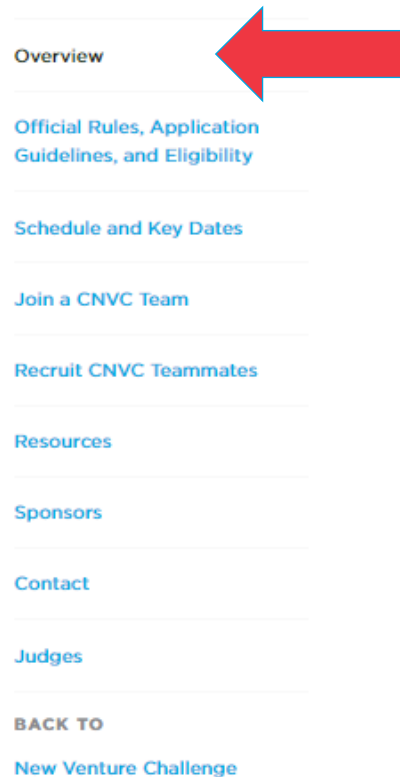# CNVC

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Application and Feasibility Summary Writing

CNVC Application Deadline

- CNVC Application Deadline: November 7, 2022 at 11:59 p.m.
- Apply at: https://polskyuchicago.submittable.com/submit/198998/college-new-venture-challenge
- More information at: https://polsky.uchicago.edu/programs-events/new-venture-challenge/college-new-venture-challenge/
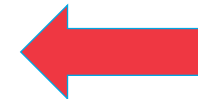
Access application at CNVC website

Learn more about rules and eligibility

Overview

Official Rules, Application Guidelines, and Eligibility ←

Schedule and Key Dates

Join a CNVC Team

Recruit CNVC Teammates

Resources

Sponsors

Contact

Judges

BACK TO

New Venture Challenge

PURPOSE OF THE CNVC

To encourage the founding and growth of high-potential new ventures founded by UChicago College students.

PHASES OF THE CNVC

Most other universities host a single day or weekend business plan competition for their students interested in entrepreneurship. The CNVC is different. It is not just a competition. Instead, it is a multifaceted and interactive business launch program that features three distinct phases:

- **Phase I:** In the Fall quarter, attend events hosted by the Polsky Center to learn about entrepreneurship, meet teammates, and generate ideas. Eligible teams must develop their business feasibility summary and apply by the deadline.

- **Phase II:** Selected teams will enroll in a Chicago Booth class (for undergraduates only) in the Winter quarter, where they will develop a full business plan, practice pitching, and receive mentorship from faculty, coaches, and experienced investors.

- **Phase III:** The program will culminate at the end of the Winter quarter where the top finalist teams will compete for investment and pitch in front of an esteemed panel of investors and judges at the CNVC Finals in March.

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Check out more resources

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RESOURCES

- How to Write a Feasibility Summary
- Application Questions 2022
- Sample Feasibility Summary: Debate It Forward
- Sample Feasibility Summary: Quevos
- Feasibility Summary Presentation (video)
- AppDev Primer
- How to Give a Good Elevator Pitch
- UChicago Careers in Entrepreneurship CNVC Information
- 2019-20 CNVC Kickoff (Video)
- 2019-20 Idea and Market Validation Workshop (Video)
- Simple Agreement for Future Equity (SAFE) – LLC Template
- Simple Agreement for Future Equity (SAFE) – C-Corp Template
- Simple Agreement for Future Equity (SAFE) FAQs
- Polsky Side Letter – Corp
- Polsky Side Letter – LLC

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Find Teammates

Key Application Components

- FEASIBILITY SUMMARY: Students must develop a 5-page feasibility summary outlining a business or idea.

- PITCH VIDEO: Students must create a 1-minute elevator pitch video.

- APPLICATION QUESTIONS: Short answer responses about your business.

- TEAM RESUMES

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Pitch Video Details

- Students must create a 1-minute elevator pitch video articulating the following (Upload the video to YouTube -- you can leave it unlisted – and submit the URL.):
  - What problem are you solving?
  - What is your solution?
  - What evidence do you have that the problem is real or substantial?
  - Why are you the team to solve this problem?
  - How will the College New Venture Challenge enable you to reach your goals?

