Official Rules and Guidelines

Summary:

Through the generous gift of Stanley Sun SHA ’00, the Leland C. and Mary M. Pillsbury Institute for Hospitality Entrepreneurship at the Cornell School of Hotel Administration (SHA) is pleased to offer an annual *hospitality business* plan competition – the Cornell Hospitality Business Plan Competition. The competition’s primary purpose is to provide an experiential learning opportunity to rising hospitality entrepreneurs. The competition kicks off at the start of the academic year with the formation of student teams and development of executive summary business plans. It culminates in the early spring with the submission of final business plans and group presentations during HEC. The Sun gift combined with industry sponsorships allows us to award the winning team a cash prize of $25,000, second place team a cash prize of $7,500, and third place team a cash prize of $5,000. [**“Hospitality business” for the purpose of this competition is construed quite broadly and includes businesses providing support services to the hospitality industry (e.g., businesses such as Micros Systems that provide software and hardware to restaurant and lodging businesses). However, it is critical that teams make clear in their submissions how their business relates to or provides services to the hospitality industry in a direct and material way. We highly recommend that each team consult with the Faculty Sponsor Susan Fleming PRIOR to submitting their executive summary to make sure the concept qualifies as hospitality.]

Entering and Important 2017-18 Deadlines:

**October 25, 2017 at 4:30pm**
- Informational pizza social in Statler Hall, Park Atrium

**November 10, 2017 by 5pm**
- Team captain register team at Reviewr

**November 17, 2017 by Noon**
- Submit Executive Summary via Reviewr

**November 27, 2017**
- Up to 10 Semi-Finalists Selected and Invited to Submit Full Business Plan

**February 16, 2018 by Noon**
- Submit Full Business Plan via Reviewr

**March 9, 2018**
- Finalists Selected and Invited to Participate in Final Presentation

**March 14, 2018 by Noon**
- Submit FINAL Full Business Plan via Reviewr

**March 15, 2018 by 5pm**
- Submit final presentation to Pillsbury Institute Program Manager

**March 17, 2018**
- Final Presentations to panel of judges (in front of audience during Hotel Ezra Cornell)
- Winners announced and prizes awarded (during Hotel Ezra Cornell)
Team Eligibility Criteria:

1. Teams consisting of no more than five full-time undergraduate and/or graduate students are eligible but at least ONE member of each team must be an SHA student.
2. Students must be in good academic standing (i.e., GPA not less than 2.0).
3. Students may be members of only one team.
4. For finalists to be eligible to win, all team members must be present for the final presentations.
5. Teams are encouraged to seek advice and counsel from successful entrepreneurs, professionals, and experts, but teams must present only their own work product.
6. The Cornell University Honor Code applies to all aspects of the Competition.
7. Non-students may be members of the venture’s management team and may participate in planning the venture. However, they may NOT be substantially involved in the writing of the plan and should NOT represent a majority of the management team of the company.

Requirements for the Business Idea:

1. The objective of the Business Plan Competition is to provide a meaningful learning experience for students who are interested in pursuing an entrepreneurial opportunity at some point in their careers. As such, most ideas entered in the Competition will be ideas for new independent ventures in the seed, start-up, or early growth stages. Generally excluded are the following: buy-outs, expansions of existing companies, real estate syndications, tax shelters, franchises, licensing agreements for distribution in a different geographical area, and spin-outs from existing corporations. Licensing technologies from universities or research labs is allowed, assuming they have not been commercialized previously.
2. Ideas should be drawn from the hospitality sector. For the purpose of this Competition, “hospitality” is construed quite broadly and includes businesses providing support services to the hospitality industry (e.g., businesses such as Micros Systems that provide software and hardware to restaurant and lodging businesses). However, it is critical that teams make clear in their submissions how their business relates to or provides services to the hospitality industry in a direct and material way. **We highly recommend that each team consult with the Faculty Sponsor Susan Fleming PRIOR to submitting their executive summary to make sure the concept qualifies as hospitality.**
3. Business ideas may be for both for-profit and non-profit ventures.
Other Requirements:

1. Each member of the team must register and consent to the rules and requirements listed here. If consent is not received from each member, the team may not proceed to the next stage of the competition. Consent will be required prior to executive summary submission and prior to semi-finals.

