

Entrepreneurship Participating Event 2004



Creating an Independent or Franchising Business

Franchising Option Sponsored by the
International Franchise Association Educational Foundation, Inc.

Independent Option Sponsored by the
Ewing Marion Kauffman Foundation

Purpose

The purpose of the Entrepreneurship Participating Event (Creating a Business) is to provide an opportunity for the participant to develop and present a proposal to form a business.

The Entrepreneurship Participating Event (Creating an Independent or Franchising Business) includes the development and presentation of various aspects of a plan to form a business. The event provides an opportunity for a participant to develop and demonstrate mastery of essential skills as they apply to the analysis of a business opportunity, the development of a marketing/promotion plan and the development of a financial plan.

Please note: Franchising businesses are an option within the Entrepreneurship Participating Event. Franchising projects qualifying for international conference competition will compete in a separate section. They will adhere to all the guidelines stated below.

Procedure

- This event consists of the **three-part business prospectus** describing a business the participant wants to develop and the **oral presentation**.
- This event is for **individual participants** only.
- The body of the written entry must be limited to **10 numbered pages**, not including the title page and the table of contents.
- The **Written Event Statement of Assurances** must be signed and submitted with the entry. Do *not* include it in the page numbering.
- The oral presentation may be a maximum of 20 minutes in length. The first 15 minutes will include a presentation of and defense for the prospectus followed by 5 minutes for the judge's questions.
- The judge will evaluate the presentation, focusing on the effectiveness of public speaking and presentation skills and how well the participant responds to questions that the judge may ask during the 5 minutes following the presentation.

Skills Developed

The participant will demonstrate skills described by the performance indicators for general marketing as well as learn/understand the importance of

- communications skills—the ability to exchange information and ideas with others through writing, speaking, reading or listening

- analytical skills—the ability to derive facts from data, findings from facts, conclusions from findings and recommendations from conclusions
- critical thinking/problem-solving skills
- production skills—the ability to take a concept from an idea and make it real
- priorities/time management—the ability to determine priorities and manage time commitments and deadlines
- the basic steps involved in starting a small business
- the ability to interpret financial statements
- the ability to self-evaluate personal skills, knowledge, abilities and willingness to take risks
- customer needs
- economic skills

Complete lists of marketing performance indicators are available from DECA IMAGES or DECA's Web site, www.deca.org.

Format Guidelines for the Written Entry

Your written entry must follow these specifications. Refer also to the Written Entry Checklist.

Title page. The first page of the written entry is the title page, which lists the following in this order:

ENTREPRENEURSHIP PARTICIPATING EVENT (Franchise/Independent Business)

Name of DECA chapter

Name of high school

School address

City/State/ZIP

Participant's name

Date

The title page will *not* be numbered.

Table of Contents. The table of contents should follow the title page. It must list every heading of every section in the written entry and the page on which that section starts. The table of contents may be single-spaced and may be one or more pages long. The table of contents page(s) will *not* be numbered.

Body of the written entry. The body of the written entry begins with Section I, Executive Summary, and continues in the sequence outlined here. The first page of the body is numbered 1 and all following pages are numbered in sequence. The body of the written entry must be limited to 10 numbered pages (not including the title page).

The participant will present, from the viewpoint of an entrepreneur seeking financing for a new business, a business prospectus, which is a short description of a business plan. It will include three sections:

1. a description and analysis of the business situation
2. a marketing/promotion plan
3. a financing plan

The prospectus must include (refer to the Checklist and Evaluation Form)

I. EXECUTIVE SUMMARY

One-page description of the project

II. DESCRIPTION AND ANALYSIS OF THE BUSINESS SITUATION

A. Rationale and marketing research

B. Introduction: type of business, brief description of major product(s)/service(s) involved

C. Self-analysis: actual personal experience and/or training in proposed field

(Continued on next page)

