CNVC

COLLEGE
NEW VENTURE
CHALLENGE

CNVC Application Workshop

POLSKY Center for Entrepreneurship and Innovation
THE UNIVERSITY OF CHICAGO



Agenda

- CNVC Timeline and Deadlines
- CNVC Resources
- Application Overview
- Feasibility Summary Overview
- Q&A
- Quick Pitches
- Networking

How the CNVC Works

Our goal: help UChicago College students start and grow high-potential ventures.

PHASE I | Fall

Attend events, meet teammates, and develop your idea. Submit your application by Nov 3.

PHASE II | Winter

Accepted teams take a Chicago Booth class. Build a full business plan, practice pitching, and get mentoring.

PHASE III | March

Top teams pitch to investors and judges at the CNVC Finals, competing for investment.

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Key Dates and Deadlines

- **Application Deadline:** Tuesday, November 3 at 3:00 p.m. CST.
- **CNVC Class Orientation and Teambuilding:** Tuesday, December 1, 5:30-7:00 p.m.

- **CNVC Winter Quarter Class**: Thursdays, 5:00-8:00pm
- **CNVC Finals**: Friday, March 5, 2027

Eligibility at a Glance

Need a College student

Every team needs at least one currently registered UChicago College student.

Outside teammates OK

Alumni and non-UChicago teammates can join if a College student holds at least 10% equity. Only UChicago students may pitch.

Take the class

At least one founder enrolls in BUSN 20340 for credit (ideally all). First-years can audit but can't earn credit.

Any team size

No minimum or maximum. You can submit more than one entry, but one strong entry is more likely to succeed.

Funding limit

Tell us about any money you've raised. More than $1M of institutional investment makes you ineligible.

For-profit or non-profit

No need to incorporate to apply. To claim prize money, you'll need to incorporate.

CNVC Homepage and Application Navigation





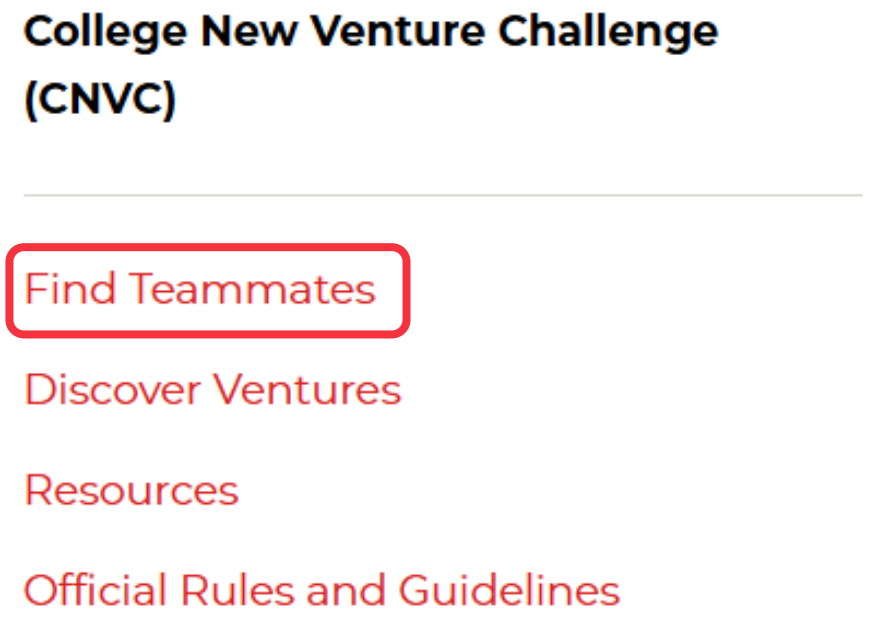
https://polsky.uchicago.edu/programs-events/college-new-venture-challenge/

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Teammate Gallery: Find People

Looking for teammates or hoping to join a team?

Browse student profiles or add your own profile so others can find and connect with you.

