

# OFFICIAL 2009 YES Y50K CONTESTANT KIT



Yale Entrepreneurial Society

## 2009 Y50K Business Plan Competition

*YES's Annual Spring Semester Entrepreneurship Competition*

*The 2009 YES Y50K Business Plan Competition is Yale's annual business plan competition for students and faculty looking to start new business ventures. Now celebrating its 10<sup>th</sup> anniversary, the competition has received national publicity and is recognized as one of the country's leading events of its kind! The competition provides substantial 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 get involved with entrepreneurship on campus!*

**Registration**      **6:00am, Monday, February 9, 2009**  
**First Round**      **6:00am, Monday, March 23, 2009**  
**Final Round**      **9:00am, Friday, May 1, 2009**

**Application & Executive Summary Due**  
**Business Plan Due**  
**Pitch Presentations at Innovation Summit**

For more information, visit our website at [www.yesatyale.org/y50k.php](http://www.yesatyale.org/y50k.php)  
Questions? Email YES's Y50K Director at [alexander.ramey@yale.edu](mailto:alexander.ramey@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 \$54,000 in prizes. The Y50K Competition is designed to encourage the Yale community, in particular students, to act on their energy, ideas, and talent to create tomorrow's leading companies. The competition awards prizes to outstanding teams of entrepreneurs who submit business plans for new ventures showing significant business potential.

### **Structure**

The competition consists of three rounds:

- 1. Registration:** Enter by submitting a completed application and a 1-page executive summary. Teams are not eliminated in this round. Feedback from judges is provided.
- 2. First Round:** Submit a 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.
- 3. Final Round:** Final round teams prepare and present live presentations to a panel of judges during Yale's Innovation Summit. Pitch presentations will be open to the public and all applicants are encouraged to attend.

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

The Y50K rewards all competitors with feedback from qualified professional judges and offers several prizes (see below). In addition, the Yale Entrepreneurial Society and the Yale Entrepreneurial Institute provide additional resources for future enterprise development.

### **2009 Y50K Prizes**

Launch Capital Challenge = \$50,000 Grand Prize\*

LaunchCapital is a national venture capital firm that provides seed funding for businesses in the initial stages of development. LaunchCapital's focus spans multiple industries, including software, consumer products, internet, biotech and energy. Target concepts or companies are those typically needing between \$50k and \$100k in seed capital to begin business development. Launch Capital has offices in several cities across the country, including New Haven, Palo Alto, and Boston. [www.launch-capital.com](http://www.launch-capital.com)

The Grand Prize will be in the form of a loan, the terms of which are governed by a convertible promissory note. The venture team that is chosen to receive the loan will have 30 days following the conclusion of the Competition to accept or decline the \$50,000 note. The note will be provided to the Y50K Final Round Contestants in advance of the pitch presentations at the Innovation Summit.

In addition, there are 4 prizes of \$1,000 each sponsored by the Yale Entrepreneurial Institute (YEI).

Best Business Plan = \$1,000

Best Pitch Presentation = \$1,000

Best Undergraduate Business Plan = \$1,000

Best Social Entrepreneurship Submission = \$1,000

YEI is the umbrella organization for Yale's entrepreneurship competition, which includes YES and the professional school entrepreneurship clubs. YEI manages a 10-week Summer Fellowship program for student entrepreneurs and provides professional mentoring and other support to campus startups. [www.yalestartups.com](http://www.yalestartups.com)

### *III. How are prizes redeemed?*

Launch Capital will announce the winner of the Launch Capital Challenge and the recipient of the \$50,000 Grand Prize at the Innovation Summit. Details and terms of the note will be furnished to Final Round Contestants prior to the Final Pitch. The winning team will have a 30-day window to accept or reject the terms of the convertible note investment. Please note that accepting the \$50,000 Grand Prize is strictly optional and teams are under no obligations or other commitments.

In order to claim one of the four \$1,000 YEI cash prizes, a winning team's business must be incorporated. The name of the corporation need not be identical to the name of the Y50K entry, and the team's contact person, as listed on the Y50K entry form, must be a director or officer of the corporation. The incorporation documentation will then need to be submitted to the Yale Entrepreneurial Institute no later than September 1, 2009 or the team will become ineligible to claim their cash prize.

### *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 executive summaries and Second Round business plans. In this process, entries are reviewed by experienced professionals in the fields represented by the submissions they are reviewing. 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 Yale'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.

Launch Capital will participate in each review process and help determine the Final Round Contestants, from which the winner of the Launch Capital Challenge will be chosen following the Final Round presentations.

Please note that teams who have not been chosen to pitch in the Final Round presentations are still eligible for some of the \$1,000 cash prizes sponsored by YEI, which will be awarded at the Innovation Summit. As a result, all teams entering the Y50K are highly encouraged to attend the Innovation Summit on Friday, May 1<sup>st</sup> 2009. It is possible for one team to win more than one of the four prizes, as the winners are determined by the scored feedback of the Second and Final Round judges.

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

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 (including those on University-approved leave of absence), staff, and faculty at all levels of education and from any department 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 Y50K Director, Alex Ramey, at [alexander.ramey@yale.edu](mailto:alexander.ramey@yale.edu).

