



# **PARTICIPANT HANDBOOK**

**2010**

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If you have any questions regarding any information contained in this Handbook,

## **Chinook Entrepreneur Challenge**

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# **I General Information**

## **1. What is the Chinook Entrepreneur Challenge?**

The Chinook Entrepreneur Challenge is a business plan-writing competition designed and targeted toward existing business owners or individuals and/or teams who have a sustainable and high-growth business idea.

Cash and in-kind prizes may be awarded to the grand prize winner by an independent panel of Judges (see section VIII Judging Process). The Judges decision is final and non-negotiable.

Free business training is offered to all participants in February and March.

The Challenge is held in Southern Alberta (see Appendix I for “Challenge Region”) and facilitated by a group of volunteers representing various organizations throughout Southern Alberta (the “Organizing Committee”).

## **2. Purpose of the Participant Handbook**

This handbook is to be used as an agreement for all Challenge Participants. The Handbook contains key information regarding the rules and regulations, as well as recommendations, guidelines and important timelines. By signing the Participant Agreement form you acknowledge that you have read and agree to the terms and conditions specified herein.

## **3. Participants**

Individuals and teams (“Participants”) are welcome to participate in this Challenge, however teams must designate a Team Leader who can register up to four team members to participate in the Business Plan training.

## **4. Mentors/Guest Speakers**

Mentors and speakers will be involved in the program to help Participants develop their business plans. They can provide advice and consultation, drawing on their own business expertise. Mentors and speakers will represent a broad range of industries and therefore provide a variety of expertise and experience relating to their specific background.

Mentors and the Participants must discuss the desired outcome from the relationship before they agree to work together. The Organizing Committee is in no way responsible for guaranteeing, monitoring, or in any way facilitating the meetings, relationship building, or value that is being offered by any parties involved in Mentor relationships. The Organizing Committee cannot guarantee that all Participants will be paired with a Mentor. Mentors decide whether they will work with the Participants.

The Mentor’s only obligation is to provide feedback to the Participant regarding their business concept and business plan. Participants must not request or expect any time beyond the amount that a Mentor is willing to provide. The Mentor is not required to work according to the Participant’s schedule. The Mentor is under no obligation to the Participant upon the conclusion of the Challenge.

Participants interested in the Mentor program must sign up at one of the first three seminars. The Organizing Committee will then match a mentor with the participant. A Mentor is under NO obligation to agree to work with anyone. The Participants must ensure

that their potential Mentor's skill set, time availability, and past experience are appropriate to assist them with their business plan. Provided the Mentor is in agreement the relationship is expected to continue for the duration of the current year's Challenge until Business Plan Submission Deadline.

**Once a Mentor and individual decide to work together, they must inform the Organizing Committee in writing and sign the Non-Disclosure Agreement.**

**5. Minimum Number of Entries**

There must be 15 business plans entered on or before the deadline specified in (e) below for the competition to proceed to the screening and judging stages. If there are not 15 business plans submitted to the competition the organizing committee has the right to terminate the Competition with no prizes awarded.

## II Eligibility Criteria

### 1. Eligible to participate

- (a) Individuals (or teams), existing business owners, students, researchers, or anyone with a **sustainable** business or concept.
- (b) Sustainability of the business or concept will be determined in the absolute and sole unfettered discretion of the Committee and/or Judges.
- (c) Teams
  - (i) must have one or more member living, working or attending school in the Challenge Region;
  - (ii) must have one member designated as the Team Leader
- (d) Existing business:
  - (i) must have between one and twenty employees (including the business owner);
  - (ii) annual revenues between \$5,000 to \$500,000 and \$10,000 to \$500,000 in capitalization;
  - (iii) must be expanding their service or developing a new product line. The Participant must certify this information to be true on April 30, 2010 and again on June 11, 2010.
  - (iv) Business must be in operation for two (2) years or more to be considered existing business. A new business is under two (2) years.
- (e) The purposed business must be located in the Challenge Region.
- (f) All business plans must be submitted no later than 4:00 pm on April 30, 2010 to be eligible.

