



AWESome Business Competition  
2020 Guidelines and Information Packet

*With special thanks to UC Davis: Big Bang and the BYU Int'l Business Model Competitions*

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## 1 What is the AWESome Business Competition?

The primary aim of the AWESome Business Competition is to educate, support, and inspire smarter entrepreneurs, who in turn launch more successful ventures that build resilient communities through regenerative **A**griculture, **W**ater, and/or **E**nergy. The AWESome Business Competition is open to all Agriculture, Water, and Energy ventures supporting a resilient and regenerative Northern California.

The AWESome Business Competition is a competition for new businesses and existing businesses that could benefit from the prize. The competition is focused on the inputs, not the outputs, of the entrepreneurial process, which means that the competition requires active identification and validation of crucial business model hypotheses rather than the writing of a static business plan.

The competition requires that people talk to customers “outside the building” rather than gathering secondary data inside the building, and it involves a focus on customer development rather than just product development. The goal is to “pivot,” or change course if need be, rather than executing a potentially misguided plan.

Specifically, the AWESome Business Competition rewards entrepreneurs for:

1. Identifying and tracking key business model hypotheses (using a canvas).
2. Testing and validating those hypotheses with customers (getting to the customers).
3. Pivoting and iterating their business model based on customer interactions and feedback.

Submissions for the competition focus on the process entrepreneurs undertake as they test their most crucial hypotheses with customers and develop validated business models. The goal is validated learning about the key business model hypotheses and failing early (and then succeeding), not failing late.

Ultimately, we believe this new approach will improve the success rate of ventures, allowing entrepreneurs to save both time and money.

## 2 How does a business model differ from a traditional business plan?

Most new ventures are a guess at a problem/solution, and the only valid way to test whether those guesses are right is to “get outside the building” and start working with customers. So, what exactly is the difference between a business *model* and a business *plan*?

**Outside versus Inside the Building:** Most business plans are written using library research. Successful business models are achieved through talking to customers and making changes based on feedback from those conversations.

**Input versus Output Focus:** Most business plan competitions are focused on compelling writeups and slide presentations that check all the right boxes. In the AWESome Business Competition, sleek presentations alone are not going to cut it—and the boxes that do need to be checked are new and impossible to fake. The goal is to identify your hypotheses (assumptions) and turn them into facts by getting outside the building (or online due to Covid-19). And when a startup has done this, the story is compelling, and it is an awesome one to tell because it is based on facts. Validated learning about what customers really want is the stuff a business model is made of and music to the ears of potential investors.

**Lean Development versus Product Development:** Most business plans involve a careful development process to optimize the final outcome. Forget it. Applying Lean Startup principles will radically compress your development cycle, using prototypes (even if it is just a picture drawn in the late hours of the night) to jump start the learning process. The goal is to find the most creative but *minimally viable* product and to start learning.

**Change versus Fortify:** Most business plans attempt to fortify/prove the core idea with evidence. Judges for the AWESome Business Competition will be looking for instances where teams learned they were wrong and made a pivot in a new and better direction. Your application should focus on the lessons learned and “pivots” made—typically, the more the better, as this shows you are being responsive to customer input.

**Chasing Customers versus Chasing Funding:** Let’s face it, many business plans are written to raise money. Unfortunately, the business plan formula doesn’t capture the answers investors most want to see—real validation that you can make a product that customers want. Instead of chasing the money, chase customers. By getting into the field with your customers, you will validate the model and raising money will be easier.

**Launching versus Talking:** Business plans often talk about what will happen in the future. The AWESome Business Competition is about what you learned by applying a Customer Development / Lean Startup / Nail-It-Then-Scale-It process.

## 2.1 How to Win the AWESome Business Competition

Please note that while completing the items below will improve your team’s performance, it does not guarantee that you will be invited to the final or win the competition.

Checklist for Winning the AWESome Business Competition:

1. Make sure you are signed up on the mailing list (can be found on Facebook or <https://awesomecomp.com/apply/>).
2. Register yourself, and invite your teammates, on [YouNoodle](#).
3. Complete Steve Blank’s free, accelerated, on demand, course on [How to Build a Startup](#).

4. Seek out an appropriate mentor or mentors and meet frequently with them to help you through the lean startup process.
5. Track your progress by using the lean canvas (see appendix).
6. Watch the videos at <https://awesomecomp.com/resources/>.
7. Follow our social media (if you have it) at:
  - a. [facebook.com/awesomebizcomp](https://facebook.com/awesomebizcomp)
  - b. [instagram.com/awesomebizcomp](https://instagram.com/awesomebizcomp)
  - c. [twitter.com/awesomebizcomp](https://twitter.com/awesomebizcomp)
8. Complete the [submission form on YouNoodle](#) prior to the deadline.
9. Keep working in case you win the first round, and then complete the steps to winning the second and final rounds!

