

CENTRAL MICHIGAN UNIVERSITY

New Venture COMPETITION

Description and Guidelines
Updated 10-1-18

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GENERAL GUIDELINES OF COMPETITION

It is the participant's responsibility to read and to abide by these guidelines. Participation in the competition means that the participants have read and agree to these guidelines.

While not anticipated, the CMU College of Business Administration reserves the right to update, add, or subtract from these guidelines at any time and may reject the submission of a business if it believes it is in the best interest of CMU.

PURPOSE

The CMU New Venture Competition (NVC) is a program for students enrolled across all colleges at CMU to develop their entrepreneurial mindset, learn business start-up techniques, and develop their business ideas. It is intended for very early stage student business ventures. The NVC provides a transformational experience where students are able to earn start-up funds for their businesses. They have multiple opportunities to connect with experienced entrepreneurs, alumni, business professionals, venture capital experts, angel investors, faculty and community leaders. They work on their business ideas over two semesters, pitch their businesses to experienced professionals, make adjustments and compete to earn/win start-up funds and in-kind services.

During the Fall and Spring semesters, a series of 12 workshops are hosted by CMU's Isabella Bank Institute for Entrepreneurship (IBIE). These are focused on start-up basics using the Business Model Canvas (Strategyzer.com) approach. Teams are encouraged to create minimal viable products and do customer discovery and validation. They have the opportunity to provide a two-minute pitch in the Fall and Spring to gain feedback from professionals.

For the ninth year, we welcome aspiring entrepreneurs from Michigan Technological University to join CMU students to further expand the possibilities for start-up business success in Michigan.

The NVC Competition Day is April 12, 2019. Prizes/Awards are subject to revision. Final revisions will be completed by February 2019.

Anticipated 2019 Start-Up Capital AWARDS/PRIZES

Seed Capital Awards:

Each venture can only receive one of the Seed Capital Awards

David and Janice Underwood Award for Best Overall Venture - \$ 25,000

David and Susan Roberts Family Award for Best Social Venture - \$ 10,000

Best Technology Venture - \$ 10,000

Most Impact on Michigan Venture - \$ 10,000

The Korson Family's Highest Growth Potential Venture - \$ 10,000

Best Lifestyle Venture - \$ 10,000

In-Kind Awards:

Blue Water Angel Mentoring Award

Foster Swift Legal Assistance Award

2 Minute Pitch Competition Awards:

Best Overall Pitch - \$ 1,000

1st Runner Up - \$ 500

2nd Runner Up - \$ 250

Audience Choice Award - \$ 250

NVC Summer Accelerator Awards:

(Awarded to at least one student venture)

\$25,000 Cash Prizes and In-kind Services

NVC Investor Contribution Awards:

Middle Michigan Development Corporation (MMDC) Investor Award -

\$2,000 and In-Kind Services

NVC Alumni Gallery Audience Choice - \$1,000

ENT Fraternity Gallery Audience Choice - \$1,000

Audience Choice Student Gallery Investor Award - \$500

HOW TO ENTER

1. The IBIE uses the "reviewr" platform to manage applications and submissions. To enter, **one individual** from the team must complete the online enrollment form by 11:59 pm EST on December 14, 2018. This becomes your "intent to compete".*
2. The final Executive Summary and Financial Table must be entered into "reviewr" by 11:59 pm EST on February 15, 2019. These documents will be printed in the NVC program book for the day of competition.
3. The PowerPoint "Pitch Deck" for the day of competition is due by 11:59 EST on April 3, 2019 to the IBIE office or email to nvc@cmich.edu.**

*Student teams enrolled in ENT 495, ENT 497, or the MET Program will have until 11:59 EST on February 1, 2019 to submit their enrollment forms.

**Student teams are asked to submit their working Business Model Canvas (BMC) to the IBIE staff and their mentors by 11:59 EST on March 18, 2019 for review and feedback for strategic insights to be integrated in the final pitch deck. Continuously adjusting the BMC throughout the year will help improve teams' executive summary, financial table, and pitch deck.

GUIDELINES and ELIGIBILITY (Check back for updates to this)

1. Team Composition

- a. This competition is for current undergraduate or graduate level Central Michigan University (CMU) students and through invitation to Michigan Technological University students (MTU). The student must be a full-time or part-time student who is pursuing a degree program, and who was and/or is registered at CMU and/or MTU in the Summer 2018, Fall 2018, and/or Spring 2019 semester(s).
- b. The CMU student must have a significant role in the venture, and be part of the business structure. This role should be detailed in the submission. The competition committee (IBIE staff) reserves the right to review this position when questions arise in this regard. Examples of strong evidence of significant roles include but are not limited to: significant ownership (majority or controlling) equity in the venture; and/or a key management role in the venture as evidenced by written agreement.
- c. Leadership: The CMU (or MTU) student must be a leading presenter during the pitch and venture competition presentation. The business venture and documentation must be the original work of the team members. The team is expected to conform to the highest standards of honesty and integrity and comply with CMU (or MTU) Conflict of Interest Guidelines.