2. All author(s) of the Executive Summary and/or Full Business Plan must agree that the work they are submitting is their original work. The author(s) will retain all rights to the Executive Summary and Full Business Plan regarding its use at all times prior to and following the Competition.

3. Members of semi-finalist teams are required to register for a one-credit SHA practicum (HADM 4965/6965) with an S/U grading option. The only requirement to receive an “S” grade is to turn in a Full Business Plan meeting the competition requirements by the deadline. If a team does not agree to register for the course, the team will be eliminated from the competition and another team will be invite to compete in the semi-finals.

4. Team members may NOT withdraw from the team and course after they have been registered. If a team member does choose to withdraw, he/she will receive a U in the course. If that team member’s withdrawal from the team and course results in the team being non-compliant with the competition rules (i.e. there are no longer any SHA students on the team, the team will be eliminated from the competition, and the remaining members of the team will also receive a ‘U’ in the course.

5. By participating in the Competition, author(s) give the Competition organizers the right to post the Executive Summary and/or Final Business Plan on a password protected website in order for reviewers/judges to access the items, post comments, and assign numerical scores to the submitted items.

6. Finalists are required to sign a waiver allowing the Pillsbury Institute the express right to videotape their Final Presentation, and all finalist author(s) will be asked to sign an audio/video release form allowing Cornell University to use the Final Presentation recording and Final Presentation materials within the University for faculty, staff, students, and the Pillsbury Institute for educational purposes. In addition, final presentation videotapes will be posted on the School of Hotel Administration website for public consumption.

7. Finalists are required to sign a money allocation agreement prior to the final presentation on Saturday, March 17th, 2018. In this agreement, finalists must indicate whether their company will be competing (so that prize money will go directly to the company) or if they will be competing as individuals. If competing as individuals, finalists must indicate how any prize money will be allocated amongst team members. This agreement is meant to 1) allow companies to be the official competitors in the competitions and; 2) prevent any possible disagreements regarding division of money amongst team members after the competition winners are announced.
8. **Non-confidentiality:** Some aspects of the competition, including but not limited to oral presentations and question/answer sessions, are open to the public at large. Any and all of these sessions may be broadcast to interested persons through media, which may include radio, television and the Internet. Any data or information discussed or divulged in public sessions by entrants should be considered information that could possibly enter the public realm, and entrants should not assume any right of confidentiality in any data or information discussed, divulged, or presented in these sessions. Due to the nature of the competition, we are not able to ask judges, reviewers, staff, or the audience to agree to or sign non-disclosure statements. However, the Pillsbury Institute will make every effort to limit distribution of business plans presented at the competition. **We cannot guarantee that other individuals will not obtain access to electronic or hard copies of the business plan.** The Final Presentation will be open to the public and will be videotaped. Attendance by media personnel is expected and final presentations will be posted on the School of Hotel Administration website for public consumption.

**Copyrights & Permissions:** If a team uses copyrighted materials and/or images from a third-party in their presentation or business plan, they must obtain permission and authorization in advance from the owners to use this material.
Executive Summary Guidelines:

Your Executive Summary should be submitted to BPC website hosted by Reviewr.com by Noon EST on November 17, 2017. The electronic copy should be named according to the following format: ES_TeamName.pdf.

Up to 10 teams will be selected to compete as Semi-Finalists and submit Full Business Plans based on the quality of the Executive Summary. Teams will be notified of whether they are invited to advance in the Competition by November 27, 2017.

Members of semi-finalist teams are required to register for a one-credit SHA practicum (HADM 4965/6965) with an S/U grading option. The only requirement to receive an “S” grade is to turn in a Full Business Plan meeting the competition requirements by the deadline. If a team does not agree to register for the course, they will be eliminated from the competition and another team will be invited to compete in the semi-finals. Team members may NOT withdraw from the team and course after they have been registered. If a team member does choose to withdraw, they will receive a ‘U’ in the course.

