

COZAD

NEW VENTURE
CHALLENGE

2022

Official Rules, Guidelines, & Judging Criteria



**Technology
Entrepreneur
Center**



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INTRODUCTION

Welcome to the annual Cozad New Venture Challenge (Cozad), a student new venture program. The Technology Entrepreneur Center (TEC) has been running this program since 1999 with participation from the campus-wide entrepreneurial eco-system.

About The Challenge

Cozad is designed to encourage students to develop their ideas of new products or services into profitable businesses. Student teams learn how to validate their ideas and write effective business model canvases while competing for funding and in-kind prizes. The competition encourages the development of the entrepreneurial mindset through teamwork and mentorship.

Various prizes provide for a wide range of opportunities for different ventures. Teams are invited to create a venture around an idea of their choice. Venture ideas may focus on a technology, consumer product, service, or social venture. Cozad provides mentorship, workshops, and courses to guide teams through the phases of venture creation. More information regarding specific prize categories, eligibility, and process are available in the following sections of this document.

Cozad welcomes all currently enrolled degree-seeking Illinois students of all backgrounds and of all interests to participate. As long as the team and the venture are eligible, and all participation requirements are met, teams may participate in all aspects of the competition to the Demo Showcase – no elimination rounds are used.

ABOUT RULES & GUIDELINES

This document contains rules and guidelines for the Cozad New Venture Challenge. For specific information on schedule or content such as time, date, location, video recordings, presentation files, material, etc., refer to the Cozad website and the competition platform. Program administrators will send emails with information, but be sure to monitor the website for the most updated information. Should you ever encounter information that seems to conflict, please alert the TEC faculty/staff immediately to provide clarification.

Competition Waiver

Every participating team member must review, acknowledge, and agree to the **Competition Waiver and Rules Acknowledgement** which includes adherence to the *Cozad New Venture Challenge Official Rules, Guidelines, and Judging Criteria* document, the Campus Integrity Statement, and the student code. The student code can be found at the following website: **studentcode.illinois.edu**

Non-Confidentiality

All events and presentations are accessible to the general public, and some presentations may be recorded. Attendance by media personnel is expected. Any sessions may be broadcast to interested persons through media which may include radio, television and 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.

For the purpose of this program, teams are not expected to share proprietary information. Teams will be expected to

identify the problem, and present on the concept as a solution through the language and tools provided in this program.

Copyrights & Permissions

If a team uses copyrighted materials and/or images from a third-party in their presentation or written materials, they must obtain permission and authorization from the owners to use this material in advance. Additionally, that material must be appropriately cited and credited.

Self-Selection

A select few teams will be chosen to present at the Finals event based on their work through the Demo Showcase event, but it is not a full elimination round. As long as teams adhere to material in this document, including following the rules and guidelines, abide by cultural responsibility, attend the mandatory events, and submit the required documentation and assignments by the posted deadlines, those teams will be invited to advance to the Demo Showcase event. All teams who participate in the Demo Showcase remain potentially eligible for all non-placing awards. More details on this can be found in the following pages outlining the Demo Showcase and Finals events.

Program administrators reserve the right to eliminate teams based on lack of attendance, lack of fulfillment of the mandatory work, and/or not abiding by the rules and guidelines set forth in this document.

Appeals, Extensions, and Exceptions

At the discretion of program administrators, extensions and exceptions may be offered. Program administrators reserve the right to review appeals on a case-by-case basis and rule on them with decisions that may differ from the rules.

