



Opportunity Quest
The University of Utah Business Innovation Competition

STUDENT COMPETITION PACKET

FOR STUDENTS OF THE UNIVERSITY OF UTAH
Proprietary Information (2009)

**Opportunity Quest
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Opportunity Quest

Opportunity Quest is a business competition open to all students within the University of Utah. The competition fosters and promotes business growth at the college and university level by giving students a chance to organize, direct and present a business idea to a panel of judges. Opportunity Quest provides teams with an educational forum to prepare them for the competition and aid them in the creation and implementation of their business plan.

A cash prize of \$5,000 will be awarded to the team judged to have presented the most plausible and promising business executive summary. The first-place team is also automatically entered as a finalist in the Utah Entrepreneur Challenge. Secondary prizes will also be awarded including cash of \$3,000 and \$2,000 for 2nd and 3rd placing teams.

Opportunity Quest is directed by two students and involves numerous other students as volunteers. The team of directors is advised by a board of corporate professionals, as well as faculty members of the University of Utah. The student directors manage the day to day operations of the program.

Opportunity Quest competition is designed to further enhance the entrepreneurial desire of students. This tremendous undertaking has been made possible by generous support from sponsors, mentors, judges and faculty members of the University of Utah.

Eligibility

Each participating team must be organized and directed by a student at the University of Utah who is enrolled in at least nine credit hours during the Fall semester of the competition (student standing will be verified by Opportunity Quest staff). There are no restrictions regarding other team members and may include students, faculty, family, or professionals and do not need to be residents of Utah. Successful teams have a strong combination of accounting, finance, marketing, and technology skills. Also:

- Teams may present more than one plan; however, each plan must be registered separately.
- The business cannot be more than two years old (as of August of 2009)
- The business cannot have generated revenues in excess of \$100,000
- The business cannot have any external equity funding (VC, Angels, grants...etc)

Even if you do not have an idea, come to the forum and join one of the participating teams. This is an excellent opportunity for students to network and communicate with the business community.

The Competition Process

Round I: Executive Summary

This phase is open to all students. Begin by registering your team online at oq.lassonde.utah.edu. List the team primary contact person's name, phone number, e-mail address, school, and student U number, as well as the names of other team members.

Teams must prepare an Executive Summary addressing fundamental issues of interest to potential investors. It should highlight the most important and interesting elements of the business that lead a potential investor to understand why your venture will succeed. For more specific information about the Executive Summary refer to the section under the heading **The Executive Summary** (pg. 4).

Ten finalist teams will be selected to proceed to Round II based on their Executive Summaries and will be announced via the Opportunity Quest website.

Round II: Final Presentation

Each of the ten finalist teams will present their businesses to a panel of judges. Since the presentation time is limited to twenty minutes the presentation must be well-organized and emphasize only the most important features of the business. For more specific information about the Final Presentation refer to the section under the heading **The Final Presentation** (pg. 6). The \$5,000 grand prize and other final awards will be announced at the annual Opportunity Quest Awards Banquet in February.

The Executive Summary

The Executive Summary is a brief document that should address fundamental issues that would be of interest to potential investors. The summary should highlight the most important and interesting points of your business, which should give potential investors a general understanding of why your venture will succeed (see **Appendix A** (pg. 9) for tips in writing introductory paragraphs).

The Executive Summary must have a cover page listing the company name, primary contact, mailing address, telephone, and e-mail address. The summary should be no more than seven numbered pages in length including the cover page and any financial information or exhibits such as tables, graphs and photos. No compressed type is permitted. Font size must be 12-point and the page must be set with one-inch margins on all sides. Times New Roman font is preferred.

The following suggested organization is based on the judging criteria as outlined under the heading **Judging** (pg. 6).

The Company

Explain the purpose of your business and why your company will be successful. Include a brief history of your company and its current status, including whether the company is publicly or privately held or a start-up. State your company's long-term objectives and strategy (i.e. to go public, to command 10% of the market share after ten years, to reach \$50 million in sales after five years, etc...). If you are currently in business, describe your revenue growth and profitability.

The Product(s) or Service(s)

First, identify specific planned products and projects. Include information about their current status, deadlines, expected product life, and potential revenue. Describe distinctive features and user benefits relative to market needs and the product(s)/service(s) of the competition. Explain any proprietary positions such as copyrights, trademarks, patents, trade secrets, special production processes or technological skills. Discuss pricing and margins both for your product(s)/service(s) and those of your competitors. Carefully consider any governmental regulations and/or environmental issues as well.

The Market and Marketing Strategy

Give a detailed description of the needs in the market that your product(s) / service(s) will satisfy. Consider what market factors or issues are driving the need for your product and identify your consumers. Assess the market size, anticipated growth and any potential changes. Thoroughly assess the competition and their competitive and strategic positions in the market. Explain any unique capabilities that differentiate your company from the competition and that will drive your company's success. Describe your market strategy regarding promotion, pricing and distribution.

The Executive Summary, cont.

