

FOURTH ANNUAL YOUTH BUSINESS SUMMIT

**BUSINESS
PLAN
COMPETITION**

THIS YEAR'S THEME:

College, Career, Life: Making the Pieces Fit



SORRELL

College of Business

TROY UNIVERSITY



2020

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BUSINESS PLAN COMPETITION

College, Career, Life: Making the Pieces Fit

**Come Up With a Great Business Idea, and Tell Us
How YOUR School's Team Can Make It Happen!**

Purpose

The purpose of the Business Plan Competition is to challenge student teams to persuade a panel of entrepreneurs that they have the talent to create a real business, and to learn the purpose of being socially responsible in business, while also helping students to:

- Communicate effectively through printed media
- Integrate creativity into solutions
- Understand how business dynamics affect the community
- Develop team-building competencies
- Show leadership by motivating and persuading others
- Set goals and follow through

Competition Overview

Each school may send a 5-person team to participate in the Business Plan Competition at the Youth Business Summit. First, submit an abbreviated business plan. Later, if selected, pitch the plan to our entrepreneur panel. High-school students in all grades are eligible to represent their school in this competition. In the pitch, finalist teams will professionally explain their business ideas using the guidelines provided in this document.

*This year, we will recognize one school for strong turnout and competitive participation as **TROY Champion**.*

Step 1: Develop Your Business Idea

Using the guidelines in this document, your team will sketch out a basic business plan by focusing on all key facets of a standard business plan, which include the following:

1. Title page and contacts.
2. Executive summary.
3. Business description.
4. Market strategies.
5. Competitive analysis.
6. Design and development.
7. Operations and management.
8. Compliance and ethics.
9. Social responsibility.
10. Appendix (*e.g.*, pictures).

These facets are the parts of the paper version of the plan, which the team submits in advance via email (Deadline: **Thursday, April 16, 2020**). The top 3 teams will be notified via email on Monday, April 20, and these three teams must then prepare a 12-minute pitch to present to the panel of entrepreneurs, who will select the best one. The PowerPoint presentation accompanying the pitch will include one slide for each item listed above.

BUSINESS PLAN COMPETITION

In a Nutshell, Your Pitch Will Include These Components:

TEAM SELF-INTRODUCTION	Who are you? What motivates you?	DESIGN & DEVELOPMENT	How will you get started? What will your budget be?
EXECUTIVE SUMMARY	What will you sell? How will you sell it?	OPERATIONS & MANAGEMENT	How exactly do you make it? What does it cost to make it?
BUSINESS DESCRIPTION	What is the need? How will you meet it?	COMPLIANCE & ETHICS	How are the legal issues? What is your code of ethics?
MARKET STRATEGIES	Who will buy it? What motivates them?	SOCIAL RESPONSIBILITY	What charitable activity will your company promote?
COMPETITIVE ANALYSIS	Who else is doing something like this?	PHOTOS OR ILLUSTRATIONS	Helpful images to clarify key elements of your plan.

- Consider the kinds of productive activities that you really like. Great entrepreneurs never just seek to make money; they find what they like to do and make it profitable.
- Identify the need for your product or service. A need is evident when: (a) no one else is making the product or service available in the same way or in the same place; and (b) people would rather pay money for the product or service than do without it.
- Starting a new business does involve some guessing. Will people really buy it? But for entrepreneurs, the uncertainty is exciting. Entrepreneurs are bold and creative.

Step 2: Write Your Abbreviated Business Plan

- A team of five students from each participating school will draft and pitch an abbreviated business plan on an idea for a new business (see schedule below).
- Make your business idea interesting and innovative, even if simple and inexpensive to implement, while maintaining good taste, class, and professionalism. Be creative!
- Every business faces the same set of fundamental operational considerations, but the approach to doing so may vary considerably from one business to the next. Likewise, every business faces its own unique challenges, structural needs, resource constraints, audiences, and inspiration. Some businesses make products, others offer services, and still others just bring products or services to people. Allowing for such differences, prepare the following three pieces of your complete package for the competition:
 1. Abbreviated business plan (submit before event day): Organize your business plan based on the guidance in this document, but personalize it to reflect your own choices of emphasis and interpretation. Adapt the plan to the concept!
 2. PowerPoint presentation (have ready on event day): Prepare a slide for each of the 10 sections of the abbreviated business plan shown in the nutshell schematic above. Add images, photos, or illustrations as you see fit.
 3. The pitch (practice before event day): Prepare a script with the PowerPoint presentation, and practice! Decide who will say what, and when. Critique yourselves. Adjust as needed. Be ready to answer questions from the panel!

