GRAINGER ENGINEERING

Tech Startup Challenge

2025 Grainger Engineering Tech Startup Challenge
Eligibility Criteria and How to Apply

==Please read this entire document before applying to make sure you are eligible to apply and compete at the 2025 Grainger Engineering Tech Startup Challenge.==

- Important Dates and Deadlines

- About the Grainger Engineering Tech Startup Challenge

- How to Apply

- Eligibility Requirements

- Submission Guidelines

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IMPORTANT DATES and DEADLINES

June 9, 2025	Final day to apply to compete in the Grainger Engineering Tech Startup Challenge.
July 22, 2025	Grainger Engineering Tech Startup Challenge takes place in Chicago at SIX10, 610 S. Michigan Ave.

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ELIGIBILITY AT-A-GLANCE

If you meet these requirements, then most likely you are eligible to apply! Your startup and startup team are eligible if it:

- has a minimum of two students (founders or management team members), with at least one being a graduate student. These students can be either current or recently graduated.
  - "Current" is defined as enrolled between August 16, 2024 to August 15, 2025.
  - "Recently graduated" is defined as graduated after August 16, 2024.
- is student-driven, student-created and/or student-managed
- falls into one of five sectors (see below)
- has not raised more than $250,000 in equity capital prior to December 31, 2024
- has not generated revenue of more than $100,000 in any 12-month period prior to December 31 , 2024
- is seeking funding or capital (or will be in the next 12 months) and is a is a potentially viable investment opportunity

ABOUT the Grainger Engineering Tech Startup Challenge

The Grainger Engineering Tech Startup Challenge brings together engineering-powered startups from leading Midwestern universities to compete for **funding and prizes from a pool of $200,000!**

Hosted by the **Grainger College of Engineering at the University of Illinois Urbana-Champaign**—a global engineering education and research leader—**the challenge will showcase tech startups from top Midwestern universities as they pitch live to investors, founders and leaders in Chicago's thriving tech scene.**

The challenge will take place at the **TechChicago Capital Summit**, an event that is part of **TechChicago Week**.

The competition is designed to give collegiate entrepreneurs a real-world experience to pitch their startups to investors, receive mentoring, network with the entrepreneurial ecosystem, enhance their startup strategy, and learn what it takes to launch a successful startup.

Why Participate?

- **Direct Access to Capital** | Pitch directly to top-tier Chicago-area VCs
- **Substantial Rewards** | Compete for funding and prizes from a pool of $200,000
- **Incubator Placement** | Winner receives placement at a prestigious Chicago-area incubator
- **Investor Connections** | Network with the Midwest's most active investors
- **Media Exposure** | Gain visibility across the Chicagoland tech ecosystem
- **Expert Feedback** | Receive invaluable insights from industry leaders and successful founders

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HOW TO APPLY

- **One member of your startup** - the designated leader and main contact going forward - should complete the simple online application.
- Multiple student startup teams from the same school, institution or university center may apply to compete.
- There is no limit on the number of applications per school.
- Startup teams comprised of students from more than one school may apply.
- Student startup teams from universities across the US and across the world can apply.
- There are no fees to apply or to compete.
- Once an application is submitted, no changes can be made.
- Submit your application online from the competition website: https://go.illinois.edu/25getscapply
- The application must be completed by **June 9, 2025 at 11:59 PM CST**.

Teams invited to compete in the Grainger Engineering Tech Startup Challenge will be notified via a live video event, email and phone on June 23, 2025.

If you have questions about any aspect of the competition, please contact **Doug Reed**, *Regional Entrepreneurship Programs Coordinator,* at dougreed@illinois.edu .

