



NVC Round 2: Business Summary - Guidance

Will it fly?

That's the primary question your Business Summary must answer. You will be evaluated based on your ability to make a convincing case that yours is an idea with the potential to soar. To do this, you must provide:

- Clear confirmation that there are customers clamoring for your solution. (Demand!)
- A well-thought-out and validated business model that will uniquely deliver value to customers.
- A reasonable path to financial viability.
- A team with the skills, experience and/or connections to make it happen.

These guidelines will walk you through the many issues you must address, section by section, when developing your Business Summary. Before you begin, please keep in mind the following:

- Do not make writing the Business Summary an academic exercise by mechanically answering the questions in this guide.
- These questions are designed to provoke deep thought about your concept. Use them to develop a document that tells a compelling story of your idea's potential.
- ***The resources (i.e., your Mentor in Residence, the workshops) offered by the GW Office of Innovation and Entrepreneurship will expose you to strategies that will help you come up with the answers you will need. Be sure to take advantage of them.***

Opportunity: The Problem and Who Has It (20%)

The Current State

- What is the high-level situation in the industry, market or category you want to challenge?
- What is the customer pain that you can relieve or what is the gain that you can provide?
- How are customers dealing with this problem now?
- In what ways is the status quo currently frustrating to customers? Insight
- What is the key insight that reveals an opportunity in the marketplace?
- What is the gap you have observed between the way something is now and the way it ought to be?
- Why does this gap (i.e., need, want, problem or pain) persist?
- Why haven't others successfully addressed this before?

Customer Segments

- Who will care about your solution and why?
- Who are your potential customers? Describe your initial target segments using relevant demographic, psychographic and/or behavioral characteristics.
- What needs, desires, or traits do they have in common? Is there an archetype?

Buying Ecosystem

- Is yours a multi-sided market, with two or more interdependent customer segments?
- Are users and buyers one and the same?
- Who are the other stakeholders who play a role in the buying decision for your products/services?

Market Size

- Describe the serviceable addressable market and serviceable obtainable market.

After reviewing this section, readers should:

- *Be tingling because they find the problem you are addressing to be important.*
- *Believe you have clearly identified and sharply-defined an attractive market segment.*
- *Understand why you have chosen to target this group.*
- *Believe that you are addressing a market opportunity that is large and worth pursuing.*
- *Be eager to hear about your solution.*

Your Solution (15%)

Your Product or Services

- Describe your products/services.
- What is the customer "job" that your products/services help them with?
- What features of your products/services already exist?
- What features of your products/services will you create next (first) and in the future?

Value Proposition

- How will your products/services delight customers?
- How will you create gains or relieve pains for your customers?
- What unique value will customers derive from your products/services?
- How will your products/services enhance the way people live, work, do business or play?
- *****For Social Ventures ONLY: Include a Measuring Social Impact section under **Solution**. How will the team assess their effectiveness in achieving their stated social mission?**

Competition

- What do the current competitors offer to address the problem you have identified?
- How is your solution different and better than theirs?

After reviewing this section, readers should:

- *Understand why customers will care about your solution.*
- *Believe that you have products/services that provide real value to your target customers.*
- *Are confident that you understand the competitive environment for your products/services.*

Market Validation (15%)

Product/Market Fit

- How passionate or enthusiastic will customers be about your product/solution? Why?
- Why will they prefer your offering to existing alternatives?
- What evidence do you have that customers will go wild with desire for your product? Explain your confidence
- Have potential customers raised their hands and said, "I must-have this product?" Who? How many?
- What pass/fail experiments did you run to verify your assumptions about market potential?
- Explain how your customer discovery efforts lead you to your solution.

Status, Traction and Customer Discovery

- What is the current status of your venture? Have you gotten beyond the idea stage? Describe milestones achieved so far, e.g., product development deadlines, beta testing, prototypes.
- What traction do you have in the marketplace? Do you have any revenue? How many users/customers have you acquired? Do you have letters of intent received, orders placed, etc.?
- How many customer discovery interviews have you done?
- What were the most important learnings from these interviews?

Critical Risks

- What are the biggest areas of risk for your venture? For example:
 - How can you ensure your product will work as planned? Will you be able to deliver the desired quality?
 - Will you be able to manufacture your product?
 - What key resources and partnerships must be in place?
 - What activities must you master?
 - What legal or regulatory issues could adversely impact the business?
 - What regulatory approvals are required?
 - What are the key technical hurdles/milestones that must be overcome to bring your product/service to market, if any?

After reviewing this section, readers should:

- *Understand the "gap" you intend to fill in the marketplace.*
- *Be impressed by the extent you have solicited customer and third-party input to validate your hypotheses and refine your idea.*
- *Be convinced that you have identified an actual business opportunity and not simply a product or feature.*
- *Be convinced that you are offering products/services that customers really want and are willing to pay for.*
- *Believe that the team is cautiously optimistic rather than dangerously naive about the potential challenges ahead.*

Go-To-Market Plan and Achieving Scale (15%)

Channels

- What will be the first customer segment that you will sell to?
- How do you plan to sell and market your product/service to customers?
- What distribution methods will you use? (Web? Physical? Direct? OEM? Distributors?)
- What are the financial and operational implications of the channel strategies you have selected?