### 2. Ineligible to participate

A Participant is ineligible to participate in the Challenge if he or she:

- (a) does not meet all the eligibility requirements;
- (b) has won cash and/or prizes as a finalist in a similar Entrepreneur Challenge;
- (c) is a member of the Chinook Entrepreneur Challenge Advisory Board or Organizing Committee, judge or any partner or business associate of a judge, staff member (or staff equivalent), or any of the immediate family of the above that are on a team, is a Mentor in the current competition year or operates with some formal business relationship with a Participant;
- (d) solicits Mentors and/or judges directly in which case the Participant will be disqualified;
- (e) has won first place in the Challenge in the past five years;
- (f) exhibits conduct which is unlawful, would reflect poorly on the reputation of the Challenge, is harmful with malicious intent to any of the sponsors in any way, or for any other reason at the discretion of the Organizing Committee;
- (g) submits a plan that:
  - (i) does not meet the minimum submission guidelines as published above and on the website.
  - (ii) exceeds the maximum length for any section outlined in this handbook.
  - (iii) uses a font, heading, line length, or margins in such a way that the amount of text on any given page exceeds the limit available using the recommended page setup and font specifications;

- (iv) does not have a signed Participant Agreement, Non-Disclosure Agreement, and Plan Submission Checklist.
- (v) Does not agree to the terms and conditions outlined in this handbook.

### **3. Prizes**

Winners must use proceeds to fund the execution of the business plan in the Challenge Region by December 31, 2010 (June 11, 2011 for YTP). Semi-finalists must disclose how they would utilize the prize money. The use of funds must be verified in writing by the Participant and may be subject to an audit at the discretion of the Organizing Committee.

### **4. General**

- (a) All claims regarding eligibility will be considered prior to April 30, 2010. Any claims after that period will be accepted only at the discretion of the Organizing Committee. Decisions made by the Organizing Committee regarding eligibility are final.
- (b) Decisions made by the Judging Panel are only subject to ratification by the Organizing Committee. Decisions made by the Judging Panel on June 11, 2010 are final. In the event that a winner does not meet the requirements for the use of funds or is disqualified for any reason, the cash will be reallocated to the future operations of the Challenge and any other prizes will be dealt with at the discretion of the Organizing Committee.
- (c) Organizing Committee has the right to refuse entry to any individual or team.
- (d) All decisions made by the Organizing Committee are final.
- (e) Organizing Committee has the right to amend this document and the conduct of the Challenge at its discretion even if the Challenge has commenced so that the Organizing Committee can best conduct the Challenge in the way that it feels is best having regard to the circumstances.
- (f) The Organizing Committee and the Judging panel have the authority to not award a prize or prizes if, in their sole unfettered discretion, they feel that the nature of the submissions tendered were not of the type or quality contemplated in the Challenge.

### **III Participant Agreement (Freedom of Information and Protection of Privacy)**

**The following are the agreements that ALL Participants (INCLUDING ALL TEAM MEMBERS) are required to agree to in order to participate in this Challenge.**

"I hereby understand and agree to the following terms and conditions:

The Organizing Committee, Advisory Board, affiliates, including Mentors, screeners, judges, sponsors, committee members and any others acting with or on behalf of the Chinook Entrepreneur Challenge (the "Organizers") will take reasonable steps to preserve the confidentiality of my business plan and possible trade secrets. However, I understand that the Organizers take no responsibility or liability for any loss or damages incurred to me, my team or my business as a result of my participation in this Challenge. I hereby release the Organizers involved in this Challenge from any liabilities of any kind arising from my participation.

I hereby grant the Organizers the right to publish my registration information, picture, voice and likeness and any video images for informational and promotional purposes without further notification or consultation.

I understand that many of the Organizers are volunteers, and are under no obligation to provide any service to me throughout the Challenge.