Guidelines: Executive summaries must be limited to 3 pages of text (typed, single-spaced, minimum 12 pitch font, and 1” margins on all sides). The Executive Summary should include information on:

1) Introduction/company summary
2) Customer/market analysis (market size, market segmentation, and potential market share)
3) Product or service description
4) Value proposition/competitive differentiation/why is this a great idea
5) Stage of development of product, service and/or intellectual property (e.g., patents, licenses, etc.)
6) Management team and/or advisors, including relevant experience
7) Financial highlights (such as projected revenue and expenses, margins, point at which business is cash flow positive and/or cash breakeven)
8) How much investment you are seeking/use of funds

In your executive summary, we expect you to convey:

1) The problem or need your company solves
2) The size of the accessible market & evidence that customers will buy your product/service
3) Your differentiation vs. competition and how you will sustain that
4) The experience of your management team and/or advisory boards
5) The current state of development (e.g., beta, customer trials, etc.)
6) Timeframes to achieve significant revenue and/or cash flow positive
7) The amount of funding you are seeking
Full Business Plan Guidelines:

Up to 10 teams will be invited to submit Full Business Plans. Each invited team is required to submit their Full Business Plan no later than **February 16, 2018 by Noon EST** to the BPC website hosted by Reviewr.com. The electronic copy should be named according to the following format: FBP_TeamName.pdf. You may be asked to print additional copies of the full plan. Any team that does not submit their full written business plan by this date will be disqualified and members will receive a U grade in HADM 4965/6965.

Three to five teams will be selected to compete as Finalists and compete in the Final Presentations based on the quality of the Full Business Plan. Teams will be notified of whether they are invited to advance to the Finals of the Competition by March 9, 2018.

**General Guidelines:** Written business plans are limited to 15 pages of text (typed, single-spaced, minimum 12 pitch font, and 1” margins on all sides) including the executive summary and summary financial data. Detailed spreadsheets and appropriate appendices should follow the text portion of the plan but will be limited to 10 pages. Plans with fewer than 10 pages of appendices may not use the remaining pages to increase the size of their business plan beyond 15 pages. In total, the maximum number of pages is 25.

**Contents of the Written Business Plan:** Your business plan should include (maximum 15 pages):

1) Executive Summary
2) Product or service description (incl. current status of development – beta, prototype, etc.)
3) Customer/Market analysis (market size, market segmentation, and potential market share)
4) Sales and Marketing Plan (how you will go-to-market)
5) Stage of development of product, service and/or intellectual property (e.g., patents, licenses, etc.)
6) Competitor Analysis (competitors and your competitive differentiation)
7) Management team and/or advisors, including relevant experience
8) Financial highlights (cash flow, income statement, & balance sheet)
9) Offering of the company (how much investment you are seeking, uses of funding, possible exits)

**Business Plan Financial Data:** Financial data should include a cash flow statement, income statement, and balance sheet. This data should be included in a summarized fashion in the main section of the business plan. Include an explanation of the offering to investors indicating how much money is required, how it will be used, and the proposed structure of the deal, (i.e., stock, debentures, etc.) and possible exit strategies. Detailed financial data and tables should be included in the appendix. The team is not required to reveal the exact desired terms of the deal (i.e., proposed company valuation and percentage of company being offered). However, teams
should expect to be asked about these terms and should be prepared to answer these questions in some fashion (if this information is not already provided in the written plan.) It is up to the team to assess the BEST way to address this question.

**Appendices:** Should be included only when they support the findings, statements, and observations in the plan. You should NOT assume that judges will read all the material in the appendices. Therefore, the text portion of the plan (15 pages) must contain all pertinent information in a clear and concise manner. All appendices must fall within the 10-page limit; any pages over this limit will not be posted or otherwise provided to the judges.

**Changes to Your Business Plan:** Once your written business plan is submitted on February 16, 2018 it will be provided for review by the Semi-Finalist judges. **IF YOUR TEAM IS SELECTED AS A FINALIST TO COMPETE IN THE FINAL PRESENTATIONS,** you can update your business plan (including financial projections) and submit an updated business plan for review by the Finalist judges. The updated business plan is subject to the same page limitations as the original plan and must be submitted to the Pillsbury Institute program manager, Michelle Ciaschi at mlc296@cornell.edu by Noon EST on March 14, 2018 and will be provided to the judges for the Final Presentations.