BUSINESS PLAN COMPETITION

Guidelines for Judging the Business Plan Competition

A. The Written Plan – *judged by the faculty of the Sorrell College of Business*

First Impressions	Overall, how well does the business plan capture the judges' imagination and draw them to its concept?	(1 to 5 points)
Content	Does the business plan offer evidence of added value, beyond what other businesses are currently doing?	(1 to 5 points)
Presentation	Is the business plan professional in tone? Does the plan reflect careful writing, editing, and formatting?	(1 to 5 points)
Problem Analysis	Does the plan effectively articulate the need for the product or service, as well as the solution?	(1 to 5 points)
Research	Does the plan reflect serious research into the need for the product or service to justify it?	(1 to 5 points)
Details of the Plan	Does the plan effectively close the gap between what is currently available to the target market and what the market needs or wants? Does it include strategies for informing the market of its value proposition?	(1 to 5 points)

B. The Pitch – *judged by a panel of entrepreneurs and business leaders*

First Impressions	At first glance, how well does the team capture the judges' imagination and draw them to their idea?	(1 to 5 points)
Content	How does the business propose to add value, beyond what other businesses are currently doing?	(1 to 5 points)
Presentation	Is the team professional in demeanor? Do the visuals complement rather than repeat the team's message?	(1 to 5 points)
Problem Analysis	How effectively does the team articulate the need for the product or service and the solution to that need?	(1 to 5 points)
Research	How seriously does the team appear to have researched the need for the product or service to justify the business idea?	(1 to 5 points)
Details of the Plan	How effectively does the team close the gap between what is currently available to the target market and what the market needs or wants? Does the team offer strategies to publicize its value proposition?	(1 to 5 points)

Scoring Criteria

1	2	3	4	5
Falls clearly below expectations	Almost meets expectations	Meets expectations	Exceeds expectations	Defines the standard

BUSINESS PLAN COMPETITION

Schedule for the Business Plan Competition

Date	Event
January 31, 2020 FRIDAY	<p>Schools receive Youth Business Summit packets and register for the competition online.</p> <p>Each school forms a 5-person student team through whatever process it chooses (<i>e.g.</i>, by holding preliminary school competitions, selecting a team of outstanding students, or soliciting volunteers).</p> <p>Students begin selecting a business idea, researching it, and outlining their plan. One business plan submission per school.</p>
February 1 to April 15, 2020	<p>Students continue crafting or refining their business plan, working on the PowerPoint presentation, and rehearsing their pitch.</p> <p>Time limit for the pitch is 12 minutes, including answering questions. Students should plan for 9 minutes of actual presentation and save 3 minutes for possible questions.</p>
April 16, 2020 THURSDAY 11:59 p.m. CT	<p>Deadline for faculty points of contact at participating high schools to submit team information (proposed business name and team member names), plus completed business plan, to:</p> <p style="text-align: center;">dothanscob@troy.edu</p>
April, 20, 2020 MONDAY 12:00 p.m. CT	<p>The Top 3 Business Plans will be selected by Business Plan Committee and will be notified via email. These teams will prepare a 12-minute pitch to present on May 5, 2020 at the Youth Business Summit at 10:00 a.m. in front of a panel of local entrepreneurs.</p>
May 5, 2020 TUESDAY	<p>Fourth Annual Youth Business Summit Troy University, Dothan Campus</p> <ul style="list-style-type: none">• 8:15 a.m. – Students begin checking in at Troy University in Dothan (check in by 8:50 a.m.).• 9:35 a.m. – Business plan pitch competition (venue as printed in program). Ends at 10:30 a.m.• 12:50 p.m. – Keynote Speaker & Awards Ceremony for all three competitions, plus TROY Champion Award.

*Remember: The Youth Business Summit is hosting **three** competitions this year:*

- *Business Plan*
 - *Financial Investment*
 - *Social Media Marketing*

*To compete for **TROY Champion**, make sure each competitive team consists of a different group of students!*

—APPENDIX A—
CONCEPT AND PROCEDURAL DETAILS

CONCEPT

Each team submits a business plan to the Sorrell College of Business in advance. Faculty members in the Sorrell College of Business select up to five teams (one from each school), based on the quality of the plans, to enter the pitch competition. On event day, the team quickly presents, or *pitches*, the plan to a panel of entrepreneurs.

PROCEDURE

Deadlines are as shown in the *Schedule* section of this document.