I understand that this Challenge is intended to foster the development of high growth and sustainable enterprises and that the prizes awarded are to be used by December 31, 2010 (June 11, 2011 for Youth Technopreneurship Program), directly for the benefit and advancement of the business for which I have submitted the business plan. I have not won cash and/or prizes as a finalist in similar Alberta-based entrepreneur challenges.

I understand that the business must be located within the Challenge Region.

If the business plan is being submitted on behalf of an existing business, I also confirm that the business has fewer than 20 full or part time employees, that its annual revenues are between \$5,000 and \$500,000 and that its capitalization is between \$10,000 and \$500,000.

**Decisions made by the Organizing Committee are final.**

**The Organizing Committee has the right to refuse entry to any individual or team.**

**I have read and understood the Participant Handbook.**

Go to [www.chinookchallenge.com](http://www.chinookchallenge.com) for a printable copy of this agreement.

## IV Submission Requirements

### 1. Information Page

- One copy
- Business Concept Name
- First and Last Name. (If the plan is submitted by a team, First and Last Name of Team Leader and all team members up to the four person limit)
- Address of business
- Email addresses for all team members
- Day time phone number of all team members
- First and Last Name of Mentor (if applicable)
- List of employees if the Business Plan is being submitted on behalf of an existing business.

### 2. Participant Agreement

- One copy signed
- One copy, signed, per team member if the Business Plan is submitted by a team.

### 3. Table of Contents

- Contains page numbers for each section

### 4. Business Plan

- 1 hard copies **OR**
- 1 electronic copy – e-mailed to [info@chinookchallenge.com](mailto:info@chinookchallenge.com) by 4:00 pm April 30, 2010
- A detailed outline for this entire document is provided below in the Business Plan Elements section.

### 5. Required Formatting for the Business Plan:

- (a) Font size 11 point.
- (b) Arial font.
- (c) Letter-sized paper (8.5" x 11")
- (d) Margins of one inch.
- (e) Submissions must be 20 pages or less excluding:
  - Cover Page
  - Information Page
  - Table of Contents
- (f) All pages must be numbered. The first page after the Table of Contents is Page 1.
- (g) All pages must have the business concept/business name, as indicated on the website, in either a header or footer.
- (h) Plans with plastic page covers will not be accepted.
- (i) Plans must include business contact information.
- (j) **Please note that plans greater than 20 pages in length and those that do not have a professional appearance will be eliminated.**

## V Business Plan Elements

Participants are encouraged to make their submissions dynamic and impressive, however you may wish to consider the following sections and page quantities for your business plan. This format will allow the judges to quickly access the information they require. Information should be provided under each major heading. Having too much or too little information under any heading may result in your plan appearing inadequate and eliminated prematurely. Please consider the following carefully.

### 1. Executive Summary (1 - 2 pages)

Pique the interest of decision makers. This section is a brief overview of the most important aspects of the plan. Highlight the product or service, the value to the customer, the relevant markets, management expertise, financing requirements, and possible return on investments and exit strategy for investors where applicable.

### 2. Product / Service (1 - 2 pages)

Indicate how your product differs from those that are now or will be on the market. Include a short description of how far development has progressed and what still needs to be done.

### 3. Market Analysis (1 - 2 pages)

Market size should be described and quantified. Use the number of customers, unit sales, and total dollar sales, etc. Indicate what main factors are now influencing or may influence the given industry segment. Define the strengths and weaknesses of your competitors both direct and indirect, including the positioning of your product/service.

### 4. Marketing and Sales (1 - 2 pages)

Describe your strategies for market launch, marketing, sales promotion, and distribution. This section should also include the 4 P's: product, price, place and promotion.

### 5. Management Team (1 - 2 pages)

Describe the business' owners, founders and key managers. Emphasize management qualifications that are particularly important for implementing your specific plan, as well as positions that still require reinforcement. Tasks and responsibilities should be clearly delegated and a simple organizational chart with a few levels should be designed. A list of candidates for a potential Board of Directors should also be included.