OFFICIAL RULES & SUBMISSION REQUIREMENTS

Nature and Eligibility of Ventures

The Cozad New Venture Challenge is for new, independent ventures in the seed, startup, or early growth stages. Licensing technologies from the University or research labs is not excluded and is encouraged, assuming these have not been previously commercialized and that an Illinois student is a co-founder. Ventures may not compete if:

- The venture's revenues (excluding Phase I SBIR/STTR grants) exceed \$50,000 in prior academic years
- The venture raised equity capital in excess of \$50,000 from sources other than the members of the student team or their friends and families before the current academic year
- The venture competed in and won 1st, 2nd, or 3rd place in prior Cozad years, or were awarded \$7,500 or more in funding in prior Cozad years

As long as the competing venture is not excluded as above, ventures may compete if:

- The venture is new, but the team has competed in Cozad the past. The same team may compete with a different concept or venture, even if that team's old venture won the competition and/or raised equity or revenues in excess of \$50,000. The ventures are different, so the new venture may compete.
- The venture has competed in Cozad in prior years. Teams are encouraged to compete multiple times with the same venture in subsequent years, provided that they are not excluded as above.

After Cozad, regardless of prize placement, ventures are encouraged to pursue other programs and competitions on campus and throughout the region. Programs include I-Corps, iVenture Accelerator, iStart, and others. If interested, contact program administrators for recommended next steps.

Withdrawal Penalty

Teams that wish to withdraw from the challenge after submitting final venture pitch materials must alert TEC via email at tec@illinois.edu by the posted withdrawal deadline. Refer to the website for this and other deadlines.

No-Show Policy

Failure to show up to a scheduled or extracurricular activity without prior notice will be noted and counted against your team. Failure of a team to be represented by an eligible team member at a mandatory event will result in your team's forfeiture from the challenge. Repeated "no-show" offenses regarding extracurricular activities and features that your team committed to, such as Office Hours, may lead to your team's forfeiture from the challenge, at the discretion of the challenge administrators.

Cancellation Policy

If you sign up for an optional activity or program feature, or agree to attend a mandatory event as a representative of your team and later find that you cannot attend, you must contact the program administrators in advance so other arrangements can be made. Providing reasonable notice of cancellation and agreeing to other arrangements with program administrators in advance of that event or activity will not count against your team.

Communications

Program administrators will use a variety of communication channels to convey information about upcoming events and deadlines, including emails, calendar invitations, website updates, among others. It is the sole responsibility of Cozad participants to ensure they have made note of information regarding the program's events, deadlines, and extracurricular activities that they sign up for, and make arrangements to attend.

ELIGIBILITY REQUIREMENTS & COMPETITION ENTRY

Team Member Eligibility

The following are the eligibility requirements of venture teams and the team members.

- **Illinois Student:** The challenge is open to all currently enrolled full-time degree seeking undergraduate and graduate students of the University of Illinois Urbana-Champaign (Illinois). These students may participate in any role of a team. **See Team Member Roles for details.**
- **Students of other educational institutions:** Currently enrolled full-time degree seeking undergraduate and graduate students of other educational institutions may participate as student members of a qualifying team, and may contribute to management, planning, and design of the venture. These students may participate in any role except Presenter roles and Team Leader roles. Only Students of Illinois may hold the Presenter role and Team Leader roles. **See Team Member Roles for details.**
- **Non-students:** Non-students may also participate as members of a qualifying venture, and may contribute to management, planning, and design of the venture. These team members may participate in any role except Presenter roles and the Team Leader roles. Only students of Illinois may hold Team Leader roles, and presentation roles. **See Team Member Roles for details.**

Team Composition

- There is no maximum or minimum number of people who may be on a founding team;
- **33% “Student of Illinois” Rule:** At least one third (33%) of each founding team must be comprised specifically of currently enrolled full-time students of the University of Illinois at Urbana-Champaign;
- **50% Student Rule:** At least half (50%) of each founding team must be comprised of currently enrolled full-time students of any educational

institution. Students shall occupy 50% or more of the total founding team.

- **Founding Member:** At least one Student of Illinois on each team must be a founding or co-founding member of the venture.

Every participating team member must acknowledge and adhere to the competition rules, waiver, code of conduct, and other such requirements for participating teams.

TEAM MEMBER ROLES

- Team members may be members of more than one team.
- No student may be a Team Leader or Presenter for multiple teams.
- Each student is only allowed one idea submission as Team Leader.
- Each student is only allowed to be the Presenter of one team.
- A student may hold both the Team Leader and Presenter role for a single team.