Management

Explain the current or anticipated organizational structure of the company and the history of the management team. Provide brief backgrounds of key individuals in your organization including skills relevant to this job, the specific value they add to the company, and past successes and achievements. Assess the synergy between these key individuals and explain why they would be an effective management team. Identify any immediate personnel needs.

Financial Summary

Give a brief history of past investments, if any, and their terms. Specify initial and subsequent funding needs and estimate the timing and nature of expected investor returns. Evaluate, if possible, the returns to investors of similar businesses and indicate an exit strategy (i.e., merger, acquisition, or initial public offering). You must provide realistic projections of sales, revenues, expenses, and income over a three-year period. State and briefly justify the financial assumptions used to generate these projections.

Opportunity Statement – “How you would present your business verbally to a potential customer or investor in less than two minutes? What generated this idea? Why is now the best time to create the business? What will make your business stand out and survive? What is your product or service concept?”

Market Opportunity and Strategy - Who is interested in this product or service? Where is this group of people located? How will you change the lives of your clients? What actions must be taken on your part to ensure public acceptance of your service or product? What initial response do you expect and how will you increase your sphere of influence? What initial proof can you offer to investors and the public that this business will succeed?

Competitive Advantage - Why is your business better than the next one promising the same or similar services or products? How will you protect this advantage? Who are your competitors? What proprietary advantages do you have?

Management Team – Who are you and what is your background? What related experience does your team have? Who have they worked for in the past? What are they doing in the business now? How much have they invested into the business?

Finances – What are the proposed funding needs? How will the money be used? What are your projected revenues for the next three years? If you won money through the contest, how will you use the funds? How will your company generate revenues? What are your gross and operating margins?”

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The Final Presentation

The presentation information does not have to be in any particular order. It is important that you first build enthusiasm for your idea and then prove that you can be successful in the market. A simple, clean PowerPoint presentation is effective. Each team will be responsible to provide any necessary equipment for your presentation. Each team will have ten minutes to present the business and ten minutes to answer questions. If these times are exceeded the team's total score will be reduced accordingly. You will probably not be able to present everything from your Executive Summary. Organize your presentation to emphasize the most important features of your business in the time allotted (see **Appendix B** (pg. 10) for helpful hints and possible evaluation questions).

Judging

The judging panel consists of venture capitalists, lawyers, accountants, entrepreneurs, and other successful and knowledgeable business leaders. Judges will not be affiliated with, or involved in the preparation or funding of, any participating team. The decision of the judge's panel will be final and will not be subject to appeal. The overall selection of winners is based on the viability and likely success of the business.

The Judging Criteria

Both rounds of judging are based on the following weighted system. The weights for the judging criteria were developed by venture capitalists around the country and are indicative of the emphasis that investors place on the various aspects of a business.

The Company — 15%

Product / Service — 15%

Market — 20%

Market Strategy — 20%

Management Team— 15%

Financial — 15%

Total — 100%

Each submission will be scored according to an average of the preceding weights. Each criterion is evaluated in consideration of creativity, effort, communication, and presentation. Since Opportunity Quest is educationally-based, particular attention will be given to the level of student participation in these areas. The top scores will advance to the next round.

Prizes

The Grand Prize, in the amount of \$5,000, will be awarded to the team with the best Final Presentation. Two runners-up will be selected and receive \$3,000 and \$2,000 each. The Prizes will be awarded in cash value during the final award luncheon.

Resources

Online Resource Guide

You will find helpful links to schools, clubs, organizations, venture capital, patent research, publications, trade secrets, and a suggested reading list at our website under *Resources*.

Sample Executive Summary

An executive summary sample is available for review at our website under *Compete*. This can be used as a template or model in preparing your own executive summary.

Calendar of Events and Key Deadlines

All events are designed to give participants a better understanding of specific aspects of planning, implementing and developing a business. The following scheduled events are opportunities to network, learn, and exchange ideas with professionals and with other students. Take particular note of all of the times and the locations of deadlines for submissions.

Student Entrepreneurs Conference

Date: Saturday, November 7, 2009 (9:00 am - 2:00 pm)

Location: Officer's Club

Team Registration Deadline

Date: Friday, December 4, 2009 (midnight)

Online at oq.lassonde.utah.edu under the *Register* page.

Executive Summary Submission Deadline

Date: Friday, December 11, 2009 (midnight)

Top Ten Finalist Announcement

Date: Monday, December 14, 2009 (12:00 pm)

Location: Pierre Lassonde Entrepreneur Center

Meeting of the Minds Luncheon

Date: Friday, January 15, 2010 (12:00-3:00 pm)

Location: Pierre Lassonde Entrepreneur Center

Judging of Presentations

Date: Saturday, January 30, 2010 (by appointment)

Location: Pierre Lassonde Entrepreneur Center

Final Awards Luncheon

Date: Friday, February 5, 2010 (12:30 pm-1:30 pm)

Location: Pierre Lassonde Entrepreneur Center

Confidentiality and Agreements

Opportunity Quest staff and judges that will have access to the student plans will agree to a confidentiality agreement. This agreement is available upon request to the competitors. The judges, experienced venture capitalists, lawyers, accountants, entrepreneurs, and successful and knowledgeable business leaders, express their belief that ideas are only ideas until implemented. The confidentiality agreement includes a non-compete clause for six months after the winners are announced. As a competitor, you are responsible to protect any information concerning your plan that you share with mentors, team members, and fellow participants of the competition. Opportunity Quest takes no responsibility for unwanted disclosure in these instances.