Whichever particular method you use, the key steps are to:

1. identify and track key business model hypotheses (use a canvas),
2. test and validate those hypotheses with customers (get outside the building... or online due to Covid-19), and
3. pivot and iterate the business model based on customer interactions.

For the competition, you will tell us about the *process and learning* you went through, revealing the dead ends and surprises that you discovered along the way.

Remember, the goal is identifying and validating the business model hypotheses that are crucial to the success of your business, and also remember that failing early is a success compared to failing late.

If you become a finalist, your final presentation (round 2) needs to **focus on telling the story of how you tested your hypotheses with customers, sharing the insights you made, and explaining the decisions you made based on those insights**. We recommend practicing your pitch multiple times to help you further develop your storytelling ability. You will manifest this ability by demonstrating a deep understanding of your customers and revealing the details of how you may have discovered that some of your hypotheses were wrong and how you changed accordingly.

### 3 Competition Details

Below are some more competition details such as eligibility, team composition, ownership, control, revenue, investment, and various aspects of the competition.

#### 3.1 Eligibility Guidelines

The AWESome Business Competition organizers recognize that no set of criteria can apply to every circumstance, and therefore reserve the right to disqualify any team that it determines to be in violation of the spirit of the competition. Similarly, potential participants who feel

they fit the spirit of the competition, but who may be in minor violation of the eligibility criteria, may submit a petition to the AWESome Business Competition organizers. All decisions will be made by the AWESome Business Competition organizers and are final.

### 3.2 Team Composition

Competing teams should consist of no more than five people.

### 3.3 Ownership

If the company has allocated equity, then the participating team members must collectively own 20% or more of it.

### 3.4 Control

The team must control a minimum of 51% of the venture's voting rights.

### 3.5 Revenue

Because revenue is often the best form of validation, minimal revenues gained in the process of validation are allowable for the competition. Excessive revenues will be evaluated on a case-by-case basis by the AWESome Business Competition organizers.

### 3.6 Investment

~~No more than \$50,000 will be allowed from friends and family, debt (any source—convertible, venture, traditional), accelerators, and equity investments (angel and venture capital).~~ This constraint has been paused to allow for existing businesses impacted by Covid-19. Instead, it doesn't matter how much money you have raised, just that the top prize would have a significant positive impact on your venture.

### 3.7 Nature of Venture

~~Ventures cannot be a buyout, an expansion of an established company~~ (this restriction has been removed to support Covid-19 affected businesses), a real estate syndication, a tax shelter, a franchise, a licensing agreement for distribution in a different geographical area, or a spinout from an existing corporation. Licensing technologies from universities or research labs is encouraged, assuming they have not been commercialized previously. Ventures can be any scale from idea stage to an existing company, as long as the prize money would have significant positive impact on the growth of the venture.

### 3.8 Language of the Competition

English must be used in all competition submissions and presentations.

### 3.9 Dropping Out of the Competition

If a team withdraws or does not compete in the final competition after accepting a final competition slot, the team will be subject to disqualification from competing for that year and the following year—a two-year ban.

### 3.10 Location

Teams must be connected to far Northern California or have the desire to relocate here. For this competition, far Northern California refers to Del Norte, Humboldt, Lassen, Mendocino, Modoc, Shasta, Siskiyou, and Trinity counties. Feel free to reach out if you want to apply, but your county is not represented. ~~Teams must agree that, if they successfully become a finalist, they will present in person at the final competition in the Arcata area.~~ (This final competition will now be online, due to social distancing).

## 4 Structure of the Competition

The competition has the following two competition rounds both with associate judging: the first round and the final round.

**First round:** Compete by registering on YouNoodle and submitting your complete application replete with your executive summary and team member bios. Use as many of the reference materials (primarily videos) as possible.

**Judging first round:** Judges will select the finalists. During this time, you are encouraged to keep working on your venture and prepare for the final round.

**Final round:** Finalists will be announced, and you will have a short time to produce your final round materials primarily consisting of a video pitch. Instructions will be provided at that time.

**Fit with Other Competitions:** Participants in the AWESome Business Competition may participate in other types of competitions, including business plan competitions.

It is the strong belief of this competition that most businesses and business plans fail because entrepreneurs act on untested hypotheses. However, entrepreneurs who first identify, test, and validate their most crucial business model hypotheses with customers are much more likely to develop businesses that succeed and are well positioned to dominate business plan competitions because they are based on evidence, not guesses.