Every team member, must adhere to the rules, regulations, and guidelines set forth in this document.

Team Leader

- The Team Leader role may only be held by an eligible Student of Illinois (see “Eligibility Requirements and Competition Entry” section)
- The Team Leader will receive the majority of the announcements from competition administrators. It is the responsibility of the Team Leader to ensure every team member receives those communications.
- It is the responsibility of the Team Leader to ensure the team is properly represented by eligible team members at every mandatory event and ensure the team delivers on mandatory assignments by the posted deadlines.

Presenter

- A Presenter role may only be held by a Student of Illinois (see “Eligibility Requirements and Competition Entry” section)
- Only eligible team members who are Students of Illinois may present the venture and answer questions from the judges in any round and must be present in-person or virtually, as requested by program administrators.

Presentations

- There may be multiple eligible presenters during presentation events. Presentation time limits are not extended to accommodate multiple presenters.

The time limits will remain as posted for each team’s total presentation.

- Participating teams may choose to assign a different eligible presenter to present at different presentation events, should they so desire.

Cozad New Venture Challenge Entry

Each team must indicate their Intent to Compete in Cozad by fully registering the venture by the posted deadline on the Cozad website. To enter, the Team Leader or other eligible team member must go to that link and register by the “Intent to Compete” deadline posted on the website. In general, late entries will not be admitted to the program, however the administrators reserve the right to review requests on a case-by-case basis.

FUNDING, PRIZES, & AWARDS

Funding and in-kind prizes will be awarded to the winning teams and finalists. An illustrative list of potential prizes follows. Prize information will be continually updated on the Cozad website.

Available to Finalists only:

- Grand Prize (1st Place Prize)
- 2nd Place Prize
- 3rd Place Prize

Available to any eligible team who presented at the Demo-Showcase:

- Best Social/Non-Profit Venture
- Best Ag Innovation
- Best Energy Specific Venture
- Best Pitch Award
- Other awards

The actual cash awards and service/product prizes will be determined by the level of sponsorship raised at the time of the Finals Event.

Funding Prize Conditions

If, in the opinion of the judges, the proposed ventures do not represent a favorable business opportunity, then the award or some portion of the funding will not be awarded. Judges are under no obligation to award all–or any–of the cash prizes.

The teams that are selected to present their ventures at the Finals event have the opportunity to win the 1st, 2nd and 3rd placed prizes; however, all teams that compete in the challenge through the demo showcase are eligible to receive funding and in-kind prizes.

For all teams that win funding of \$2,500 or greater, this will be in the form of a Simple Agreement for Future Equity (SAFE). In order to receive funding, your team will need to sign a Letter of Intent, will need to form a company and then become a vendor of the university. Once the team has formed a company and become a university vendor, then

payment in the form of a SAFE will be made to the company.

Teams that win \$10,000 or more need to meet with a member of the TEC team to go through their budget, timeline and milestones.

For teams that win less than \$2,500, a direct deposit will be made to their student account.

All funds must be requested within a 1 year timeframe from when the funding was announced (typically by May the following year).

For details on the University of Illinois SAFE Agreement and FAQ's, please visit the Cozad Rules page: tec.illinois.edu/programs/cozad/rules

Description of In-Kind Prizes and Terms

In-kind products and services donated from IP attorneys, business incubators, accountants, and other service providers, will be awarded on an as needed basis. All teams that compete in the challenge are eligible to receive funding and in-kind prizes.

Assistance that they will be providing is considered advice, and therefore those providers will assume no professional liability in the course of donating these services. Teams must use the donated services within one year of winning COZAD, subject to the availability of the service providers. All service providers are active participants in the entrepreneurial and innovative ecosystem and we recommend that you do your own due diligence before doing business with any provider.

