality of business model canvass ideas			/135
	Key Partners	/15	
	Key Activities	/15	
	Key Resources	/15	
	Value Propositions	/15	
	Customer Relationships	/15	
	Customer Segments	/15	
	Channels	/15	
	Cost Structure	/15	
	Revenue Streams	/15	
Phase 3 subscore			/200

Presentation	
Delivery and articulation of presentation	/15
Quality of information contained in presentation	/15
Team coherence and participation	/10
Ability to answer questions & demonstration of entrepreneurial knowledge	/10
Presentation subscore	/50