Teams: Each participating school forms a team of five students, by whatever means desired (*e.g.*, preliminary school competition, selecting a team of students interested in business, or soliciting volunteers). Team members may organize their work and divide tasks and responsibilities among themselves as they see fit. Each school's faculty point of contact submits team information (proposed business name and team member names), plus the abbreviated business plan, to:

dothanscob@troy.edu

Judging the Plan: Prior to the event, faculty members in the Sorrell College of Business judge each plan's quality (see *Guidelines for Judging* in this document). The faculty select teams from up to five different schools to enter the pitch competition. They notify each high school's faculty point of contact if its team has made it into the finals. Teams that make it into the finals should be ready to deliver their *pitch* on event day.

Pitching the Plan: Each finalist team has 12 minutes (including answering questions) to pitch its plan, with the help of PowerPoint, to a panel of entrepreneurs, who are different from the faculty members who have evaluated the written plans. The judges have paper copies of each team's business plan, as submitted prior to the event.

Evaluating the Pitches: After the pitches, the judges will deliberate in secret and rank the teams based on a combination of the quality of the pitch, viability of the business idea, and professional refinement of the PowerPoint presentation (see *Guidelines for Judging* in this document).

Scholarships: Troy University will award scholarships to the winning school.

—APPENDIX B—
CREATING YOUR BUSINESS PLAN

INTRODUCTION

Your business plan will be short, but the thought behind each section will be deep. While you are delivering your pitch, you will want to have done the deep thinking so that the business concept becomes natural to you rather than something that you have to read to remember. That way, it will be easy to answer any questions that come from the judges.

WHAT IS A BUSINESS PLAN?

A business plan is a document that entrepreneurs prepare if they want to start a business, or else to formalize a business that they are already managing. Business plans show people that you are serious about your business. Banks want to see them before loaning you money for your business. Only the creators of a business can write their own business plan. They cannot ask other people to write them, because then they would have no real idea of what makes their businesses work. In that case, they are not really entrepreneurs at all. Entrepreneurs create new businesses with the power of their minds. When they write business plans, they sharpen their minds in the details of the business.

Thus, the very process of writing a business plan disciplines you to think a lot about your business, leaving nothing to chance. By the time you finish the plan, you are the real expert about your business, just as you should be. Once that happens, when people ask you anything about your business, you are able to answer quickly and accurately, without having to think very much about it. This is the ideal way to present yourselves in the pitch competition. Therefore, the more serious thinking you do before the pitch competition, the better you will do on event day.

Unlike normal business plans, yours will be extremely short. Appendix C shows a sample of a very short business plan, like yours will be. Later in life, feel free to write a longer one, but for the competition, short is good.

ELEMENTS OF A BUSINESS PLAN

Title Page and Contacts. Provide the name of your business and the names and positions of the team members. Be creative and colorful.

For the pitch, this is the title slide. Introduce yourselves to the judges, and tell them what excites or motivates you about this business idea.

PLAN		PITCH	
TITLE PAGE & CONTACTS	Business name, names of team members.	TEAM SELF- INTRODUCTION	Who are you? What motivates you?

—APPENDIX B—
CREATING YOUR BUSINESS PLAN

Executive Summary: Tell the reader about your business as a whole. What product or service will your business sell? How will you sell it? Then give a brief summary of each element of your plan.

For the pitch, this will be your summary slide, with just a few lines per part of the business plan. Without reading the slide, just tell the judges what you will sell and how you will sell it. You can let them read the slide for themselves. That way, you are minimizing repetition between the slides and what you are actually saying.

PLAN		PITCH	
EXECUTIVE SUMMARY	Entire business plan in a nutshell.	EXECUTIVE SUMMARY	What will you sell? How will you sell it?

Business Description: First identify your industry (*e.g.*, shoes, pet care supplies, food products, soft drinks, software, printing services, cosmetic services, food services, automobile maintenance services, communication services, or delivery services). In short, discuss what is happening in the industry, such as how fast it is growing. Then describe the need in the market that you are meeting, and how you intend to meet that need.

For the pitch, refer to the same facts and issues as in the business plan. Explain how your company is different from other companies that might be trying to do approximately the same thing.

PLAN		PITCH	
BUSINESS DESCRIPTION	Same as in the pitch. →	BUSINESS DESCRIPTION	What is the need? What is your solution?

Market Strategies: Describe the kinds of people that you will serve in your business. Think of what motivates them and why they will choose you over others. Explain what marketing channels you will use to reach out to them (*e.g.*, television, radio, social media, or word of mouth).

For the pitch, refer to the same facts and issues as in the business plan. Be sure to describe the customer (*i.e.*, the market) in terms of motivation rather than category (*e.g.*, “We will serve people who are looking for...”).