### 6. Manufacturing / Operations Plan (1-2 pages)

The business system model maps out the activities necessary to prepare and deliver a final product to a customer. Define necessary partnerships needed for production and distribution. Describe your product's life cycle and how you plan to maintain your edge. Detail what facilities you require, and how you plan on distributing your product or service. Discuss relationships with key suppliers.

### 7. Implementation Schedule (1-2 pages)

Develop a realistic five-year plan, concentrating on the major milestones and the most important interdependent events.

### 8. Opportunities and Risks (1 page)

Identify a margin of error for departures from your assumptions. Draw up both best-case and worst-case scenarios involving key operational milestones.

**9. Financials (4-5 pages)**

Do the financial statements as presented accurately and realistically reflect the sustainability of the business? This section could include a pro-forma income statement, pro-forma balance sheet, pro-forma cash flow analysis and break-even chart for new businesses. Cost control measures could be included. Proposals that involve an expansion to, or diversification of, an existing business will be required to provide summaries of two years of their most recent historical financial information. It could also include summaries of projected gains from the new project.

**10. The Offering (1 page)**

The purpose of this section is to indicate how much capital is being sought, as well as the intended use of these funds. This section should also include how the business will achieve its desired rate of return within a set time frame, and the exit strategy for investors where applicable.

## VI Calendar of Events

**TOPIC / EVENT**  
Launch

**DATE**  
January 4, 2010

**Seminars**

**February 3 – March 31, 2010**

*All seminars are Wednesdays from 6:30 to 9:00 pm*

*In order to participate in the seminars you must be registered with the Chinook Entrepreneur Challenge.*

*Video Conference Seminar Locations:*

*Lethbridge – Community Futures – 2626 South Parkside Drive*

*Medicine Hat – Entre-Corp Community Futures – 202 - 556 4th Street South East*

*Strathmore – Wild Rose Community Futures – 101-331 3<sup>rd</sup> Avenue*

*Pincher Creek – Community Futures Alberta Southwest – 659 Main Street*

*Kindersley Sk. – Community Futures Meridian– 125 1<sup>st</sup> Avenue East*

*Hanna – Hanna Learning Centre – 401 Centre Street*

### SESSION OVERVIEW

<b>SESSION ONE: introduction</b>	<b>SESSION FIVE: finance 101</b>
.the business concept	.the accounting basics
.the competition	.financial statements made easy
.the entrepreneur	
.the business plan	
<b>SESSION TWO: ideas to action</b>	<b>SESSION SIX: using financial statements</b>
.spotting opportunities	.building financial statements
.feasibility analysis	.managing cashflows
.creating a competitive advantage	.sensitivity analysis
.getting things done	
<b>SESSION THREE: financing or funding</b>	<b>SESSION SEVEN: operations management</b>
.determining capital requirements	.systems and processes
.debt versus equity	.inventory/supply management
.what investors want to know	.staffing the organization
.making the pitch	
<b>SESSION FOUR: marketing your idea</b>	<b>SESSION EIGHT: putting it all together</b>
.keys to target marketing	.secrets from the field
.selling benefits not features	.selling the deal
.using the 4P's	.competition details
	.graduation