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Application Questions

- Students must speak to the following topics about their business in short-answer responses:
  - Business description (50 words or less, please note that this info may be made available on marketing materials)
  - Problem this business is addressing (125 word limit)
  - Social impact of business (if applicable) (125 word limit)
  - Customer/beneficiary segment this business addresses (125 word limit)
  - Potential market size (125 word limit)
  - Competing or substitutable products (125 word limit)
  - Why is this the right team to launch this business? (125 word limit)
  - Key milestones or estimated time to market (125 word limit)

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Feasibility Format

- 5 pages maximum

- 10-12 pt. body font

- Arial, Helvetica, or Times New Roman

- 1-inch margins

Value Proposition

- What are you building and for whom?
  - Am I solving a customer's need or problem?

Example 1

The company has developed the SalivaSac™, a proprietary semi-permeable membrane that enables the collection in saliva of biochemical markers below 12 kilodaltons. The company will focus on finding those applications which meet this criteria and where there is an advantage to collecting a non-invasive sample.

Example 2

The company's objective is to develop non-invasive medical diagnostic tests. The first application is for using a proprietary saliva collection device to measure glucose levels in diabetics.

Customer Segments

- Who are your customers?
  - Who are the different groups of people or organizations you aim to reach and serve?
  - How do you define your market?
  - What is the potential market size?

Customer Segments

- Market Size Estimate
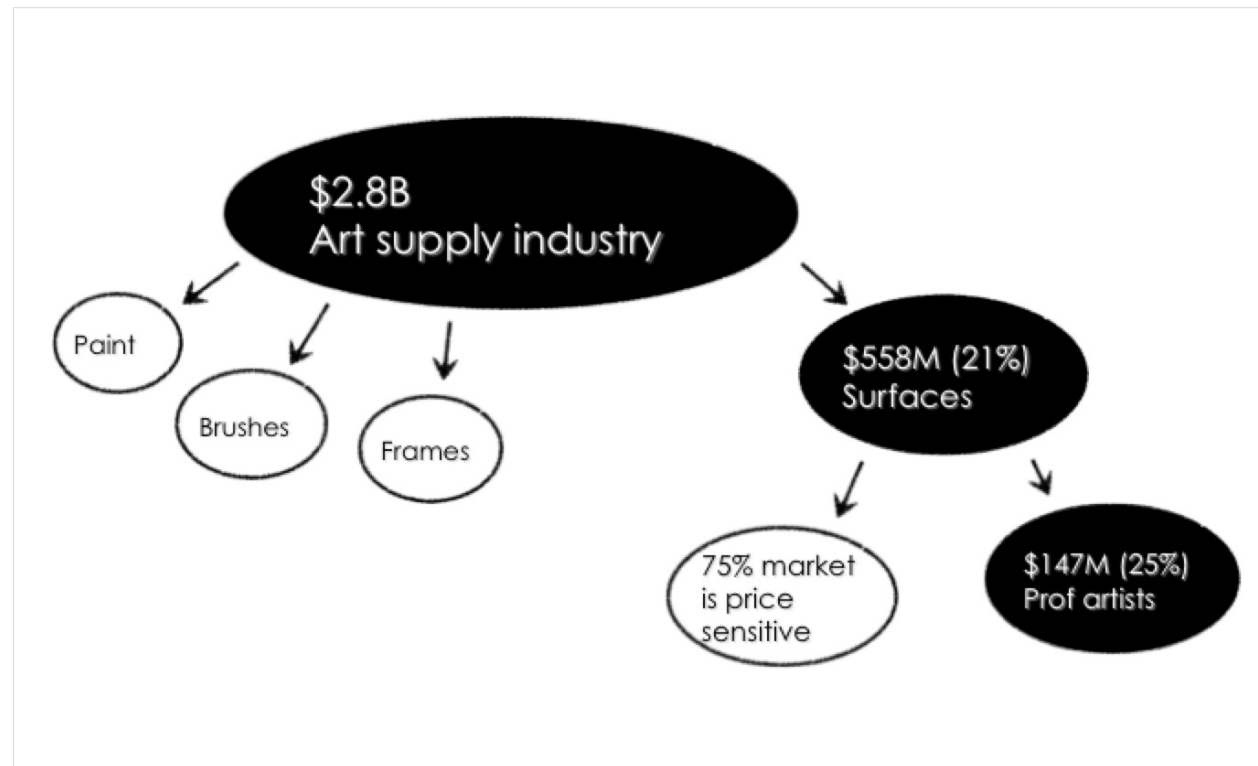
Customer Segments