The organizers and judges of the Y50K Competition reserve the right to disqualify any entry that in its judgment violates the letter or the spirit of the competition guidelines.

## VI. What are the elements of a Y50K submission?

A Y50K submission consists of 5 elements:

### **Registration**

1. a completed Application, due by 6:00am on Monday, February 9, 2009
2. a 1-page Executive Summary, due by 6:00am on Monday, February 9, 2009
3. a 50-word Public Summary, due by 6:00am on Monday, February 9, 2009
4. a completed Entry Agreement, due by 6:00am on Monday, February 9, 2009

### **First Round**

5. a 25-page Business Plan, due by 6:00am on Monday, March 23, 2009

All five elements of the Y50K entry should be submitted online at [www.yes.studentbusinesses.com](http://www.yes.studentbusinesses.com). The Application is available online at [www.yes.studentbusiness.com](http://www.yes.studentbusiness.com). The guidelines for the Executive Summary, Business Plan, and Public Summary are available in this, the official 2009 Y50K Contestant Kit. The Entry Agreement is available at YES's Y50K website at [www.yesat Yale.org/y50k.php](http://www.yesat Yale.org/y50k.php).

The 1-page Executive Summary should describe the following features of the proposed business. Please try to address as many areas to the extent that you can.

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?)

As a required component of the Y50K 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 Business Plan should be no more than 25 pages in length. Keep in mind that the judges appreciate brevity and clarity. Y50K business plans 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

### **VII. Will my entry remain confidential?**

In accordance with general practice in entrepreneurship competitions and the venture capital industry, judges are not required to sign non-disclosure agreements. Remember not to disclose proprietary information about your idea in your Public Summary. The Final Round pitch presentations at the Innovation Summit will be open to the public and teams should exercise discretion in the disclosure of sensitive proprietary information.

### **VIII. Will my intellectual property be protected?**

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.

### **IX. When are the deadlines?**

<b>Registration</b>	<b>6:00am, Monday, February 9, 2009</b>	<b>Application and Executive Summary Due</b>
<b>First Round</b>	<b>6:00am, Monday, March 23, 2009</b>	<b>Business Plan Due</b>
<b>Final Round</b>	<b>9:00am, Friday, May 1, 2009</b>	<b>Pitch Presentations at Innovation Summit</b>

No entries submitted after the deadlines will be accepted. Teams must electronically submit all of their Y50K materials, including their executive summaries and business plans, online at YES's new online Y50K platform provided in conjunction with StudentBusinesses.com. The online application and submission system is available at [www.yes.studentbusinesses.com](http://www.yes.studentbusinesses.com). Instructions about submitting your documents, information about the Competition, and other resources are available on YES's Y50K website at [www.yesat Yale.org/y50k.php](http://www.yesat Yale.org/y50k.php). Final Round Contestants will be announced on Monday, April 20, 2009. Final Round Winners will be announced at the Y50K Awards Ceremony following pitch presentations on the morning of Friday, May 1, 2009 at Yale's annual Innovation Summit.

## X. Program Schedule

Week of	Monday, January 26, 2009	Info Session
Week of	Monday, February 2, 2009	Y50K Program Educational Seminar
	<b>Monday, February 9, 2009</b>	<b>Executive Summaries Due by 6:00am</b>
	Tuesday, February 10, 2009	Business Plan Writing Seminar
	Wednesday, February 11, 2009	Dinner/talk with Seth Sternberg, CEO of Meebo
Week of	Monday, February 16, 2009	Y50K Program Educational Seminar
Week of	Monday, February 23, 2009	Y50K Program Educational Seminar
	Monday, March 2, 2009	Judge Feedback on Executive Summary Returned
Week of	Monday, March 2, 2009	Y50K Program Educational Seminar
Week of	Monday, March 19, 2009	Spring Break
Week of	Monday, March 16, 2009	Spring Break
	<b>Monday, March 23, 2009</b>	<b>Business Plans Due by 6:00am</b>
	Wednesday, March 25, 2009	BioHaven Life Sciences Entrepreneurship Lecture
Week of	Monday, March 30, 2009	Y50K Program Educational Seminar
Week of	Monday, April 6, 2009	Y50K Program Educational Seminar
Week of	Monday, April 13, 2009	Y50K Program Educational Seminar
	<b>Monday, April 20, 2009</b>	<b>Final Round Contestants Announced</b>
	<b>Friday, May 1, 2009</b>	<b>Final Round Pitch Presentations at Innovation Summit</b>

\* Program schedule is subject to change. Check [www.yesatyale.org/y50k.php](http://www.yesatyale.org/y50k.php) for latest schedule and updates.

## XI. For additional information or clarification

Contact YES's Y50K Direct, Alex Ramey, at [alexander.ramey@yale.edu](mailto:alexander.ramey@yale.edu)

Check YES's Y50K website at [www.yesatyale.org/y50k.php](http://www.yesatyale.org/y50k.php) often for announcements regarding events, deadlines, resources, and other information.