**Oral Presentation Guidelines:**

Three to five teams will be invited to participate in the Final Presentations, which will be held during Hotel Ezra Cornell (HEC) March 17, 2018. The Final Presentations will be delivered to a panel of judges comprised of venture capital and private equity professionals and entrepreneurs in front of a live audience of HEC attendees. The teams in the Final Presentations will have 10 minutes to present their idea, largely for the benefit of the audience, followed by a 10 minute question and answer session from the panel of judges. Teams can assume that the judges have read their Full Business Plans. Once a team has finished its presentation, it may observe both the presentation and Q&A session of the teams that follow it. Teams may NOT observe other presentations until after they have made their own presentations. The order of presentation will be determined randomly.

Detailed scheduling for the Final Presentations will be provided to the teams later in the Competition. However, teams should submit an electronic copy of any materials they intend to use in their Final Presentation (such as a PowerPoint file) to the Pillsbury Institute program manager, Michelle Ciaschi at mlc296@cornell.edu by 5pm on March 15, 2018. The file will be loaded onto a flashdrive and auditorium computer to be used during the Final Presentation. Teams may also demonstrate a prototype of their product during the Final Presentation (including a food sample if that is the product). They may NOT bring other materials for the judges such as handouts, etc. Teams are NOT REQUIRED to use materials in the Final Presentation.

The winner of the Competition will be announced during HEC, time to be determined.
Judges and Judging Criteria

Judges for the first two rounds of the competition will be drawn from Cornell University alumni, faculty and investment professionals. The panel of judges for the Final Presentation round will be comprised of venture capital and private equity investors and entrepreneurs.

Judges will score the teams’ deliverables using their judgment with respect to specific competition criteria, as summarized below. The teams receiving the highest collective scores on the Executive Summary will advance to the Semi-Final Round and the teams receiving the highest collective scores on the Full Business Plan will advance to the Final Round. The winner of the Competition will be determined by the Final Presentation judges’ ranking of the teams. These rankings will be based on the judges’ assessment of both the Full Business Plan and the Final Presentation. The competition is intended to simulate the real-world process of entrepreneurs soliciting start-up funds from early-stage investors and venture capitalists. Thus, the winning team will be the one whose plan and presentation conveys the most promising combination of significant value creation, attractive returns, and execution feasibility.

Competition criteria that the judges will consider in their assessments include but are not limited to:

1) Clarity, completeness, and persuasiveness of the written business plan and/or oral presentation
2) The market opportunity presented by the proposed venture (is there a clear market need presented as well as a way to take advantage of that need)
3) The feasibility, uniqueness and quality of the business plan concept (is the product, technology or service feasible and does it provide something novel that gives it a competitive advantage in the market)
4) The feasibility and quality of the business model, including the financial projections provided
5) The financial and/or social return of the proposed venture (the business represents a real investment opportunity in which they would invest in)
6) The capacity and strength of the management team (experience and expertise)
7) In the Final Presentation round, the quality of the team members’ responses to questions from the judges

The decisions of the judges in each round of the Competition are final. If no submissions are deemed worthy, no financial awards will be made.
Advisor Guidelines:

Advisors are available to teams through the Pillsbury Institute’s Entrepreneur in Residence program. Teams must provide all advisors with the competition’s advisor guidelines (i.e., the “dos and don’ts”). Teams must also report the names of their advisors when submitting deliverables.

**Do’s: Activities that are Encouraged**

1) Do respond to questions and concerns from teams.
2) Do read and give constructive feedback on each aspect of the Executive Summary and Full Business Plan.
3) Do suggest other resources or individuals with whom teams can consult.
4) Do identify weaknesses in the business idea that may concern investors and suggest ways of dealing with these concerns.
5) Do listen to and provide critical feedback on teams’ Final Presentation Presentations.
6) Do keep the Executive Summary and Full Business Plan confidential except if asked to distribute it by the team.

**Don’ts: Activities that are Discouraged**

1) Don’t write or re-write any part of the Executive Summary or Full Business Plan yourself. These documents should be the work product of team members only.
2) Don’t substantially steer the development of the business idea or take leadership of the team.
3) Don’t, if advising more than one team, discuss information about or your advisory activities for one team with the other team.
4) Don’t discuss the team’s work with individuals involved in judging the Competition.
5) Don’t distribute the Executive Summary or Full Business Plan to others without permission of the team or use the information or ideas in it for purposes other than acting as an advisor in the Competition.