- Customer Profile

29 years old

Single

City dweller

$60-80K Income
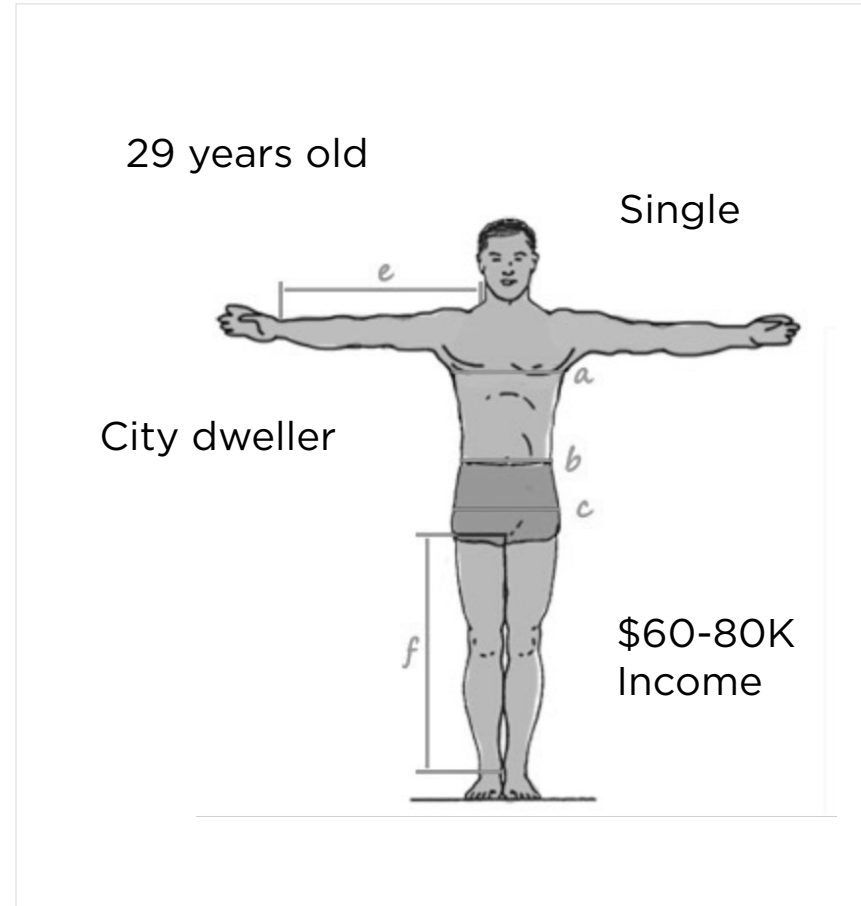
Competition

- How will you win?
  - Who are current players in the market?
  - Who could be your competition in the future?
  - What are your competitive (dis)advantages?
  - How are you positioned with respect to competition?
  - What barriers to entry will protect you?
    - IP, customer development process, etc.?

Intellectual Property

- Are there key differentiators/elements of your business worth protecting?
  - Is it proprietary? Are there patents?
  - Are there key milestones in terms of development or product testing?
  - What are the technology risks?

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Revenue Model

- How do you make money from each customer segment?
  - What will the customer pay?
  - How do you know?

$$\text{Costs to make, sell, \& service} \leq \text{Price} \leq \text{Perceived Value}$$

Operations

- What are the most important actions you take to operate and deliver your value proposition?
  - Production, problem solving, platform/network?
- What assets are required by the business to deliver your value proposition?
  - Physical, intellectual property, team, financial?
- What are the costs incurred by creating and delivering value, maintaining relationships, and generating revenue?
  - Fixed and variable costs, economies of scale, etc.

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Management Team

- Who makes up your management team? Advisors? Partners?
  - Who are they?
  - Why are they relevant for the business?
  - How do you plan on filling gaps?

- Who are the vendors, strategic alliances, and joint ventures involved in executing your business?

Management Team

Example 1

Frank Smith, our CTO, has extensive experience in managing and building data warehouses. He previously served as vice president in charge of Thompson Financial's database management systems and worked as a consulting manager with IBM for organizations building data warehouses. Frank received a BS in computer science from MIT and an MBA from Chicago Booth with a concentration in operations.

Example 2

We currently are looking for a director of sales. We have identified several individuals in data/information companies also selling to the Fortune 500 companies, consulting firms, and investment firms that would be interested once we have secured our financing.

Progress to Date

- What have you done so far? How have you tested your assumptions?
  - Milestones achieved
  - Patents, trademarks, etc.
  - Prototypes, Minimal Viable Products (MVPs), sales, customer research or testimonials, letters of intent, etc.

