
IDEA COMPETITION BUSINESS PLAN OUTLINE

IDEA is a Northwest Minnesota competition that turns great ideas into great businesses. The annual competition provides training, business coaching, and capital to participating entrepreneurs who want to turn an idea into a fast-growth business.

IDEA is managed by several partners: 360° Manufacturing and Applied Engineering Center of Excellence, Bemidji State University, Center for Rural Entrepreneurial Studies, Headwaters Regional Development Commission, Minnesota Department of Employment and Economic Development, Northland Community and Technical College, Northwest Minnesota Foundation, Northwest Small Business Development Center, Northwest Regional Development Commission, and University of Minnesota Crookston.

Your success is our success. This plan is a guide that we have developed through years of experience assisting individuals turn great ideas into great businesses. Launching a new business is complicated, but we hope that this guide will help you to organize your ideas in such a way that your application will get the attention of the IDEA judges, and ultimately, help you to successfully launch your business.

Don't underestimate the importance of due diligence. Doing your homework will pay off in more ways than one. Through the business planning process, you will have to answer many questions and think through many complex issues. Past applicants have found this process to be extremely valuable. The amount of work that you put into your business plan is directly linked to the benefit you get out of it: the more you put into it, the more research you do, and the more you substantiate your claims, the better your business plan will be.

A word of caution: as you develop your plan, **be real**. Don't overestimate your revenues or the potential of your idea. By all means, you have to believe in what you are doing and that passion and excitement should be evident in your written plan (and if you advance to the finals, in your oral presentation). However, you won't do yourself any favors by being anything less than honest and as realistic as possible. Our judging panel is comprised of business professionals, financiers, and angel investors. Anything less than a sincere, realistic approach will be evident to their experienced eyes.

Finally, as an IDEA participant, you are encouraged to take advantage of all the resources provided to participants—IDEA labs, podcasts, sample business plans, templates, and personalized consulting available through the Small Business Development Center. Questions about business plan requirements may be directed to Phil Knutson, philipk@nwmf.org (218-759-2057). Technical questions about uploading your plan to Pitchburner may be directed to Michelle Landsverk, mlandsverk@icloud.com (218-435-2834).

JUDGING CRITERIA

As you develop your plan, be mindful of the IDEA Competition judging criteria. For both round one and the IDEA finals, a panel of judges will read and score each applicant on five key areas, with 1-10 points awarded for each of the following judging criteria:

- Business opportunity – what is the need for the proposed product or service, and what is its potential to generate a profit?
- Business model – how does the business plan to make money?
- Strength of entrepreneur team – what strengths, skills, or life experience does the applicant (and team) bring that will make this business a success?
- Strength of financials – are the financial projections positive, realistic, and based on solid assumptions?
- Strength of marketing plan – is there an understanding of the market, how customers will be reached, and sales goals will be achieved?

BUSINESS PLAN OUTLINE

The business plan must not exceed 15 pages. Supporting videos, drawings, pictures, schematics, or financial tables may be uploaded to Pitchburner.

As you write your plan, keep the purpose of your plan in mind, i.e., who is your audience?

Title Page

Company Name

Address

Phone

Website

Legal Organization: Sole Proprietorship, LLC-Single Member, LLC-Multiple Member, or S Corporation

Ownership: Name(s) of Owner(s)

Executive Summary

Your Executive Summary should provide a brief, succinct, yet powerful overview of the highlights of your Business Plan, including the following:

- Vision: what are your long-term aspirations?
- Mission: why do you exist?
- Business description: what is the business?
- Product: what is your product or service?

- Differentiation: how will you be different from your competitors and what is your competitive advantage?
- Customers: who are your customers and how will you service them?
- Owners: who are the owners of the company and what is the type of business entity?
- Future: what do you see happening with the business in the future?
- Financials: if you are chosen as an IDEA winner, how will you use the money? Do you need additional money, and if so, where will you get it?

Goals

Make sure your goals are S.M.A.R.T. – Specific, Measurable, Achievable, Realistic, and Timed

- **Short-Term Goals** (within the next year):
- **Long-Term Goals** (one year or more):

SWOT Analysis

Within the Company

- **Strengths:**
- **Weaknesses:**

Outside the Company

- **Opportunities:**
- **Threats:**

Industry Characteristics & Trends

- What are the recent trends in your industry?
- Have there been historical struggles or cycles in the business?
- How will the economy affect your business?

Customer

- Demographics: who are your customers (average age, income, education, etc.)?
- Psychographics: what are your customers' personalities, values, attitudes, interests, and lifestyles?
- Geographic Area: what area do you serve?

Competitors

- List and describe your major competitors.
- What are their strengths and weaknesses?

Sales Projection Supporting Data

- Potential Customer Base
- National Trends
- Competitive Advantage

- Share of existing market to capture
- Break-even sales point

Start-Up Market Plan

How will you reach and communicate with your target customers?

Examples:

- Social media:
- Customer Loyalty Program:
- Website:
- Internet Advertising:
- Blog:
- Newsletter:
- Direct mail:
- Radio:
- Newspaper:
- Print media:
- Television:
- Sales and marketing activities:
 - Personal selling efforts
 - Referral generation

Support Professionals

Examples:

- SBDC Consultant
- CPA
- Attorney
- Bank
- Insurance
- Other

Financial Projections Summary and Assumptions

This section should include a summary and an explanation of your financial assumptions.

- Summary: the summary should give a narrative account of the highlights of your spreadsheets. Focus on the key points, rather than on the detail.
- Examples of assumptions:
 - How many units will you sell at what price?
 - How many employees at what wage?
 - What will it cost you to manufacture each unit?

Spreadsheets: these are separate from your business plan, but the two should complement each other. Use the templates provided on Pitchburner to create cash flow projections for the first two years of operations (at a minimum) and for your startup costs. The spreadsheets should be uploaded to Pitchburner as attachments and do not count as part of your 15-page limit.

OTHER RESOURCES

Small Business Development Center

We encourage all IDEA Competition participants to tap into the resources available through the Northwest Regional Small Business Development Center. Their consultants are available to assist you at no cost. Go to nwsbdc.org to set up at appointment.

Sample Business Plans

It's a good idea to look at other business plans. No two businesses are alike—no two business plans are alike, either. Examples may be found online by going to bplans.com, or by Googling "Business Plans." Use these plans as an example and as a reference, not as templates. Your own idea will determine which style is correct for your plan.

Additional Resources

IDEA Labs – Dates and times are listed on the Pitchburner site.
