

# OFFICIAL 2008 YES Y50K CONTESTANT KIT



Yale Entrepreneurial Society

## **2008 Y50K Business Plan Competition**

*YES's Annual Spring Semester Entrepreneurship Competition*

*The 2008 YES Y50K Business Plan Competition is Yale's annual business plan competition for students and faculty looking to start a for-profit business or non-profit organization in one of three divisions – For-Profit, Social Entrepreneurship, or Life Sciences. Now in its 9th year, it has received national publicity and is recognized as one of the country's leading events of its kind!*

*The competition provides large cash prizes, quality feedback from professional judges, excellent mentoring and educational programs, and opportunities for teams to meet and pitch their ideas to top venture capitalists and leading industry professionals. Check out our website to see how you can start your own business!*

**Registration**            **6:00am, Saturday, March 1, 2008**  
**First Round**            **6:00am, Saturday, March 22, 2008**  
**Final Round**            **6:00am, Saturday, April 19, 2008**

**Executive Summary Due**  
**Business Plan Due**  
**Live Presentation**

For more information, visit our website at <http://yesat Yale.org/y50k.php>  
Questions? Email YES's Y2K/Y50K Director at [joseph.walker@yale.edu](mailto:joseph.walker@yale.edu)

## *I. What is the Y50K?*

### **Overview**

The Yale Entrepreneurial Society's spring semester Y50K Business Plan Competition is Yale's annual entrepreneurship competition. It provides a semester-long program of educational, networking, and mentorship opportunities for aspiring entrepreneurs, with the primary objective of new venture creation – getting great ideas out of the dorm room or lab and into the real world. Teams write and present business plans and compete for a total of \$50,000 in cash. The Y50K Competition is designed to encourage students, researchers, and professors in the Yale community to act on their energy, ideas, and talent to create tomorrow's leading firms. The competition awards cash and business startup services to outstanding teams of entrepreneurs who submit business plans for new ventures showing significant business potential.

### **Divisions**

The Y50K is divided into 2 divisions:

- 1. For Profit**
- 2. Social Entrepreneurship:** Teams in this division may be either for-profit or non-for-profit, but they must have a charitable mission and stress social responsibility above any profit motive. Winning Social Entrepreneurship teams should present venture plans that address the needs of the larger community in new and efficient ways – ideas that combine a philanthropic mission with entrepreneurial drive and discipline.

### **Structure**

The competition consists of three steps:

- 3. Registration:** Register by submitting a 2-3 page executive summary featuring the components required in the Y2K. Teams are not eliminated in this round.
- 4. First Round:** Submit an approximately 25-page business plan that fleshes out the business idea in more detail. Business plans are returned with feedback from judges, and a group of finalists is selected.
- 5. Final Round:** Final round teams prepare and present live presentations to panels of judges during YES's Innovation Summit in April. Final round winning teams receive reimbursement prizes for demonstrated expenses after incorporation over the summer.

## *II. What are the prizes for the Y50K?*

The Y50K rewards all competitors with feedback from qualified judges and offers cash prizes (see below) to nine exceptional entries. In addition, the Yale Entrepreneurial Society remains a committed and long-term resource for future enterprise development.

A cash prize of \$50,000 will be split among winning entries as follows:

### For-Profit

- 1<sup>st</sup> Place – \$12,000
- 2<sup>nd</sup> Place – \$7,000
- 3<sup>rd</sup> Place – \$4,000
- Honorable Mention – \$2,000

### Social Entrepreneurship

- 1<sup>st</sup> Place – \$12,000
- 2<sup>nd</sup> Place – \$7,000
- 3<sup>rd</sup> Place – \$4,000
- Honorable Mention – \$2,000

## *III. How are prizes redeemed?*

### **Overview**

The Y50K cash prizes represent the amount of funding the Yale Entrepreneurial Society will reimburse the winning teams for demonstrated expenses incurred as an incorporated and fully operating business. In order to redeem cash prizes, winning Y50K entries must incorporate, submit a completed Y50K Prize Claim Form certifying incorporation, and provide receipts and/or proof of operating expenses up to the maximum prize award. All prizes must be claimed by December 31, 2008. Y50K teams that fail to incorporate or to submit a completed Prize Claim Form or to demonstrate the necessary operating expenses documentation by December 31, 2008 become ineligible to claim their cash prize award.

### **Incorporation**

In order to claim a prize, a team's business must be incorporated. The name of the corporation need not be identical to the name of the Y50K entry, but the corporation must be engaged in the activities described in the team's Y50K entry, and the team's contact person, as listed on the Y50K entry form, must be a director or officer of the corporation.

### **Receipts**

In order to claim a prize, a team must demonstrate that its incorporated business is engaged in the activities described in the team's Y50K submission. A winning team will be reimbursed for demonstrated operating expenses up to the maximum prize it was awarded. Teams must provide receipts and/or proof of operating expenses incurred after April 19, 2008 with their completed Prize Claim Form by the December 31, 2008 claim deadline. Demonstrated expense reimbursements may be made incrementally throughout the claim period (April 19, 2008-December 31, 2008), provided that each receipt is accompanied by a completed Prize Claim Form certifying incorporation.