Business Risks

- What are you worried about?
  - What do you plan to do about it?

Business Analogues

- Are there analogues in the industry or other industries that validate your business model?
  - Who are they, and have they been successful?
  - How are they valued, and how did they get funded?
  - Have there been successful exits? Multiples?
  - Have similar businesses failed? Why? (Look for "corpses")

Social Ventures

- For social ventures, there are additional nuances to consider...
  - Are your customers different from your beneficiaries?
  - What is your financial strategy?
  - How will your venture create social impact?

Social Ventures: Customers vs. Beneficiaries

- Beneficiaries and customers may or may not be the same

Same	Similar	Different
BluFlame Ventures – Provide inexpensive green-technology stoves in rural Ghana	NHHH – Indian hospital that subsidizes the poor through surplus from those who can afford their services	Arzu Rugs – Beneficiaries are Afghan women and their daughters; customers are US rug consumers

Social Ventures: Financial Strategy

- Financing strategy may be more complex than a traditional venture
  - Describe your plan for financing in the early stages and in the long run
  - Sources may include combinations of:
    - Philanthropists
    - Foundations
    - Fees-for-service
    - Other earned income
    - Friends and family
    - Government grants/contracts
    - Social investors
    - Personal resources
    - Financial investors (debt or equity)
  - Think about what makes your venture attractive to different financing sources

Social Ventures: Social Impact

- An explanation of how your venture will benefit society is an important part of the application.
  - What is your theory of social impact?
    - How does your venture impact society?
    - Are you trying to solve for a market breakdown?
    - If you have a mission statement, this is where it belongs.
    - For many ideas, this will be covered in the value proposition of the core business model.
    - For ideas that look more like traditional for-profit ventures, a separate explanation may be useful.
    - Some idea about how you will measure social impact is a useful part of the feasibility study but not essential.

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Peter Thiel's: 7 Questions Every Business Must Answer

- Can you create breakthrough technology?

- Is now the right time to start your business?

- Are you starting with a big share of a small market?

- Do you have the right team?

- Do you have a way not just to create but to deliver your product?

- Will your market position be defensible in 10 or 20 years?

- Have you identified a secret opportunity that others don't see?

What Do VC's Actually Consider?

- Studied VC deal memoranda for 67 investments by 11 VCs.

- Top five reasons to invest:
  - Market 69%
  - Management 60%
  - Strategy 54%
  - Competition 33%
  - Product and technology 30%

- Top five risks:
  - Management 61% Strategy 51%
  - Competition 40%
  - Market 31%
  - Product and technology 31%

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Grubhub Example

- A website for finding and ordering from restaurants that deliver. Have to call every restaurant in city to get menu and ask if and where they deliver. Info is hard to collect.

- Market
  - Not a huge market but large enough.
  - Make money off online ordering.

- Acceptance – Will customers buy?
  - Useful for consumers.
  - Key issue is whether you can get them economically.
  - Restaurants follow once consumers are engaged.

- Present Value – Why is it uniquely valuable now?
  - First-mover advantage/network effect for consumers.
  - Costly and time intensive to get menu/delivery info.
  - Consumers have no reason to switch because restaurants pay.

Bump Example

- iPhone App to exchange contact info. Uses unique identification of two phones from GPS and Synchronicity of Bump.

- Acceptance by customers
  - Consumers liked it/found it useful.
  - Huge piece of luck when billionth iPhone App.

- Present value
  - Network effect.

- But what is the Market? Industry? How do you make money?

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Do's & Don'ts

- Avoid Clichés
  - "We have no competition."
  - "We are the low-cost provider."
  - "We only need a 5% market share."
  - "Our numbers are conservative."

- Avoid Acronyms
  - Don't assume everyone reading your plan has your knowledge base.
  - When you use an acronym, explain it the first time (TFT).

- No Autopilot
  - Make sure the car has a driver. Someone should be the current CEO. OK to say you will find a permanent/better one later.

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Do's & Don'ts

- Be Clear and Concise
  - YES: Middleware for wireless networks
  - NO: Develops and delivers an integrated suite of packaged applications for web and wireless deployment. Global enterprises use these applications to become more competitive and profitable by establishing and sustaining high-yield interactions and transactions with customers, suppliers, and employees.

Do's & Don'ts

- Capture Attention
  - Typical VC will not read past the first page.
  - Should answer the following questions in the first page:
    - What is the opportunity?
    - Why does anyone care?
    - How will it be achieved?
    - What is your unique differentiator?

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For more information:
chicagonvc.com