ELIGIBILITY REQUIREMENTS in DETAIL

Your startup/venture/team must meet all the eligibility requirements in order to be selected to compete. Please confirm that you meet the following criteria before applying:

Criteria: Has at least two current university student founders or management team members, and at least one of those students is a current graduate degree-seeking student

Team Composition
The startups competing at The Grainger Engineering Tech Startup Challenge must include **at least two current college/university students:**

- One of these students must be a current or recently-graduated graduate-level student. This includes MBA, PhD, MD (up to but not including residency), JD, and Master's candidates.
- The other student may be at any stage of their university academic program (graduate or undergraduate).
- Dual degree programs, such as a 5-year program that results in a graduate degree, are allowed.
- "Current" means currently seeking a degree, enrolled on a full- or part-time basis (i.e., in the academic year from July 1, 2024 through June 30, 2025).
- "Recently graduated" means students who will graduate any time after August 1, 2024. (For example, December 2024 graduates are eligible to compete).
- Teams may be comprised of students from different schools
- Startups from any university in the world can apply

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Student Involvement

The competition is for **student-created and student-managed ventures**, including new ventures launched by licensing university technology. Students participating in the competition (i.e. members of the founding startup) are expected to:

- be a driving force behind the new venture
- have played a primary role in developing the business strategy
- have key management roles in the startup venture
- own significant equity in the startup venture
- hold a major position in the startup (CEO, COO, or President)
- <u>occupy 50% or more of the functional area management positions</u> that report directly to the CEO, COO, or President
- <u>own equity in the venture--least 20% of the total equity in the venture or at least 50% of the equity owned by the management team.</u> The idea is to exclude ventures formed and managed by non-students who have given little or no equity to students for helping to develop the business strategy or create an investor pitch deck.
- If the equity structure of some new university-based ventures is not yet established, the 20% equity ownership rule may be waived. This waiver will be examined on a case-by-case basis.

Startups should fall into one of **four categories or sectors**:

- **Hard Tech** | Advanced Manufacturing, Aerospace, AR/VR, Autonomous Vehicles, Drones, AI, Quantum Computing, Robotics, Smart Sensors
- **Clean Tech** | Agtech, Batteries, Climate Tech, Energy Infrastructure, Renewable Energy, Recycling, Electric Vehicles, Water
- **Medical Tech** | Biotech, Diagnostics, Digital Health, Medical Devices, Personalized Medicine, Pharma, Public Health
- **Digital Tech** | Big Data, Blockchain, Cybersecurity, Cloud Computing, Enterprise Software, Fintech, Media, Sports Tech, Supply Chain

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==**Criteria**: Has not generated revenue of more than $100,000 in any 12-month period prior to December 31, 2024==

All ventures **must be for-profit entities and seeking outside equity capital**, typically early-stage venture capital investment or early-stage angel investment:

Startups cannot have raised and closed more than $250,000 in equity capital prior to December 31, 2024.

Startups cannot have generated revenue of more than $100,000 in any 12-month period prior to December 31, 2024

- Startups may have raised ANY level of equity funding AFTER December 31, 2024 or generated at any level of revenues AFTER December 31, 2022 (i.e. within the most current academic year).
- Equity funding awarded as part of an accelerator/incubator program <u>does count</u> toward funding limits.
- Research and other grants; competition winnings; traditional loans; and any friends & family funding <u>do not count</u> toward funding limit.

==**Criteria**: Is seeking funding or capital (or will be in the next 12 months) and is a is a potentially viable investment opportunity==

Startups will do well at the Grainger Engineering Tech Startup Challenge if they are seeking seed funding and/or ready to launch (now or within the 12 months past the competition). We invite startups that are investor-ready, open for funding, and want to progress their startup.

- If your startup is still in the concept phase, more of a project than a business, or you don't have a prototype, this may not be the competition for you. Please ask the competition director if you are unsure.
- Your startup does not need to be incorporated to apply or participate.