## 5 Submission Requirements

Participants in the AWESome Business Competition must adhere to the following submission requirements:

## 5.1 First Round Submission Entry

All teams must complete the submission form on the AWESome Business Competition YouNoodle before the deadline. All deadlines are midnight PST and listed at <https://awesomecomp.com/rules-timeline/>. In order to complete the submission form, you will need:

- completed profiles of each teammate (on YouNoodle),
- a completed Executive Summary (instructions on YouNoodle, 2 page max),
- completed bios (max one page per teammate),
- answers for the questions on the YouNoodle platform, and
- verification that your team agrees to the statements outlined in the AWESome Business Competition Certifications and Agreements form found in the Appendix of this packet.

## 5.2 Final Round Submission Entry

The final round is still being fine-tuned as we learn more about our applicants. In general, the final round will consist primarily of a pitch video. Additional support material may include:

- Interview logs (records of what you learned from customers).
- A scanned and completed Canvas.
- Another short questionnaire.

**Confidentiality:** Participants are responsible to protect any information they share as part of the competition. The organizers of the AWESome Business Competition take no responsibility for unwanted disclosure of patentable or protectable ideas shared by a team or participant as part of the competition.

Participants should not require, nor should they ask, any of the competition organizers, judges, mentors, and/or fellow participants to sign nondisclosure agreements (NDAs). Participants are encouraged to seek legal counsel if they have any further questions regarding the legal protection of their ideas.

## 6 Judging Criteria & Prizes

The broad competition criteria are:

- Desirability (do people want it),
- Feasibility (is it possible),
- Justice (is it worthwhile),
- Viability (can a business be made from it),
- Impact (does it improve the world, community, etc.), and
- Right fit (will the prize be a measurable contribution to the success of the venture, is the venture focused on regenerative agriculture, water, and/or energy, will the venture will be located in far Northern California).

These criteria are the basis for the judges as they review your deliverables and answer specific questions.

### 6.1 Final Event

The final event will be judged by a panel of experts.

- 1st Place: \$3,000 + 20 hours of paid consulting
- 2nd Place: \$1,000 + 15 hours of paid consulting
- 3rd Place: \$500 + 10 hours of paid consulting
- Remaining Teams: In kind and other prizes including up to 5 hours of paid consulting.

## *Appendix A: Certifications and Agreements:*

By submitting a Business Model ("the Model") to the Competition, each Participant agrees to the following conditions:

**Originality of Model**—Each Participant played a primary role in creating and developing the Model and the ideas and concepts set forth in the Model are the original work of the Participants. No Participant is under any agreement or restrictions that prohibit or restrict his or her ability to disclose or submit such ideas or concepts to the Competition.

**Compliance with the Eligibility Guidelines**—Each Participant has reviewed the Eligibility Guidelines ("Guidelines") and certifies that they themselves, their team and entry comply with the Guidelines and agrees to abide by the Guidelines during the competition.

**Waivers and Releases**—Each Participant understands that the AWESome Business Competition organizing committee, sponsors, judges, mentors, and co-organizers (collectively "Competition Officials"), and their directors, officers, partners, employees, consultants, and agents (collectively "Organizer Representatives"), are under no obligation to render any advice or service to any Participant. The views expressed by the Competition Officials and Organizer Representatives are their own and not necessarily those of the Competition.

Each Participant also understands that the legal protection of the ideas and the Model submitted to the Competition is the sole responsibility of the Participant. Each Participant agrees to release the Competition Officials and Organizer Representatives from responsibility for unwanted disclosure of patentable or protectable ideas shared as part of the Competition.

## *Appendix B: Lean Canvas Development Guidelines*

This competition suggests the Lean Canvas as your guide. These steps are designed as a series of action-based steps to help entrepreneurs focus on not falling into the trap of building something that nobody wants.

See more at:

- Read [What is the Right Fill Order for a Lean Canvas?](#)
- Read this [caveat on the innovation Venn](#).
- See printable copy of the Lean Canvas below and/or digitally at <https://leanstack.com/leancanvas> or <https://canvanizer.com/new/lean-canvas>.
- Watch this Lean Canvas Intro video: [Uber example \(8:15\)](#).
- Watch this Capture Your Business Model in 20 Minutes: [Lean Canvas \(22:59\)](#).

Then it is your turn to complete and iterate on your Lean Canvas. You can also opt to stick with the more standard Business Model Canvas from Steve Blank's course instead.