Contestants should be careful about disclosing information concerning proprietary concepts. Although a patent application can be filed in the United States up to one year after the first public disclosure of an invention, many foreign countries do not allow patent applications unless they are implemented before any sort of public disclosure. Competitors concerned about the protection of intellectual property may contact the University of Utah Technology Transfer Office or look up answers to technology protection questions on the Technology Commercialization Office website at www.tco.utah.edu.

Appendix A: The Introductory Paragraph

One of the Finer Points of Writing a Compelling Business Plan

By Devin D. Thorpe

Principal Managing Director, Thorpe Capital, Inc.

One of the most frequent mistakes that entrepreneurs make when writing a business plan is to write an opening paragraph that they think sounds like it came straight out of Business 2.0 or Red Herring. By loading the introduction full of venture and technology jargon, entrepreneurs seem to hope to demonstrate business savvy and instead tend to obscure—sometimes irretrievably—their message.

The message of the first paragraph of a business plan or an executive summary should tell the reader what the business is or will be. The entire business plan will follow that sentence, allowing the entrepreneur to demonstrate substantively his or her expertise, experience and excitement. If some of these elements can be layered into the first paragraph, then great—but don't let color cloud clarity. Compare these two opening paragraphs for a pizza delivery business.

Version 1: Pseudo Red Herring

“SuperRedHotZa.com is a vertical service provider targeting consumers in a strategically defined demographic and geographic niche. Product orders are received via traditional telephonic reception as well as via our proprietary application service provider module in real time over the Internet. Product deliveries are routed via a custom automated scheduling system and are then made by self transported associates in under 30 minutes.”

Version 2: Written for Clarity

“Super Red Hot Pizza sells pizza to students living in and around the University of Utah. Orders are taken over the phone and via the web. Student employees, using their own cars, then deliver orders.”

The key for entrepreneurs is to be sure that anyone who reads the first paragraph will understand it—at least well enough to be able to ask the right questions. Investors are so pressed for time that they may read little else. Make sure that if an investor passes on your plan after the first paragraph, that it is for the correct reasons and not because the investor couldn't guess what business was being pitched.

Appendix B: Helpful Hints and Evaluation Questions

Business Purpose

- Is the business opportunity realistic and presented clearly?
- Why does the opportunity exist and why is now the time to take advantage of it?
- What is the exit strategy?
- Is the team stable and committed?

Product/Service

- What is provided and how will the business work to provide it?
- What steps will you take to make your initial sales?
- How will you protect your property and advantage?

Market

- What is the market size? Trends past and future?
- What has been done to understand the customer?
- Has the team tested their product(s) or service(s) in the market?
- What is the entry marketing plan - customers, marketing and sales effort, products (number of units, sales dollars), growth rate (three year projection).
- What is the selling price?
- Who are the competitors (location, size, products, strengths, weaknesses, age, sales tactics, pricing, financials) and is the business capable of defending itself?
- Is the consumer educated about your service or product? If not, what would it take to do so?
- How long will it take to bring the product(s) or service(s) to market?

Management

- Does the team have a management structure that will be successful?
- What is the commitment level of the founders and what risks or investments have they made?
- Will the founders create obstacles to success?
- Are the titles, responsibilities, salaries, and ownership of founders and team members clear?

Finances

- How much capital is required and is that estimate well founded?
- Does the Business Plan clearly outline the spending of any capital raised?
- What are the expenses? Are they in line with sales and designed to advance the company rather than enrich the founders?
- How long until the company breaks even? Until positive cash flow?

General

- Does the team present themselves clearly?
- Why will this company be successful in 5 years; in 10 years?
- Can this business structure compare to past success stories?

Appendix C: Frequently Asked Questions

Is there a charge to enter the competition?

The OQ is a non-profit organization. No fees or charges are assessed to any participant at any time during the competition.

How large can my team be?

Teams can be of any size. However, the most successful teams in the past have had three to eight members. *(We will only acknowledge five in the ceremonies.)

Can I be on more than one team?

You can be a member of as many teams as you want and may submit as many distinct plans as you want. Be wise in managing your time.

How will my intellectual property be protected?

The OQ directors have taken appropriate measures to ensure the protection of your intellectual property. Any individuals involved in OQ plan will be required to commit to a confidentiality agreement.

How does judging work?

Our eight judges will evaluate all submissions. All executive summaries will be read by all eight judges and ranked on a scale of 0-100. The scores will be averaged among the judges. The top scores will advance to the next round.