Other considerations

Faculty Involvement

Each startup that makes it to the Grainger Engineering Tech Startup Challenge will need the **endorsement of a faculty or staff advisor** at their school:

- Faculty or staff advisor contact info will be required on the application
- Faculty advisors may be asked to confirm the eligibility of the team
- An advisor or mentor outside of a university, or not affiliated with the university, should not be listed in as the advisor in the application

Nature of Ventures

The competition is for **new, independent ventures** in the seed, start-up, or early growth stages:

- Competing startup members may participate in the Grainger Engineering Tech Startup Challenge more than once if entering with a new venture/new technology
- Licensing technologies from universities or research labs is encouraged

Intellectual Property

We recognize that if the startup's intellectual property (IP) is owned by the university, it is likely that a license for that IP may not have been finalized at the time of the competition. A license to the IP is not required to compete at the Grainger Engineering Tech Startup Challenge, but we encourage startups to seek an option to obtain an exclusive license to the IP or provide other evidence that the startup will have ability to obtain an exclusive license to the IP in the future. The owner of the IP should be aware that the team is competing using that IP.

By applying, winning, or competing at the Grainger Engineering Tech Startup Challenge, student startups do NOT lose any right to their intellectual property.

But, in the application and at the competition, any disclosure of patentable details of the IP would generally be considered a public disclosure. If protection is at all a consideration, or if you are at all worried about disclosing specific details about your IP in the application or at the competition, please consider doing some research on filing, starting the process to file, getting legal advice on filing, or filing a provisional patent application. Or, in the application or at the competition, disclose only concepts of your IP, not patentable details.

The startup is not required to disclose any details of their IP in the application or at the competition but rather be able to talk about the IP in a way that makes them comfortable.

Not eligible: buy-outs of existing businesses, 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.

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HOW APPLICATIONS WILL BE SCREENED

We expect over 100 applications for 7 slots at the competition! All applications will go through a screening process where screeners will review and rate the application on a set of six criteria:

1. **Product or Service Description** - Is the company solving a real customer need with their product or service?
2. **Market Analysis** - Is there a real market for their offering? Is the market big? Would customers pay for it?
3. **Competitive Analysis** - Does this startup have a unique product with a sizable/sustainable competitive advantage over current offerings? If applicable, does the company have IP (patents, provisional, etc.)
4. **Financial** - Does the company have a reasonable projection of revenue, profit and cash flow with strong growth potential?
5. **Management Team** - Does the founding team appear well suited to launch this company? Do they have advisors? Does the team appear committed to launch this company? (Please note that at this stage gaps in management team are to be expected.)
6. **Overall assessment of the startup as a Grainger Engineering Tech Startup Challenge competitor** - how likely is it that an early-stage investor would invest in this company?

Screeners will be looking for **business viability and investment potential**. Consider how your business responds to these questions, which the screeners will be asking themselves as they review your executive summary:

- Will the technology work? Is their evidence that the technology will solve the problem?
- Is the problem big enough to build a company around?
- Does the management team understand its strengths and any gaps in the current team?
- Is the startup coachable? Is this a startup I want to invest in and work with?
- How long will it take to generate revenue? How much additional product development is required?
- How much investment will the startup need in order to reach breakeven cash flow?
- Does the startup understand key milestones that need to be reached? Does the startup have a fund-raising strategy tied to those milestones and value inflection points?
- Is there a credible exit available within reasonable timeframe?
- Should I invest in this business?

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BE PREPARED

Should you be invited to compete in the 2025 Grainger Engineering Tech Startup Challenge, please be prepared to accept (or decline) the invitation in short period of time. You should consider:

- Do you have a **business plan** (up to 10 pages), **company logo** and **social media accounts** ready to submit? They will be due less than two weeks after your invitation to the Grainger Engineering Tech Startup Challenge!
- Will **your team (at least 2 members, up to 4 members) be able to attend the whole competition**, from Noon on Tuesday, July 2110 through 10:00 PM Wednesday, July 22? Teams must attend the competition in its entirety to be eligible for any prizes.
- Will you have **funding** to get you to the competition? Costs of attending the competition include airfare, hotel, and ground transportation to and from the airport. A $1500 stipend will be provided by the Grainger Engineering Tech Startup Challenge but you should also budget for additional expenses.
- Are you able to **take the necessary time off to attend and compete**? Do you have any conflicting classes, tests, papers, meetings, etc. that would prevent you from going? Can you reschedule them if necessary?