PLAN		PITCH	
MARKET STRATEGIES	Same as in the pitch. →	MARKET STRATEGIES	Who will buy it? What motivates them?

—APPENDIX B—
CREATING YOUR BUSINESS PLAN

Competitive Analysis: Identify other companies that offer the same or a similar product or service as you intend to offer. Then explain how your company is different (*e.g.*, different location, different way of delivering, or some other kind of distinctive, value-adding proposition).

For the pitch, refer to the same facts and issues as in the business plan. Be sure to find at least two or three competitors to mention, even if they are only indirect competitors (which, if so, is an advantage to you!).

PLAN		PITCH	
COMPETITIVE ANALYSIS	Same as in the pitch. →	COMPETITIVE ANALYSIS	Who else is doing something like this?

Design and Development: For this part, explain how you will *start* the business, especially the starting budget (just the main budget areas—no need for too much detail in a very short business plan). Your budget will depend on how you have described your up-front needs (*e.g.*, a building, equipment, up-front marketing to get the word out, materials to make your product or deliver your service, and maybe some employees), to get the business up and running.

For the pitch, show the summary budget on the PowerPoint slide, and tell the judges what you will need and why.

PLAN		PITCH	
DESIGN & DEVELOPMENT	Same as in the pitch. →	DESIGN & DEVELOPMENT	How will you get started? What will your budget be?

Operations and Management: Now explain how you will actually *run* the business, especially the annual budget. This time, your budget is going to depend on how you have described your expected *ongoing* needs (*e.g.*, rent, utilities, equipment maintenance, ongoing marketing, ongoing need for materials, and maybe some employees) to keep the business running. Your expected revenues must supply the needed income for this budget.

For the pitch, show the operating budget on the PowerPoint slide, and tell the judges how you picture running the company for the first year or so.

PLAN		PITCH	
OPERATIONS & MANAGEMENT	Same as in the pitch. →	OPERATIONS & MANAGEMENT	How exactly do you make it? What does it cost to make it?

—APPENDIX B—
CREATING YOUR BUSINESS PLAN

Compliance and Ethics: Describe the main local, state, or federal laws or regulations with which you must comply (*e.g.*, FTC, OSHA, FDA, IRS, or FCRA). Generally describe a code of ethics that you will follow.

For the pitch, focus mainly on just a few laws and regulations with which your business must comply. Then describe your code of ethics by talking about your company’s belief in the importance of fairness, honesty, and treating customers, employees, and other stakeholders well.

PLAN		PITCH	
COMPLIANCE & ETHICS	Same as in the pitch. →	COMPLIANCE & ETHICS	How will you protect yourself? What is your code of ethics?

Social Responsibility: Select a charitable cause to which your company will regularly contribute, whether monetarily or by sending employees to volunteer. Describe how you intend to make it happen each year.

For the pitch, refer to the same facts and issues as in the business plan. Emphasize why the selected charity is important to your team.

PLAN		PITCH	
SOCIAL RESPONSIBILITY	Same as in the pitch. →	SOCIAL RESPONSIBILITY	What charitable activity will your company promote?

Appendix: Add any supplemental or technical details (statistics, graphs) that you think should be in the business plan, just in case someone wants to see them. Also add any images (*e.g.*, photos of the product, equipment, or place of business) that may help clarify anything that you have described in the business plan.

For the pitch, use this opportunity to provide an image or two that you think the judges will appreciate. Be sure to consider putting images on other slides in the PowerPoint presentation as well, along with your words.

PLAN		PITCH	
APPENDIX	Technical details and useful images.	PHOTOS OR ILLUSTRATIONS	Helpful images to clarify key elements of your plan.

BidTone

A Safe Alternative to
Online Auction Websites

—Abbreviated Business Plan—

Contact Information:
Zhihang Cai, CEO
721 Westwood Blvd.
Dothan, AL 36301
(334) 733-7721
zcaib@BidTone.com

The BidTone Business Team:
Zhihang Cai
Sheryl Crowe
Samuel Taylor
Marcia Clark
Anthony Hopkins

—APPENDIX C—
SAMPLE BUSINESS PLAN

EXECUTIVE SUMMARY

Business description: BidTone is an online auction website for safe buying and selling with revenues coming from commission fees.

Market strategies: Our target market is customers who want fun while buying and selling and sellers who want security. Marketing will focus on social media and online advertising.

Competitive analysis: Our competitors are mainly eBay, Alibaba, and Amazon. We will be different because of the entertainment value of our service. Customers will have fun.

