

	<h2>Official Rules</h2>	
REGULATION		MC-BD-FO-1229v00

# The McAllen Business Plan Competition - Official Rules – 2021

The competition is intended to simulate the real-world process of entrepreneurs soliciting start-up funds from early-stage investors and venture capital firms. The judges' function as venture capital investors deciding on which business venture they would most likely fund. The quality of the idea, the strength of the management team, and the clarity and persuasiveness of the written plan and oral presentation, all influence the judges' decisions. Ultimately, the winning team should be the team in which the judges would most likely invest money.

## GENERAL INFORMATION

1. All business plans must be the original work of the entering individual or team.
2. For the Business Plan Competition, a team is composed of one leader and up to 2 members.
3. Applicant, including any persons named in the application form, may not submit or be a participant in more than one application.
4. At least one member of the team must be a resident of the City of McAllen.
5. Applications, executive summary and the business plan may not be sent by mail or facsimile.
6. The Business Plan Competition judging panel and its administrator have the sole right to alter, amend, or supplement at any time and from time to time the rules, regulations, terms and conditions regarding the Business Plan Competition.
7. All decisions regarding the Business Plan Competition, including the selection of the winner, are at the sole discretion and judgment of the Business Plan Competition judges whose decisions in each case are final and may not be appealed.
8. Each contestant shall release and hold harmless the Business Plan Competition, its Administrator, Selection Committee, Participants, and all others associated with or assisting with the Business Plan Competition from any and all matters regarding the Business Plan Competition.
9. Each team must authorize the McAllen Chamber of Commerce to conduct a credit check report and background check of the team's leader. The credit report and background check will not be reviewed by the entire selection committee.
10. If there are no acceptable business plans, the Business Plan Competition judging panel in its sole discretion reserves the right to declare no winner and to not award the prize package to any contestant.
11. All businesses must be located or planned to be located in the McAllen area.



12. The following businesses are not considered eligible for the competition: tobacco production, hard liquor production, casinos or other gamble ventures, fur production, currency speculation, securities investment, speculative industries, adult entertainment related industries, buy-outs, expansions of existing companies, real estate syndications, tax shelters, licensing agreements or other arrangements for distribution in a different geographical area, relocations, and multilevel marketing ventures; the Competition Administrator may exclude other ventures at his/her discretion.
13. All entrants must be 18 years or older.

**Process description:** An Executive Summary should be turned in by the deadline established. A panel of judges will review the executive summaries and will select two or more projects for Round 2. Round 2 will consist of submitting a full business plan by the selected projects. Selected projects will also need to make a 10-minute oral presentation followed by a 10-minute round of Q&A. Judges will select only one winner based on both the business plan and the oral presentation.

## **EXECUTIVE SUMMARY GUIDELINES**

The executive summary must be **limited to 4 pages** of typed text; double-spaced with a minimum 12 font using Arial type and 1" margins on all sides, plus a cover page. The cover page is NOT included in the 4 pages.

The **Executive Summary** will be judged using the following criteria:

### **1. Company Overview**

- Describe what you do and why you do it
- Briefly mention the most important elements of your company

### **2. The Problem**

- Establish the need for the solution
- Justify the need; why should you attempt to solve the problem

### **3. The Solution: Your Product/Service**

- Describes product/service in plain language
- Provides evidence that the product/service is technically and economically feasible
- Identifies unique features and benefits
- Identifies product/service liabilities and potential solutions

### **4. Market and Competitive Analysis**

- Defines current size and growth potential of the targeted market and industry
- Discusses market trends
- Describes competitive advantages of the product/service
- Identifies direct, indirect, and future competition (types, not specific companies)
- Types of business that compete with yours



## 5. Path to Market and Sales Strategy

- Describe the sale strategy
- Describe the pricing strategy
- Describe the marketing strategy
- Business Model

## 6. Management Strength

- Demonstrated management experience
- Past business success
- Demonstrated experience in the field
- Educational/professional certification, etc.

## 7. Who's in your team

- Who's working with you and their roles?