#### *IV. How does the 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 Day 2 of YES's annual Innovation Summit. The judging panel will have reviewed all of the 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.

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 team
- ability to withstand competition
- originality of any new technology
- market leadership potential
- well-defined market opportunity
- written quality of entry

In addition to these criteria, **Social Entrepreneurship** entries will be evaluated primarily on their overall potential, in the opinion of the judges, to be most socially beneficial. Social Entrepreneurship entries may be **either for-profit or not-for-profit**, but they must stress social responsibility above any profit motive. Winning Social Entrepreneurship plans should present venture ideas that address the needs of the larger community in new and efficient ways – ideas that combine a philanthropic mission with entrepreneurial drive and discipline.

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?
- Will the ego of the founder(s) get in the way of success?
- 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?**

## *V. Who is eligible?*

All full-time and part-time Yale students, staff, and faculty at all levels of education and from any department, registered in the current semester of the Competition (Spring 2008), are eligible to enter. 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 Y50K 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 YES Y2K/Y50K Director, Joe Walker, at [joseph.walker@yale.edu](mailto:joseph.walker@yale.edu).

The organizers and judges of the Y2K Competition reserve the right to disqualify any entry that in its judgment violates the letter or the spirit of the competition guidelines.

## *VII. What do I include in my entry?*

We impose no maximum length on submissions; however, business plans are often approximately 30 pages in length. Keep in mind that the judges appreciate brevity and clarity. Y50K submissions must include the following components:

- 1. Public Summary:** How would you describe your idea to the public? Do not disclose any proprietary information or technology.
- 2. 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.
- 3. 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?
- 4. 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.
- 5. 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?
- 6. 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
- 7. Entry Agreement:** This will be available online at <http://yesatyale.org/y50k.php>. It should be completed and submitted with your entry.

## VII. Will my entry remain confidential?

All submissions will remain confidential. All judges and organizers agree verbally to non-disclosure agreements. 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 Y2K submission, we ask that you submit a title for your business idea and a short (50 words or less) description of your idea – a public 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.

## VIII. Will my intellectual property be protected?

The Yale Entrepreneurial Society (the organizer and sponsor) and the competition judges and other sponsors take all reasonable measures to assure that all contestants retain their rights to their business ideas and intellectual property. The sponsors and judges of the competition include non-Yale organizations that are interested in fostering the entrepreneurial process. Some of these organizations are in the business of working with and investing in the ideas of entrepreneurs. However, co-sponsoring organizations will not have access to the plans and shall make no claim to any of the property or rights. The judges agree verbally to non-disclosure agreements. In accordance with general practice in entrepreneurship competitions and the venture capital industry, judges are not required to sign non-disclosure agreements. The competition cannot and will not take further responsibility to protect the intellectual property or other rights of the contestants.

## IX. When are the deadlines?

|                     |   |                              |
|---------------------|---|------------------------------|
| <b>Registration</b> | <b>6:00am, Saturday, March 1, 2008</b>  | <b>Executive Summary Due</b> |
| <b>First Round</b>  | <b>6:00am, Saturday, March 22, 2008</b> | <b>Business Plan Due</b>     |
| <b>Final Round</b>  | <b>6:00am, Saturday, April 19, 2008</b> | <b>Live Presentation</b>     |

No entries submitted after the deadlines will be accepted. Teams must electronically submit their Y50K executive summaries, business plans, and entry agreements online at YES's new online platform called YESnet. YESnet is available at <http://yesatyale.org/yesnet/>. Instructions for registering your team and submitting your documents on YESnet are available online at <http://yesatyale.org/y50k.php>. First Round winners will be announced on Saturday, April 5, 2008. Final Round winners will be announced at the Y50K Awards Ceremony following morning presentations on Saturday, April 19, 2008, Day 2 of YES's annual Innovation Summit.

## X. Schedule of Events

|         |                                     |  |
|---------|-------------------------------------|--|
|         | <b>Thursday, January 31, 2008</b>   | <b>2008 Y50K Kickoff Event</b>             |
|         | <b>Wednesday, February 6, 2008</b>  | <b>Teambuilder Event</b>                   |
|         | <b>Monday, February 11, 2008</b>    | <b>Business Plan Writing Seminar</b>       |
|         | <b>Wednesday, February 13, 2008</b> | <b>Social Entrepreneurship Event</b>       |
| Week of | Monday, February 18, 2008           | No Events                                  |
| Week of | <b>Monday, February 25, 2008</b>    | <b>Life Sciences Event</b>                 |
|         | <b>Saturday, March 1, 2008</b>      | <b>Executive Summaries Due by 6:00am</b>   |
| Week of | <b>Monday, March 3, 2008</b>        | <b>For-Profit Event</b>                    |
| Week of | Monday, March 10, 2008              | Spring Break                               |
| Week of | Monday, March 17, 2008              | Spring Break                               |
|         | <b>Saturday, March 22, 2008</b>     | <b>Business Plans Due by 6:00am</b>        |
| Week of | <b>Monday, March 24, 2008</b>       | <b>Legal Issues Seminar 1</b>              |
| Week of | <b>Monday, April 31, 2008</b>       | <b>Legal Issues Seminar 2</b>              |
|         | <b>Saturday, April 5, 2008</b>      | <b>First Round Winners Announced</b>       |
|         | <b>Friday, April 18, 2008</b>       | <b>Innovation Summit</b>                   |
|         | <b>Saturday, April 19, 2008</b>     | <b>2008 Y50K Final Round Presentations</b> |

