

Applying to the 2012 Rhode Island Business Plan Competition

GENERAL

Welcome to the online application for the 2012 Rhode Island Business Plan Competition.

Completing this application is the single most important step in applying to the competition. By completing this application, all applicants provide the same information to the judges, which allows them to fairly consider all applications.

Based on the applications, the judges will invite six applicants from each track to submit complete plans as semi-finalists. Therefore, take time to make your application as strong as possible.

There is no right answer to any of the questions. While there are no wrong answers, there are incomplete answers or answers lacking credibility.

You can work on your application over time by saving your work and coming back to it later. Once you submit your application, it cannot be changed.

Hint: It is easiest to complete the application based on your full plan. Therefore, it is best if you begin working on your full plan well in advance of completing your online application. As you work on your full plan, it will likely continue to evolve. When you are satisfied with it, then completing the application will be relatively easy. Also, applicants who are invited to submit their full plan will have only one week to submit that plan, which means it is best if your plan is essentially completed by the time you submit your application.

APPLICANT INFO

Complete all fields marked by an asterisk (*).

It is important to signify your agreement with Rule No. 7, shown at the bottom of the Applicant Info tab (as well as the Business Plan, Funding, and Bios tabs). The judges will not consider an application from someone who does not agree to establish or continue operations in Rhode Island with prize winnings. Winners and finalists will receive cash and in-kind services.

Save your work as you work on the application. This means you can return later and keep adding to your application or edit information you already entered.

Once you submit your application, you cannot change it. Therefore, it is recommended that you submit your application close to the deadline of 5 p.m. Eastern time, April 2, 2012. That way, you can keep working on it, which is especially useful if you are still working on your plan and you want to update your application based on the way your plan is developing.

BUSINESS PLAN

Complete all fields marked by an asterisk (*).

This is the most important part of your application, as it will tell judges about the business idea you are proposing.

Hint: Think of the judges as investors, which is what they are since they will be awarding cash and in-kind services. Therefore, speak to them the way you would if trying to convince an investor to invest in your idea.

Business Idea – It is not easy to convey a business idea in 75 words, so take your time to craft this carefully. This is the key idea that judges, and investors, focus on. First and foremost, they want to know what problem you want to solve. Then, they want answers to the following questions:

- Why your solution is better than any other currently available solution
- Why you are qualified to implement this solution
- How your idea will make money

Market – Describe who will buy your product or service. How big is this market? It's better to say there are X thousand purchasing agents in such-and-such companies than to say you will capture 2% of a \$2 billion market. The more specific, the better.

Generating Revenue – This tells the judges how well you understand how your potential market buys your type of product or service, and how you will sell, e.g., sales force, sales reps, online ordering, etc.

Operations – Explain how you will manufacture your product or produce your service.

Distribution – This is a more detailed explanation of how you will generate revenue and conveys your understanding of the way your market operates.

Competition – Your competition is anything that your prospective customers view as a substitute for your product or service. A common mistake that first-time entrepreneurs make is to state that there is no competition for their product or service. The judges interpret such a statement to mean that the applicant lacks a full understanding of the market and greatly diminishes his/her credibility and chance to advance in the competition.

Strengths – State strengths clearly and simply. A strength isn't a boastful statement, e.g., the best widget ever invented. Instead, it tells what makes your idea worthy of investment, e.g., "the need for a low-cost solution to the problem is growing and the major existing solution provider only works on a consulting basis", or "our prototype has yielded promising results that indicate..."

Weaknesses – Every plan has weaknesses; saying that it doesn't undermines your credibility with the judges. Identifying weaknesses indicates maturity, and suggesting what would correct it is a good way to go, e.g., the inventor of a product might recognize that he or she needs a seasoned business person to run the company and take the idea to market.

Risks – Again, every business idea has risks. Being frank about them shows you understand the market you are looking to enter or expand into. Indicating how you will mitigate risks is helpful.

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FUNDING

Complete all fields marked by an asterisk (*).

Using Winnings – The judges want to know how you would use your winnings. While every plan is different, the judges want to know how the winnings will make a difference to the success of your idea.

Invested Capital – It is not necessary to have invested in your idea to date. This helps to indicate where you are at.

Financial Projections – If an investor is captivated by your business idea, the first part that most investors will study in a plan is the financial projections. This is probably the most difficult part of any business plan to complete. Many first-time, and even seasoned, entrepreneurs struggle with this. It is best to engage help from someone who understands how the different elements of the projections requested interact with each other.

NOTES:

- 1) This table does not have an asterisk (*), because it is recognized that, in some cases, not every cell can be completed. That is all right, but it is *absolutely essential* to complete most, if not all, of the table.
- 2) Make sure that the numbers make sense. If Year 5 revenue is 50 times as large as Year 1, your explanation of the market and how you will generate revenues needs to support such rapid growth. Similarly, rapid revenue growth will likely incur significant expenses, and your description of operations should support this.
- 3) Enter revenue, operating expenses, net income, monthly burn rate, breakeven revenues, and cash on hand as '000s of dollars. For example, enter \$1,525,000 (one million, five-hundred twenty-five thousand dollars) as 1525; enter \$600,000 (six-hundred thousand dollars) as 600."

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BIOS

Complete all fields marked by an asterisk (*).

Include bios for the key members of your team as it currently exists. The judges want to know who they may be investing in. That means you should highlight key elements of each team member's background that is relevant to making the plan a success.

NOTE: For Student track applicants, all members of a team should be students.

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