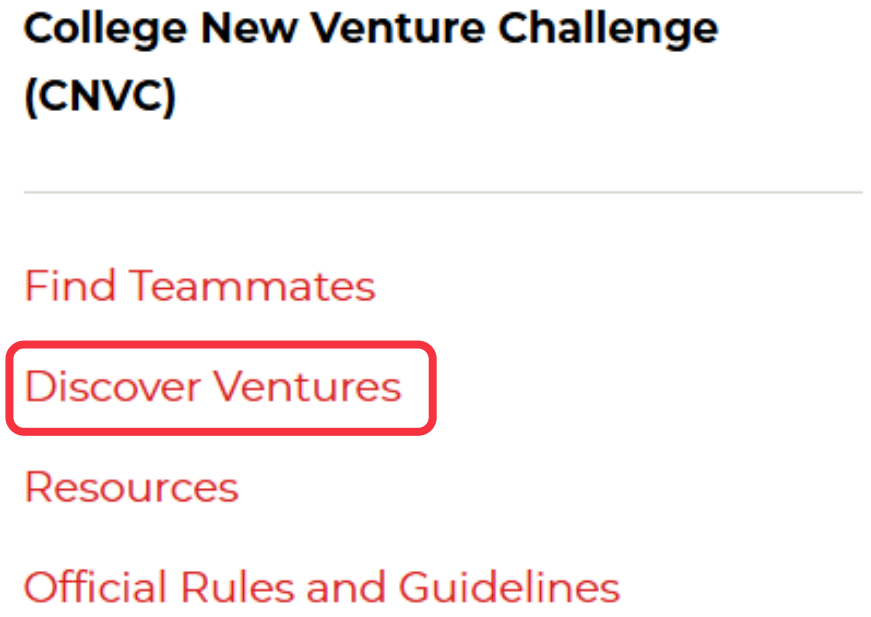


Find Teammates: browse profiles or add yours

Venture Gallery: Find Ventures

Exploring startups or recruiting for your venture?

Browse startup ideas and ventures, or add your own venture so interested students can discover it and connect with you.



Discover Ventures: browse ventures or add yours

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:** A resume for each team member.

Pitch Video Details

Students must create a 1-minute elevator pitch video articulating the following:

- 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?

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)

Feasibility Summary Format

- 5 pages maximum
- 10-12 pt. body font
- Arial, Helvetica, or Times New Roman
- 1 inch margins