International Students

International students are welcome to participate in the Cozad New Venture Challenge. If awarded a prize that requires your team to become a company in order to accept the award, consult a lawyer or ISSS office about the complexities of starting a company as an international student.

COZAD PROCESS AND CHECKPOINT GUIDELINES

In a hybrid setting, the competition looks a little different than in prior years. We have shifted the structure to better fit remote delivery mixed with in-person events. Below is an example list of key events, workshops, and assignments that will be expected of you and your team throughout Cozad. The current and full list of all programming, deliverables, and requirements will be updated and made available through the website and in communications from TEC throughout each challenge season.

- **Intent to Compete Deadline**
- **Virtual Workshops**
- **Virtual Elevator Pitch Event**
- **In-person Demo Showcase**
- **Virtual Finals Event**

The events and deadlines listed here do not reflect the actual schedule. Please refer to the Cozad website for the current and updated event schedule and deadlines.

Intent to Compete

With your idea in mind, and your eligible team compiled, each team must then indicate their intent to compete in Cozad by registering the venture and all participating team members by the posted deadline. To enter, the Team Leader

or other eligible team member must go to that link by the Registration deadline posted on the website. Like an RSVP to an event, this registration is mandatory for anyone who plans to participate in Cozad for that competition season.

Next Steps

Once the Intent to Compete has been submitted, you will receive an email with details on next steps and how to access program content and deliverable submission portals. All teams will be expected to complete all mandatory assignments and attend mandatory events.

Meetings with Mentors

All teams will be offered a pool of mentors to provide feedback and guidance throughout the program. It is the responsibility of the team to initiate the scheduling of each 20 minute check-in meeting, and to be prompt and prepared to lead the conversation.

The best practice is to bring prepared materials and information to each meeting. You will lead the discussion with the mentor. It is a quick meeting, so you will need to make good and efficient use of the time.

EXECUTIVE SUMMARY

For the purposes of Cozad, the executive summary is a thumbnail or snapshot of your venture. This is begun early in the process and will be developed throughout the competition. Leading up to the Finals Event, it will be submitted so mentors and judges understand what your team is trying to accomplish with your new venture. Below are the topics you are asked to address in your executive summary:

1) Title of Business/Concept

The title of your venture should be unique and representative of your concept.

2) Team Leader Name

This should be the first and last name of the Team Leader—please put only one.

3) One-Line Pitch

The one-line pitch is not a marketing line. The one-line pitch is a single sentence under/around 200 characters. It must communicate clearly and succinctly what the company is and does, and for whom. It may be published in the final challenge booklet or in online materials. Do not sell to the audience—instead, briefly describe your venture.

4) Team: Names, roles, capabilities, objectives for each member

Use this space to describe your team and what they are capable of with regard to this venture. What responsibilities will each hold, and what are their objectives during this challenge?

5) Project Summary: The Problem

Briefly describe the problem you are trying to solve and why it should be solved. Why is this important?

6) Project Summary: The Solution (your venture)

Frame out your venture's solution to the above stated problem. What is your venture's novel approach to solving that problem, and how will it function?

7) Customer Segment

Outline the customer segment(s). For whom are you creating value with the solution your venture is offering? Who are you trying to reach with your venture? Is this a Business-to-Business or Business-to-Consumer model?

8) Value Proposition

Why should that customer segment buy what you have to offer? What value do you bring to that segment?

9) Target Market

What is your market size, growth potential, and how is the market trending now?

10) Competitors

How is this problem currently being solved or addressed?

11) Competitive Advantage

Why would a customer choose your solution over your competitors' solutions?

JUDGING CRITERIA

Cozad is designed to reflect the real-world process of entrepreneurs seeking startup funds from early-stage investors, venture capital firms, and other avenues. The judges act as potential investors deciding on which business venture they see as having the most potential to succeed. The quality and feasibility of the idea, the strength of the management team, and the clarity and persuasiveness of the written summary and presentation all affect the judges' decisions. Judges in this competition should assume that they would be open to investing in any type of new venture, assuming that certain criteria are met.

