



JOHN EDWARDSON, '72  
SOCIAL  
NEW VENTURE  
CHALLENGE

## 2024 John Edwardson, '72, Social New Venture Challenge

### APPLICATION PREVIEW

**FEASIBILITY SUMMARY:** Students must develop an 8 page feasibility summary outlining a business or idea. The formatting should be: 10-12 point font, 1 inch margins, Arial, Helvetica, or Times New Roman, and 8 page maximum.

Common elements of a feasibility summary include:

- Value proposition
- Customer/beneficiary segments
- Competition
- Intellectual property
- Customer/beneficiary engagement
- Revenue model
- Operations
- Management team
- Progress to date
- Business risks
- Business analogue

**PITCH VIDEO:** Students have the option to also 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 participating in the Social New Venture Challenge support you in addressing this problem?

**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 | How will your organization impact your target population? (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)

**TEAM RESUMES:** Resumes of each team members should be included in the application.



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## **EQUITY AGREEMENTS**

As a condition to receive the prize money, for-profit winning teams must agree to provide the Rustandy Center with equity in the company (that was the subject of its application). The Rustandy Center offers a non-negotiable version of the Simple Agreement for Future Equity (SAFE) for companies that receive prize money. Nonprofit winning teams will receive funds as a grant.

SAFE is a standard convertible equity investment instrument first introduced and used by Y Combinator for seed funding. Fundamentally (and ideally), it is an investment that converts to preferred stock at the occurrence of the next round of funding and at the same terms as that round of funding. It is not traditional preferred stock or a convertible note. It is intended to replace convertible notes by keeping a similar conversion mechanism but removing many of the problems inherent in debt instruments (e.g., interest, maturity dates, risk of insolvency, and subordination). Importantly, SAFE is unlike preferred stock in that it does not require setting a valuation of the company — that determination is postponed until the later “occurrence of a particular event”.

The Judges Panel and/or the Rustandy Center reserve the right to disqualify any entry that does not meet all the eligibility requirements or that violates any rules or regulations of the Social New Venture Challenge.

## **JUDGING**

Judging will be based on the commercial and social potential of the business, innovative nature and technical feasibility of the idea, the credibility of the projections and assumptions, and the ability of the team to make it happen. While the quality of management and advisors is important, it will be less of a factor in Phase I and more a factor as the team progresses to Phase III. All decisions of the judging panel will be final.

## **PRIZES & EQUITY AGREEMENT**

Cash prizes, along with any additional goods and services, will be divided among the top teams as deemed by the judging panel. The allocation of the prize money will be determined by the finals judges, based on relative merit and need. Each SNVC finalist must review the terms of the SAFE agreement or grant agreement provided by the Rustandy Center. As a condition to receive an award, each winning for-profit team must agree to provide the Rustandy Center with equity in the company (that was the subject of its application) in an amount equal to its respective award if the company receives funding or otherwise enters into a business combination transaction wherein the surviving entity receives financing or equity in another entity.

## **PROTECTION OF INTELLECTUAL PROPERTY**

The University of Chicago, the principal sponsor and organizer, the co-organizers and co-sponsors of the John Edwardson Social New Venture Challenge have taken all reasonable measures to assure that all contestants retain their rights to the Business Plan and Intellectual Property. The co-sponsors and judges of the program include non-University of Chicago organizations that are interested in fostering the entrepreneurial process. Some of these organizations are in the business of working with and investing in the ideas of entrepreneurs. However, co-sponsoring organizations will only have access to the Plans with a team’s prior approval and shall make no claim to any of the property or rights.

The protection of these rights is the ultimate responsibility of each contestant. Contestants are urged to mark as CONFIDENTIAL any portion of their entries, which they consider to be proprietary, or of a sensitive nature. Contestants should be careful about disclosing any “patentable” concepts in their entries because, although in the United States a patent application can be filed up to one year after the first public disclosure of an invention, in many foreign countries a patent application must be filed before any public disclosure is made.



## **WAIVERS AND RELEASES**

The University of Chicago, each of the co-sponsors, judges, mentors, co-organizers (the “Competition Officials”) and its directors, officers, partners, employees, consultants and agents (collectively “Organizer Representatives”) are volunteers and are under no obligation to render any advice or service to any Contestant. The views expressed by the judges, co-sponsors, co-organizers, and the Organizer Representatives are their own and not those of the University of Chicago Booth School of Business or any person or entity. Entrepreneurs will be asked to acknowledge and agree to this in the application process.

## **APPLY**

Learn more and apply by **Wednesday, January 24, 2024 at 11:59 p.m. CT** [here](#).