## *XI. For additional information or clarification*

Contact members of YES's Operations Department:

**Y50K Director**

For-Profit Liaison

Social Entrepreneurship Liaison

Life Sciences Liaison

**Joe Walker (joseph.walker@yale.edu)**

Mike Ma (m.ma@yale.edu)

James Zhang (zhuliang.zhang@yale.edu)

Mike Zink (michael.zink@yale.edu)

Check YES's Y50K website (<http://yesatyale.org/y50k.php>) for announcements regarding events, deadlines, resources, and other information.

*This year's competition was a great success with some very high quality entries! We received a total of 39 submissions representing more than 100 participants, and we are awarding a total of eight cash prizes. Congratulations to all the teams on your impressive effort and innovative ideas. Here are the results and the public summaries of the winning teams:*

### For Profit

#### 1<sup>st</sup> jetEye Technologies

jetEye Technologies has created a turbine vibration monitoring system that will increase turbine efficiency and reduce maintenance costs. This technology is highly sought after by the military and aviation industry because it can predict and prevent catastrophic engine failures like the one that caused 111 deaths on United Flight 232. Our proprietary signal processing computer connects to a sensor and interfaces with an engine control system to automatically correct operational anomalies. We expect to realize 100% compounded growth starting in the second year of operations, after an initial year loss of \$130,000.

#### 2<sup>nd</sup> Chromic Décor

Chromic Décor, LLC is redefining standard window shades and blinds. Utilizing material that can accurately adjust the amount of light passing through it, our window coverings elegantly control the ambient light and temperature conditions in a room. Our technology utilizes electrochromic polymers that can change transparency on demand, allowing soft, consistent light to flow through a window at any desired level. This not only gives customers more control of their living spaces but also allows our products to automatically control room temperature, providing the green benefits of energy reduction and helping consumers save money on cooling and heating costs throughout the year.

#### 3<sup>rd</sup> Ideal Energy

Ideal Energy is a start-up power company that sells wind-generated electricity. It will operate wind electric systems installed on the property of commercial farms and sell the electricity generated by the wind turbines directly to the owner/tenants. Ideal Energy will initially focus on the New York State market with headquarters in Buffalo, New York.

#### HM WindCorral

WindCorral is a power company that sells electricity. The Company installs small vertical-axis wind turbines on roofs and sells the clean power they generate. The Company will benefit from state and federal tax credits and subsidies for wind power systems, allowing the sale of power to customers at or below the grid price. Unlike horizontal-axis (propeller) wind turbines, WindCorral's turbines are not tall, and do not require a lot of space to operate. Because of this, WindCorral can install its turbines on any flat roof, and operate in densely developed areas where traditional wind turbines cannot.

### Social Entrepreneurship

#### 1<sup>st</sup> Mangrove Partners

Mangrove Partners seeks to provide domestic microfinance institutions (MFIs) with liquidity to expand the breadth of their lending operations to low-income entrepreneurs. Mangrove channels funds from large institutions to community microlending organizations. By handling the complex and inefficient diligence process involved with investing in small and medium scale microlending organizations, Mangrove enhances the efficiency of capital allocation to underserved areas of the economy.

#### 2<sup>nd</sup> COMMONS,

A contemporary fashion brand with a triple bottom line, driven by a story that appeals to a specific consumer segment that has been identified through research: young, college-educated women with high disposable incomes and a growing awareness of and/or concern for environmental and social issues. An innovative brand to lead the green movement in apparel and become a representative brand for the consumption culture of the early 21st century.

#### 3<sup>rd</sup> The Quaest Foundation

The Quaest Foundation is an umbrella organization designed to establish and support a national network of student-run consulting groups. We strive to help local nonprofits, businesses, and student groups realize their true potential while educating future leaders and problem-solvers in the business and nonprofit worlds.

#### HM Easy Office

Easy Office is an early stage business services firm focused on serving the back-office needs of the non-profit industry. Through in-depth market research of non-profit groups around the country, the Company recognized a market need for an outsourcing firm geared towards non-profits. Easy Office will provide bookkeeping and financial reporting services to non-profits. The Company will focus on creating a nationally saleable model to provide affordable services.