Judges are recruited by the Technology Entrepreneur Center (TEC) from counterparts across campus, program sponsors, alumni, successful entrepreneurs in the region or international, and through the local business community.

Written Venture Summary Evaluation

Mentors will review the final deliverables and take that into consideration as part of the judging process. Mentors will be assigned to teams based on their background and expertise, to the extent possible. Since the number of teams is unlimited, the number and background of mentors and judges will be determined after the intent to compete deadline.

Demo Showcase Pitch Presentation Evaluation

The judges will receive the teams' written materials submitted to the Cozad administrative team for review and scoring.

Teams will be evaluated on their presentation and written materials. The finalist teams will be determined by the judges' scores and rankings. Scorecards will also be used to provide feedback to the teams.

Judges are under no obligation to award all—or any—of the prize money. If the judges determine that the teams would not put the money to appropriate use, they may withhold some or all of the funds and in-kind prizes.

Judging Criteria

Below is an example of the criteria that judges will be using when evaluating presentation quality and content:

- **Market Opportunity:** there is a clear market need presented and represents a real investment opportunity
- **Value Proposition:** the team clearly articulates their value proposition and is solving a problem that needs to be solved
- **Customer Segment:** has the team identified their customers? Do they know how they will acquire their customers?
- **Competitive Advantage:** the venture provides something novel/unique/special that gives it a competitive advantage in this market
- **Financial Understanding:** the team has a solid understanding of the financial requirements of the venture
- **Management Capability:** this team can effectively develop this organization and handle the risks associated with this venture
- **Technology/Product:** the team has developed a truly innovative solution to an existing or emerging problem
- **Societal Value:** the team has developed something that provides value to society

Qualitative feedback will be made available to teams, so those chosen for the Finals event may make improvements for their Final presentation. A similar set of criteria and structure will be used to judge the Finalists at the Finals event.

BUSINESS MODEL CANVAS

The Business Model Canvas

Designed by: _____

Date: _____

Version: _____

<h3>Key Partners</h3> <p>Who are our key partners? Which key resources do we acquire from partners? Which key activities do partners perform?</p> <p>REDEFINING THE PARTNERSHIPS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Key Activities</h3> <p>What key activities do our Value Propositions require? What key resources do we need to perform these activities? What key activities do we need to perform these activities?</p> <p>REDEFINING THE ACTIVITIES Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Value Propositions</h3> <p>What value do we deliver to the customer? What bundles of products and services are we offering to the customer? Which customer needs are we satisfying?</p> <p>REDEFINING THE VALUE PROPOSITIONS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>
<h3>Customer Segments</h3> <p>For whom are we creating value? Who are our most important customer segments? How do we reach them? How do we retain them? How do we acquire them?</p> <p>REDEFINING THE CUSTOMER SEGMENTS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Customer Relationships</h3> <p>What type of relationship does each of our customer segments expect us to deliver? Which ones have we established? Which ones are we looking to establish? How costly are they?</p> <p>REDEFINING THE CUSTOMER RELATIONSHIPS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Channels</h3> <p>Through which channels do our Customer Segments want to be reached? Which ones have we established? Which ones are we looking to establish? How costly are they?</p> <p>REDEFINING THE CHANNELS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>
<h3>Cost Structure</h3> <p>What are the most important costs inherent in our business model? Which key resources are most expensive? Which key activities are most expensive?</p> <p>REDEFINING THE COST STRUCTURE Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Revenue Streams</h3> <p>For what value are our customers really willing to pay? How do we capture value? How are they going to pay? How much? When? Under what conditions?</p> <p>REDEFINING THE REVENUE STREAMS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>	<h3>Revenue Streams</h3> <p>For what value are our customers really willing to pay? How do we capture value? How are they going to pay? How much? When? Under what conditions?</p> <p>REDEFINING THE REVENUE STREAMS Reduction of risk and uncertainty Acquisition of resources and capabilities Reduction of cost structure</p>

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