Customer Acquisition Cost (CAC) and Lifetime Value (LTV)

- How much will it cost for you to acquire each new customer?
- How much customer attrition or churn do you expect?
- What will you do to retain customers and to grow additional revenue from them?
- How much revenue can you expect from each customer over the next three to five years?

Key Partners and Key Resources

- What partnerships must you forge to ensure success? What strategic alliances, if formed, could help you reduce risks?

- What joint ventures or cooperation arrangements will enable you to acquire necessary resources/inputs?
- What physical, intellectual or human resources must you have to make your business model work?
- What are the most important assets required to deliver your proposed value proposition?
- Will you be able to acquire the resources needed?
- Does the necessary infrastructure exist to produce and deliver your product/service?

Scaling the Venture

- What will you do to expand beyond your initial market?
- What new markets will you attack next? What new customer segments? New geographies?
- What new products/services (if any) do you plan to add to your offering? And when will you add them?

After reviewing this section, readers should:

- *Be convinced that you have a realistic view of the effort, time and cost that it will take to enter the market.*
- *See that you have included realistic costs for marketing and sales in your financial plan.*
- *Be excited that you have a vision and a sound, longer-term plan to scale your venture.*

Financial Analysis (20%)

Pricing and Revenue Model

- Describe how you will make money, i.e., what you will charge for, how much you will charge and who is going to pay you. Will you have multiple revenue streams?
- What is the revenue model for each customer segment you plan to serve? (Asset sale, usage fee, rental, license, advertising, freemium, etc.)
- What price will you charge? Describe your pricing strategy.

Unit Level Cost Analysis

- Estimate the per unit cost to produce and deliver your products/services. Your preliminary financial analysis should reflect:
 - Fixed versus variable costs.
 - Cost of goods sold.
 - Channel costs and margins
 - Customer acquisition costs (CAC)

Profit & Loss Statement

The profit & loss (P&L) statement summarizes the revenue, cost of goods or services and expenses incurred by a venture. Among other things, it answers the following questions:

- What are your projected sales?
- What are your fixed and variable costs?

- Are margins sufficient to cover operations?

Although there are many unknowns pertaining to your venture, developing a P&L statement is still important at this stage. Doing so forces you to examine the logic underpinning your business model and express it in financial terms. In the end, you will have a better grasp on the interrelationships between your assumptions and strategic decisions and their impact on the venture's chances for financial feasibility.

Startup Cash Needed

- What are your anticipated startup expenses? How much cash will you need to get to "day one", i.e., launch? (Technical talent? Equipment? Leases? Inventory? Key hires? Supplies? Professional fees? Licenses? Etc.)
- How much cash will you need to reach important milestones, e.g., prototype, beta test, regulatory approval, first-customer ship, self-sustaining profitability, etc.?
- How much cash do you need to keep your venture going for the next 18 months to 2 years?

After reviewing this section, readers should:

- *Be able to assess the financial potential and viability of the venture.*
- *Understand the estimated cost to launch.*
- *Have confidence that the team has carefully thought through operating cash needs and will have enough cash on hand until the venture can be self-funding.*
- *Understand the key assumptions and cost drivers used to develop the financial plan.*

Team (15%)

Founders

- Briefly describe the relevant experience, skills and qualifications of each team member. Highlight prior startup experience or related industry expertise. Explain the primary role each person will play.
- Indicate the extent to which this team has worked together before.
- Note that teams that have more than one member and that are made up of team members from different academic disciplines may receive higher scores on this element than solo teams or teams from all one discipline.

Advisors

- List key advisors who are lending their expertise (and not simply their names) to the management team. This may include an advisory board, board of directors or professional service providers, e.g., lawyer, accountant, consultants, etc.

Key Hires

- Describe who is missing from the team. What skill sets does the team lack and will need to acquire/hire?

After reviewing this section, readers should:

- *Have confidence that the team has carefully thought through its skills and staffing needs.*
- *Have confidence that the team understands where it has gaps in skills and staffing and how it plans to fill those gaps.*

Submission Instructions

Please follow these instructions EXACTLY as described. No exceptions. Failure to do so may result in your business summary not being evaluated.

Format

- Your Business Summary must not exceed 8 pages, as described below.
 - Your business summary text should be a maximum of five pages. (= 5 pages)
 - Recommended: In addition to the business summary text, you may include a 2-page financial analysis containing: (a) 1- page Startup Budget, (b) 1- page profit & loss statement. (= 2 pages)
 - Optional: You may also submit one page of supporting visual (not written) information about your product/service, e.g., diagrams, screen shots, product illustrations, etc. Do not use this optional page to add more text to your business summary (= 1 page)
- Document should be on letter-sized paper with 12-point type, double spaced and 1" margins on all sides.

Submission Deadline

Materials must be submitted by 11:59 pm ET on March 3, 2024.

Additional Information

Please check the New Venture Competition website for the latest updates, helpful information and useful resources. If you have questions, contact us at nvc@gwu.edu.