Feasibility Summary Components

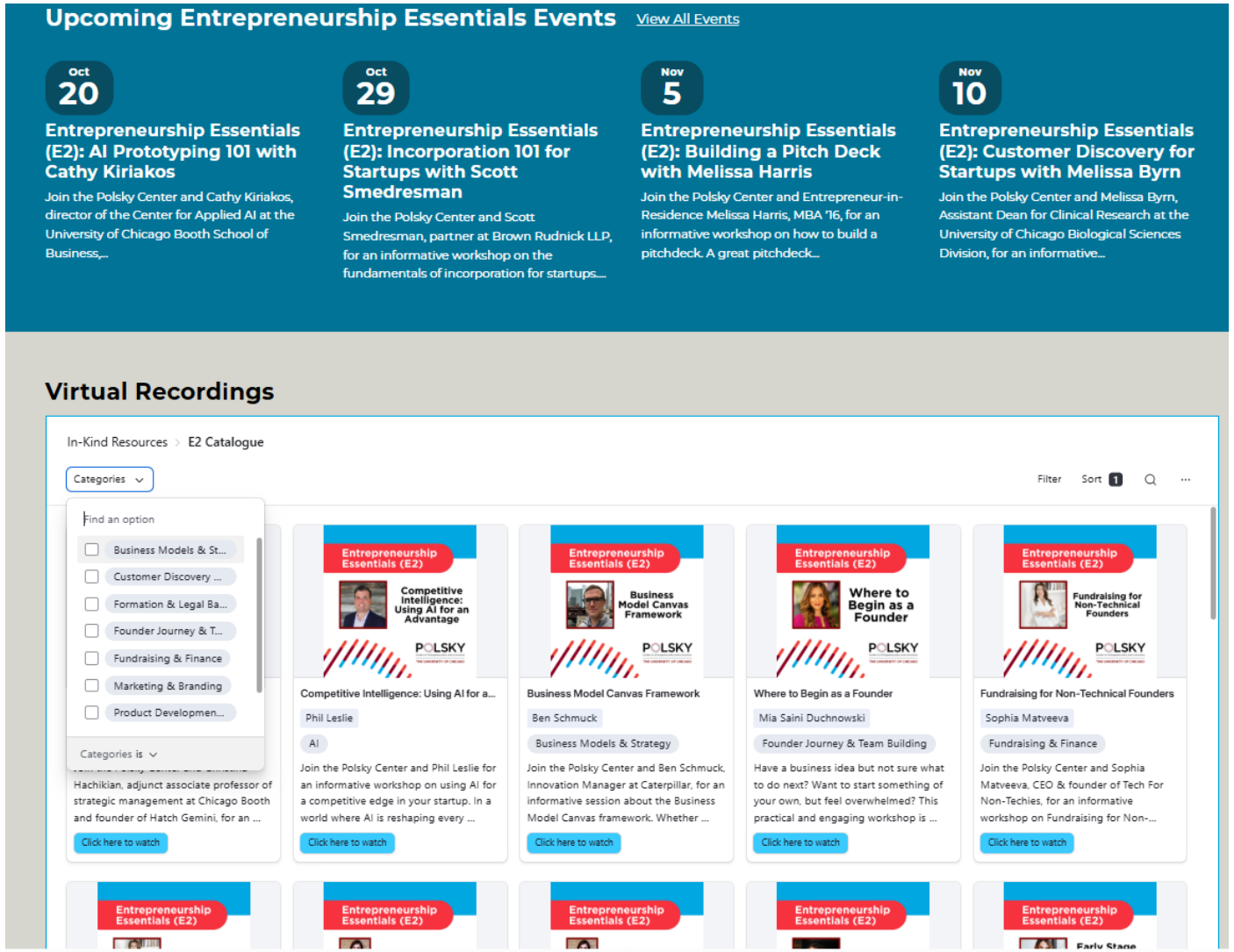
Key Elements of a Feasibility Summary



Entrepreneurial Essentials (E2)

The Entrepreneurship Essentials series is designed to help you launch your startup successfully, with workshops covering costumer discovery, marketing strategy, sales, competitive analysis, financial modeling, and more.

https://polsky.uchicago.edu/programs-events/entrepreneurship-essentials-e2/



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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