**Business Plan Final Submissions Due April 30, 2010**

- Submissions must be received no later than 4:00 pm

**Business Plan Screening May 3, 2010**

**Three Finalists Announced May 31, 2010**

**Awards Ceremony June 11, 2010**

## VII Evaluation Criteria

	1	2-3	4-5	6-7	8-9	10
<b>1. Executive Summary</b>						
<b>Business Opportunity</b>	No interest, low growth potential	Of little interest	Of average interest	Piques interest; warrants further reading	Piques keen interest; warrants further reading	Piques interest, fascinating, high growth and realistic
<b>Completeness</b>	Unimportant issues dominate	Some relevant issues covered; emphasis on less important topics	Majority of issues covered, poor quality	Relevant issues covered fully; good quality	All relevant issues covered very well	Comprehensive document containing all relevant information
<b>2. Overall Plan (Executive Summary, body, appendices)</b>						
<b>Product or Service</b>	Vague idea - development horizon not discussed	Idea clearly described, plausible	Feasibility ensured (e.g. functionality tested)	Concept detailed (prototype in the works)	End product clearly recognizable (prototype completed), and / or keen interest from a pilot customer	Complete product or service, i.e. prototype complete and approved by applicable agencies
<b>Competitor Analysis</b>	Competitors not mentioned	Competitors considered; no advantage over competitors	Competitors considered; potential advantage over competitors	Competitors analyzed; clear but diminishing advantage over competitors	Competitors analyzed; sustainable advantage over competitors	Competitors well analyzed; very clear and sustainable advantage over competitors
<b>Customer Value</b>	No clear reason for customers to purchase product or service	Addressed but not correct	Addressed but marginal value at best	Value clear but low	Moderate value recognizable	High customer value, market survey conducted, first customers listed
<b>Customer Segment</b>	No clear customer segment	Target group only vaguely defined	Target group defined but hard to recognize	Market segmentation stated; target group defined	Market segmentation and target group defined	Clear, defined target group
<b>Market Size</b>	No market	Small diminishing market	Small stagnating or large diminishing market	Small growing or large stagnating market	Small booming or large growing market	Large or expanding market
<b>Competition</b>	Highly competitive market place	Tough Competition active or expected in the short term	Average Competition active or expected in the short term; tough Competition expected in medium or long term	Weak Competition active or expected in the short term, tough Competition expected in the medium or long term	Weak Competition active or expected in the short term, average Competition expected in medium or long term	No established competitors or industry leaders
<b>Marketing</b>	The 4 P's are not covered or only covered very poorly. Marketing strategy on the whole unclear or unconvincing	3 P's are not covered or only covered poorly. Individual ideas but marketing strategy on the whole unclear or unconvincing	2 P's are not covered or covered poorly. Outline of marketing strategy recognizable, but with clear gaps	1 P is not covered or only covered poorly. Marketing strategy clearly recognizable, but with obvious gaps	All 4 P's covered well. On the whole clear, consistent, and complete marketing strategy	All 4 P's covered excellently. Very convincing and promising marketing strategy (high market penetration can be expected)
	1	2-3	4-5	6-7	8-9	10

	1	2-3	4-5	6-7	8-9	10
<b>Management</b>	No notable experience and/or abilities	Little notable experience and/or abilities	One team member with notable experience	Several team members with notable experience but all major areas not covered	Team covers all major areas with notable experience and/or abilities	Team covers all major areas with notable experience and/or abilities and has a high profile person for the business
<b>Implementation Plan</b>	Not addressed	Unrealistic and incomplete planning	Not very realistic with significant gaps	Fairly realistic but planning incomplete	Realistic and thorough planning	Highly realistic and thorough planning
<b>Financial Planning</b>	Critical assumptions not presented	Planning and expected return based on unrealistic assumptions	Planning and expected return based on somewhat realistic assumptions	Planning and expected return based on realistic assumptions but return not attractive	Planning and expected return based on realistic assumptions and return is attractive	Planning and expected return based on realistic assumptions and return is highly attractive
<b>Financial Statements</b>	Financial statements are not present	Financial statements are present but contain serious errors and are not realistic	Financial statements are present, contain some errors and are somewhat realistic	All financial statements are accurate but not realistic	All financial statements are accurate and realistic but may not reflect the sustainability of the business	All financial statements accurately and realistically reflect the sustainability of the business
<b>Risk and Risk Management</b>	No presentation of opportunities and risks and their effects. Countermeasure missing	Incomplete presentation of opportunities and risks and their effects. Countermeasure addressed but incorrect	Sufficient presentation of opportunities and risk and their effects. Countermeasure correct, but not adequate	Satisfactory presentation of opportunities and their risks. Adequate countermeasure	Good presentation of opportunities and risk and their effects; effective countermeasure	Outstanding presentation of opportunities and risk and their effects; innovative and effective countermeasure
	<b>1-10</b>	<b>11-20</b>	<b>21-30</b>	<b>31-40</b>	<b>41-50</b>	<b>51-60</b>
<b>Overall Business Plan and Plan Fundability</b>						
<b>Opportunity</b>	On the whole, little point in pursuing the business concept; has little potential, the planning is not well structured, and the presentation careless	Contains several interesting aspects, but in its present form, the overall concept is not very persuasive	Contains a number of interesting elements possibly worth pursuing, but overall the concept has clear weaknesses in potential, planning, or presentation	On the whole, interesting and possibly worth pursuing, but planning and presentation have definite weaknesses	On the whole, attractive and worth pursuing; a business concept with great potential, potentially sustainable, contributes to economy, and a convincing presentation	On the whole, highly attractive and persuasive in all main aspects; a business concept with great potential, easily sustainable; contributes to economy; an inspiring presentation
<b>**BONUS**</b>						
<b>Community Involvement</b>						