## 8. Accolades

- Milestone achieved
- Investment highlight
- Grants or awards obtained

## BUSINESS PLAN GUIDELINES

The business plan must be **limited to 20 pages** of typed text; double-spaced with a minimum 12 font using Arial type and 1" margins on all sides plus a cover page. The cover page is NOT included in the 20 pages. No spiral or similarly bound (report covers, fastening folders, ring binders, paper clips and staples) will be accepted.

The **Business Plan** will be judge using the following criteria:

### 1. Executive Summary (Score: 10 points)

Criteria:

- Abstract – Introduction, material and methods, results
- Problem Solution – Situation, problem, solution, evaluation
- Clear, concise and coherent

### 2. Company Overview (Score: 5 points)

Criteria:

- Nature of business
- Business legal status
- Products or services offered



- Marketplace which is aimed to fulfill
- Target customers
- Future outlook

### **3. Products or Services (Score: 10 points)**

Criteria:

- The solution is relevant for the customer
- The solution has a value added
- Potential to profit

### **4. Competitor Analysis (Score: 10 points)**

Criteria:

- Identify direct and indirect competitors
- Comparison in between competitors
- Competitive position

### **5. Sales and Marketing Plan (Score: 10 points)**

Criteria:

- Define target market (demographics, demand, purchase motivation)
- Pricing strategy
- Stablish a budget
- Designate measurement criteria and objectives
- Define marketing strategy

### **6. Path to Market (Score: 5 points)**

Criteria:

- Evaluate distribution landscape
- Identify the strongest distribution channels
- Analyze potential partnerships

### **7. Management (Score: 10 points)**

Criteria:

- Demonstrated management experience
- Past business success
- Demonstrated experience in the field
- Educational/professional certification, etc.

### **8. Financial Highlights (Score: 10 points)**

Criteria:

- Amount and justification of grant requested
- Accurate and complete historical financial statements
- Previous income statements and balance sheet (annual basis)
- Explain any abnormalities in your historical financial statements (if needed)



## 9. Risk Factors (Score: 5 points)

Criteria:

- Identify problems that might occur on the development or growth process
- Clarify industry, company or employee risks
- Exit strategy

## 10. Job Creation (Score: 5 points)

Criteria:

- Number of jobs to be created
- Wage level – amount of salaries, benefits, etc.
- Skill level for new position and any special education requirements

## 11. Viability (Score: 10 points)

Criteria:

- Upstart funds
- Timing
- Continuing cash flow
- Market size
- Competitive landscape

## 12. Competitive Advantage (Score: 10 points)

Criteria:

- Product or service provides a value added
- Trade secret or patent
- Uniqueness of idea

## SUBMISSION

1. Each applicant must submit the following in person to the McAllen Chamber of Commerce at 1200 Ash Ave., McAllen, TX or online no later than 4:00 p.m. (CST) on June 4, 2021:

Documents **may not** be sent electronically, by mail or facsimile.

- The filled-out **application form**
- The **Executive Summary** (following the guidelines stated in this document)
- The Agreement of **Background and Credit Check Release Form**

If the project is selected, the team or individual will be given a new deadline to submit their full business plan. Also, they will have 10 minutes to present their proposal, followed by up to 10 minutes of Q&A by the judging panel on a selected day. The team is allowed to use an electronic presentation. Projection equipment will be provided.

## JUDGING CRITERIA AND PROCESS

The judging criteria are those of a venture capitalist; simply, how likely are the judges to invest capital into your business?



Selection round. Judges will review the executive summaries using the judging criteria individually. Then, as a group, the panel will vote on which projects are more appealing for investment and decide which ones they will like to continue to the next round.

Presentation round. Judges will review the written business plans of each of the finalist using the business plan judging criteria. Each judge will listen to and evaluate the oral presentations and record their assessment of the presentation. This round will be a 10-minute oral presentation with 10 minutes for Q&A by the panel of judges.

The quantitative assessment provided by the business plan judging criteria is only meant to serve as a guide to the judges for ranking the teams. They will vote to select a winner based on where judges would invest money.

Judges' decisions are final and not subject to negotiation or appeal.

## CONTACT INFORMATION

For more information about the awards or its rules, please contact the award administrator outlined below:

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