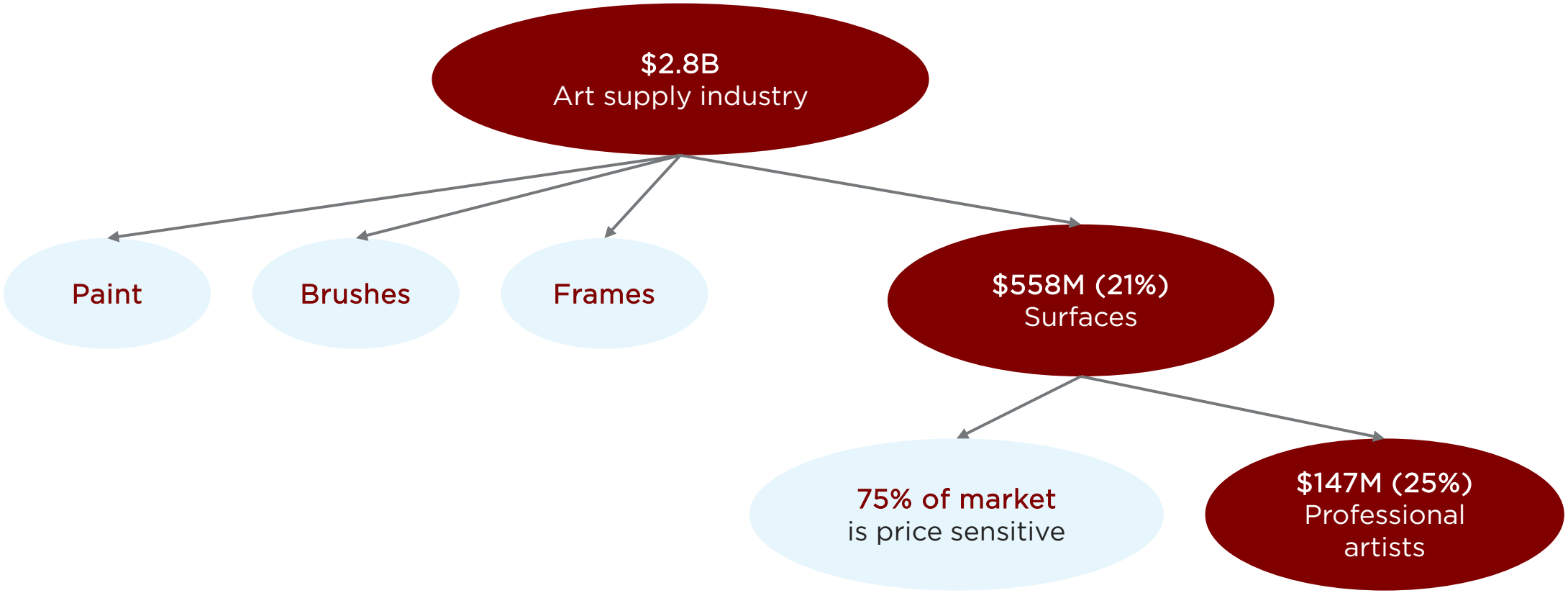
The company's objective is to develop non-invasive medical diagnostic tests. The first application is for using a proprietary saliva collection device to measure glucose levels in diabetics.

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?

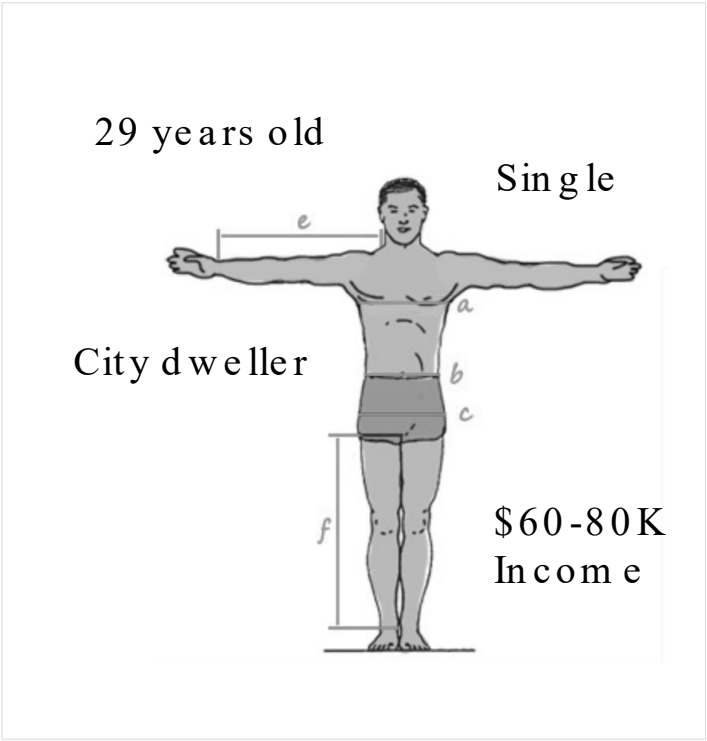
Customer Segments

- Market size estimates



Customer Segments

- Customer Profile



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?

Revenue Model

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



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.