## VIII Judging Process (Process may be subject to change by the Organizing Committee)

### Round 1 - Screening

- **Screen 1** - Organizers divide the plans among the members and reviews for basic content and believability, professionalism, total plan length, correct number of plans, signed Participants Agreements, and other key deliverables as outlined on the website.  
*Plans not containing ALL of the required elements are eliminated.*
- **Screen 2** - Screening Team assesses the following:
  - Will the business be in existence in 18 months?
  - Executive Summary rating according to Evaluation Criteria (one or two out of five fails).  
*Plans that do not pass the above tests are eliminated from the Challenge.*
- **Screen 3** - The members of the Screening Team review each of the remaining plans according to the Evaluation Criteria. The top three plans are then submitted to Round 2.

### Round 2 - Judging

- The Judges are all provided with hard and electronic copies of the 3 Business Plans.
- The Judges use the Evaluation Criteria to rank their top plan. Note the key section of the Evaluation Form is the last one, where Judges make their overall assessment. The Judges will be relied on to use their discretion to make the final assessment. Each of the other aspects being evaluated will influence their decision, but their final assessment may or may not be a simple calculation. Some of the criteria will be ranked differently for different business concepts, and the Judges will be relied on to make the final decisions.
- The Judges meet (or teleconference) to present their top submission.
- Note that the Organizing Committee retains the right to intervene if a recommended submission concerns a product or service that is unlawful, would reflect poorly on the reputation of the Challenge, or is considered harmful with malicious intent to any of the sponsors or any other reason at the discretion of the Organizing Committee. Decisions of the Organizing Committee are final.
- Three finalists will have the opportunity to provide 15-minute oral presentations, followed by 15 minutes of discussion (Q&A) with the Judging Panel.
- At the Awards Ceremony on June 11, 2010, the three finalists selected from Round 1 will make their final presentation to the entire audience. The Judges will then confer and make their final assessment of the Winners. All prize winners will be announced that day and awarded their prizes.

# Appendix I

The Challenge will include Participants and businesses or business concepts located in the following regions:

- Community Futures Alberta Southwest (Pincher Creek)
- Community Futures Chinook (Taber)
- Community Futures Entre-Corp (Medicine Hat)
- Community Futures Lethbridge Region
- Community Futures Meridian (Hanna)
- Community Futures Wild Rose (Strathmore)

The Challenge Region is defined to include the area on the map below. If you have any questions regarding the eligibility of the area you live in, please call the Chinook Challenge Coordinator at (403) 320-6044 or email [info@chinookchallenge.com](mailto:info@chinookchallenge.com)