2. Team Requirements

- a. Generally, teams should consist of no fewer than two members, and preferably no more than five members.
- b. Teams must work with a mentor/advisor to help them throughout the process.
- c. All CMU teams should have their executive summaries reviewed by the CMU Writing Center prior to February 15, 2019.
- d. Executive summaries must be the original work of the students. Participants may use reference materials.
- e. Team members may be a member of only one team in the competition.
- f. All participants must be willing to participate in a variety of promotional activities related to the NVC, including photos, interviews, and information about their business during the year of competition and subsequent to the competition.
- g. If a CMU (or MTU) employee is to be an officer of a company connected with an NVC team or entry this must be fully disclosed to the CMU Conflict Review Committee prior to March 1, 2019. Such disclosure shall indicate the role the CMU (or MTU) employee will play in the business and how this relates to the employee's CMU (or MTU) responsibilities. Any decision or recommendation made by the Conflict Review Committee with respect to the employee's role in the company shall be final and binding on the team. Deviation from this decision or recommendation or refusal to follow it shall be grounds for disqualification of the team from the NVC.

3. Nature of Ventures

- a. This competition is for independent student ventures in the start-up ideation, early growth or seed stages. It is desired that these have a positive impact on the business environment in Michigan and the USA. Generally excluded, but can be considered 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. Students considering these types of ventures must get written approval from the New Venture Competition Committee prior to February 1, 2019. Licensing technologies from universities or research labs is encouraged, assuming they have not been previously commercialized. Students need to be a significant part of the business structure as noted in team composition.
- b. Early growth or seed stage ventures with any annual **sales** greater than \$50,000 or cumulative sales greater than \$100,000 on or before September 5th, 2018, should not be considered.
- c. Ventures that have received outside financing or institutional funding (award/prize funding, venture capital, private equity, etc.) \$25,000 or greater on or before September 5th, 2018 are not eligible to compete. However, capital raised from insiders (e.g., founders and employees) and grantors (e.g., governmental agencies who make grants to local entrepreneurs) will generally NOT count towards the \$25,000 amount. Students seeking an exception from (or clarification of) this rule should contact the New Venture Competition Committee prior to February 1, 2019.
- d. Consistent with the design and purpose of the competition, CMU will evaluate the business venture plans consisting of an executive summary and financial table based on the criteria presented 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.
- e. Participants must adhere to the requirements of the CMU (or MTU) Intellectual Property Policy and CMU (or MTU) Conflict of Interest Policy, as well as any other CMU (and/or MTU) policies and procedures that may be applicable. Teams that wish to use CMU (or MTU) owned IP must obtain permission from CMU (or MTU) prior to March 1, 2019.

4. Pre-Registration Required

Each team must complete the on-line application form in "reviewr" by 11:59 EST on December 14, 2018.* This indicates the team's intent to participate in the day of competition. (See the IBIE for details on access to "reviewr")

*Student teams enrolled in ENT 495, ENT 497, and/or the MET Program will have until 11:59 EST on February 1, 2019 to submit their enrollment forms.

5. Awards

- a. Award money will be made payable to the business entity that the winning team forms (e.g. a corporation, LLC, etc.) around their winning submission. Winning teams have until **June 15** of the competition year to form their business entity (unless approved in writing by the IBIE). If the winning team fails to form the business entity and request the award money within the specified period of time, the money remains in the competition fund and is not disbursed. (Unless approved in writing by the IBIE). Teams and their resultant business entities are responsible for any tax consequences of the award.
- b. Each team will be required to provide appropriate documentation to receive their award payment which may include W-9 and/or EIN forms. This serves as the team's award agreement. See the IBIE office in Grawn 268 with any questions.
- c. Competition awards and prizes are selected by the judging panel based on their view and the judging criteria among other things.
- d. Team members must be present at the awards ceremony to collect the awards and prizes (unless approved by the IBIE).

DAY OF COMPETITION APPROACH - Friday, April 12, 2019 (approx. 8:30 a.m. - 7:30 p.m.)

Check back for details as these may change

1. The Day of Competition will include:
 - Three rounds to compete for the David and Janice Underwood Award for Best Overall Venture and other NVC Seed Capital Awards
 - 2 minute pitch competition and awards
 - Student Gallery competition and awards
2. During the first three rounds, the team has ten minutes to present an overview/summary of their business venture to a judging panel using PowerPoint slides. The panel provides feedback and asks questions of the team.
3. The pitching round is a two minute pitch (no slides). All competition teams are expected to pitch. The presentation must be student led. Teams who make it to the final round of the competition may pitch during this round if desired, teams that win an NVC Seed Capital Award are NOT eligible to win a 2-minute pitch award (with the exception of the audience choice award).
4. Throughout the day, student ventures will be able to display the company, product, or service in a gallery format where guests and judges have the opportunity to network with ventures and vote for the teams they think are the best. When students are not pitching, a member should be at the gallery table to maximize networking opportunities.
5. All student venture team members must be present to compete in the New Venture Competition (unless otherwise approved by the IBIE).