Design and development: BidTone needs \$3,000 to start, for a computer, Internet access, domain name, web host server, and initial advertising. We should break even in one year.

Operations and Management: We will especially make the platform easy to use. Users can save their buying and selling preferences for future use. We will also offer buyers' insurance.

Compliance and ethics: Our main regulator is the Federal Trade Commission. Our code of ethics will address ethics for company staff, ethics for buyers, and ethics for sellers.

Social responsibility: We will contribute to Habitat for Humanity by letting our employees help build homes while earning their pay.

BUSINESS DESCRIPTION

Industry: Online bid-based competitive auctioning, similar to what eBay does.

Business: BidTone is an online auction website that offers safe selling and buying of products and services. BidTone will operate based on per-transaction commissions and will provide security, quality customer service, and a user forum and messaging system.

Notice: Each part after the Executive Summary is an expanded version of what is in the Executive Summary.

MARKET STRATEGIES

Target market: Our target market is customers who want to have fun while buying and selling things over the Internet. Buyers want excitement and the chance to find rare items. Sellers want to be able to sell products easily, for respectable revenue.

Marketing strategy: Marketing will focus on social media and online advertising, including YouTube advertisements, Facebook, Twitter, and Instagram.

COMPETITIVE ANALYSIS

Competitor overview: Our biggest competitor is eBay, but Alibaba and Amazon are also important competitors. Many smaller auction sites exist as well, but they have limited appeal.

Our uniqueness: BidTone will combine the appeal of quality, safety, and reliability with that of unique features, including private online buying and selling, the inclusion of services in the portfolio, and the availability of 24-hour live support.

—APPENDIX C—
SAMPLE BUSINESS PLAN

DESIGN AND DEVELOPMENT

Development goals: BidTone will require \$3,000 to start, which will cover the cost of a work computer, Internet access, domain name, web host server, and initial advertising. We should break even within one year. We will initially run the business from a home office.

Key financial requirements:

INVESTMENT NEED	AMOUNT (\$)
Domain and business registration	400
Computer with all necessary programs	800
Advertising budget (initial, online)	600
Web host server provider	300
Website design	500
Bank	400
Total capital	3,000

A lot of guessing goes into these categories and figures. Try to make them realistic by doing some detective work and seeing what other companies are doing.

Development tasks: Through strong up-front advertising, we expect 50% growth between the first two weeks of operations and the second two weeks of operations in the first month of business. We may use our extra banked money to purchase additional advertising.

Development budget:

MILESTONE	P/L (\$)	MILESTONE	P/L (\$)
Month 6	(1,500)	Month 24	4,205
Month 12	Break even	Month 30	4,835
Month 18	3,500	Month 36	5,560

New businesses usually go for a while without breaking even (*i.e.*, finally making as much money, cumulatively, as they have spent up to that point). A year to break even is actually rather optimistic.

OPERATIONS AND MANAGEMENT

Value-adding processes: Customers will use auto-save to store preferences for future use (*e.g.*, auction minimum-sell price, buy-now price, reasonable offers, and purchase time limit). We will offer insurance on expensive items and branch out into specific needs and services.

Capital and expense requirements by the end of Year 1:

CATEGORY OF ANNUAL EXPENSES	AMOUNT (\$)
Web hosting and maintenance	1,200
Warehouse space and maintenance	7,200
Warehouse development	2,400
Website design	3,000
Insurance	1,400
Account management	8,400
Total capital	23,600

More guessing. The reason for all of the emphasis on warehouses is that this plan is for an online auction site, like eBay. The entrepreneurs are expecting to have a need for storing quite a bit of the merchandise between sales.

**—APPENDIX C—
SAMPLE BUSINESS PLAN**

COMPLIANCE AND ETHICS

Legal compliance: Our main regulator is the Federal Trade Commission. We will train all managers, contractors, and employees in legal compliance. Employees will receive initial and periodic training. We will later hire a full-time compliance officer.

Code of ethics: We focus on three areas: (1) ethics for managers and employees; (2) ethics for buyers; and (3) ethics for sellers. The code will highlight transparency, privacy protection, and property protection. We will exercise diligence in addressing system abuses by users.

SOCIAL RESPONSIBILITY

Selected charity: We intend to contribute to Habitat for Humanity each year by letting our employees work on building houses while earning their regular pay. We believe in the value that our employees will experience by working with their hands to give to a good cause.

Financing our contribution: We will put a portion of quarterly profits equaling four-tenths of one percent (0.4%) of each employee’s wages into an escrow account to cover the cost of wages for employees who wish to take part in Habitat for Humanity for one day each year.

APPENDIX