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 Analogs

- Are there analogs 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

BluFlame Ventures – Provide inexpensive green-technology stoves in rural Ghana

Similar

NHHH – Indian hospital that subsidizes the poor through surplus from those who can afford their services

Different

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.

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 Venture Capitalists consider?

- VC deal study 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%

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?

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.

Do’s and 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?

Prizes and the SAFE Agreement

Prizes

Judges determine how prize pool is distributed.

Non-profits receive the money as a grant.

Claim your prize within 6 months of the finals.

SAFE equity agreement

The prizes are in the form of a SAFE investment for for-profit companies.

A SAFE FAQ is available on the Polsky website.

Investments are made in the legal entity (company or non-profit), so you will need to incorporate before taking the investment.

Q&A

40

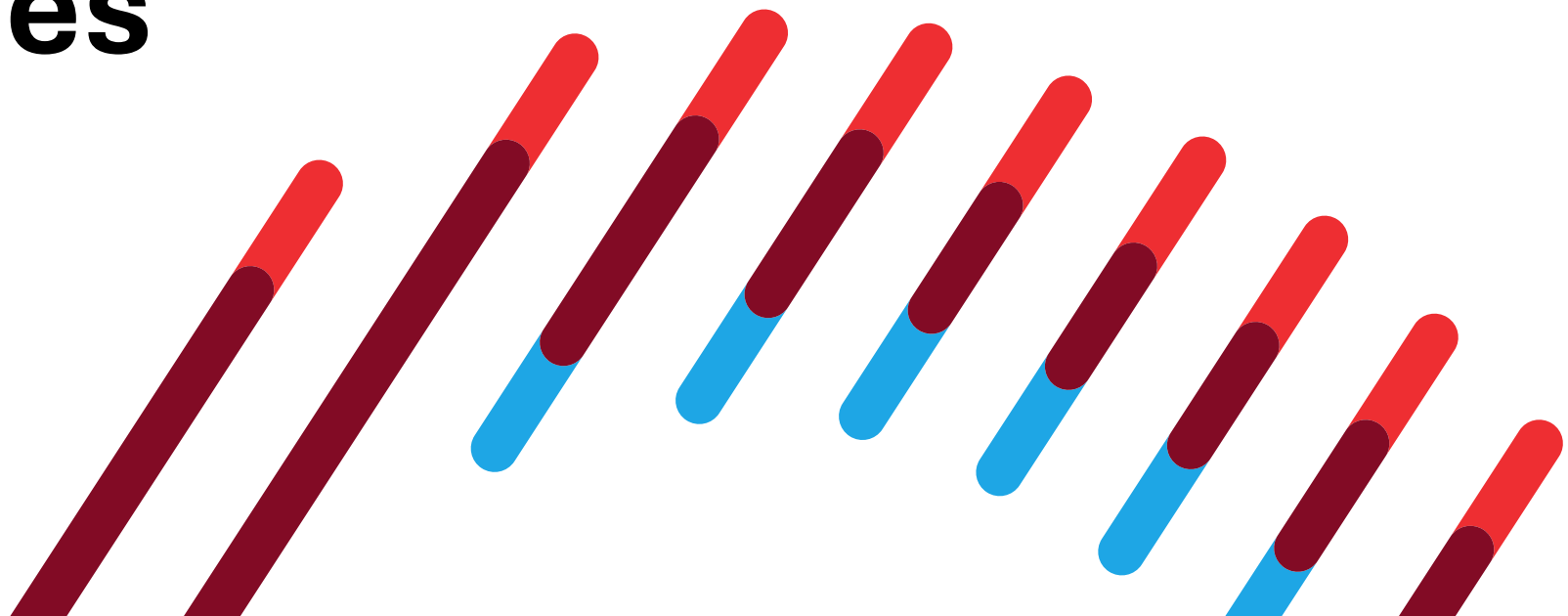
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Sign up
to pitch!

Connect with
a team!

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Quick Pitches



1 Minute Pitches

- What problem are you solving?
- How are you solving it?
- What do you need?
- Are you open to adding teammates?

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Networking