- D. Analysis of the business opportunity, customer and location: geographic, demographic and economic analysis of trading area, customer and locale of proposed business
 - E. Proposed organization: type of ownership, steps in starting to form business, planned personnel, management skills
- III. PROPOSED MARKETING/PROMOTION PLAN
- A. Proposed product or service: details of product(s) or service(s) to be offered; potential suppliers or manufacturing plans
 - B. Proposed pricing policy: costs, markups, relationship to competitors
 - C. Personal promotion: nonmedia sales plan, staffing and merchandising appeal
 - D. Nonpersonal promotion: media, basic appeal and initial promotion plan
 - E. Place: channel of distribution from manufacturer or service provided to consumer
- IV. PROPOSED FINANCING PLAN
- A. Projected income/cash flow statement: projected budget describing income and expenditures for the first year
 - B. Projected three-year plan: describe planned growth, including financial resources and needs
 - C. Capital and repayment plan: earnings, short-term and/or long-term borrowing, long-term equity, plan to repay borrowed funds or provide return on investment to equity funds

Checklist Standards

In addition to following the outline above, when preparing your written entry you must observe all of the following rules. The purpose of these rules is to make the competition as fair as possible among participants. Refer to the Written Entry Checklist.

1. The *Written Event Statement of Assurances* must be signed and submitted with the entry or the entry will receive 15 penalty points.
2. The entry must be submitted in an official DECA written event folio. Folios are available from DECA IMAGES (WEF000). No markings, tape or other material should be attached to the folio. One photocopy or the original typed document must be submitted. Participants may keep a copy for use in the presentation.
3. Sheet protectors may not be used.
4. The body of the written prospectus must be limited to 10 pages, not including the title page and table of contents page.
5. The pages must be numbered in sequence starting with the executive summary. Do not use separate sheets between sections or as title pages for sections.
6. Major content of the written entry must be at least double-spaced (not space-and-a-half). The title page, table of contents, executive summary, footnotes, long quotes (more than three typed lines), material in tables, figures, exhibits, lists, headings, sample letters, forms and financial reports may be single-spaced.
7. The entry must be typed/word processed (not handwritten). Only charts, graphs and material in exhibits may be handwritten. Handwritten corrections to typed text will be penalized. (Judges will be instructed to ignore attempts to achieve a competitive advantage due to the quality of word-processing equipment available.)
8. All material must be shown on 8½-inch x 11-inch paper. Pages may *not* fold out to a larger size. No extraneous information may be attached to the pages and tabs may *not* be used.
9. Illustrations (figures) used to enhance understanding of the text and scanned photographs are permitted in the main body of the document. Decorative artwork or desktop publishing decorative techniques are *not* permitted. See page 41 for a fuller explanation.
10. The entry must follow the sequence outlined above. No sections may be added. Sections not included will be given *zero* scores by the judge. Each section must be titled.



Presentation Guidelines

- The major emphasis of the prospectus is on the content. Drawings, illustrations and graphic presentations (where allowed) will be judged for clarity, not artistic value.
- The participant will present the prospectus to the judge in a 20-minute presentation worth 100 points. (See Presentation Judging.)
- The presentation begins immediately after the introduction of the participant to the judge by the adult assistant.
- The participant will spend not more than 15 minutes (after introductions) setting up visual aids and presenting the prospectus to the judge. The participant may bring a copy of the prospectus and refer to it during the presentation. Notes in the margin or on the back of the report pages are acceptable in the participant's copy only. No note cards may be used.
- The judge will spend the remaining 5 minutes questioning the participant. (See Presentation Evaluation Form.)
- The participants may use as visual aids only display material mounted on posters/presentation boards. Only visual aids that can be easily carried to the presentation by the participant will be permitted, and the participant alone must set up the visuals. Participants are allowed to make use of a personal or laptop computer and/or a handheld digital organizer they provide. No set-up time will be allowed. No sound may be used. If participants use a personal computer, they must bring their own battery power pack, as electrical power will NOT be supplied. No other material may be brought to or used during the presentation by the participant.
- No material of any kind may be passed to the judge.
- If any of these rules are violated, the adult assistant must be notified by the judge.

Presentation Judging

The participant, assuming the role of an entrepreneur, has prepared a plan to form a business. As the judge, you are to assume the role of a potential source of capital for the business.

During the first 15 minutes of the presentation (after introductions), the participant will set up any visual aids and present the proposal. Set-up time and presentation time are included in the 15 minutes. Allow the participant to complete this portion without interruption, unless you are asked to respond.

During the final 5 minutes, you may question the participant on his/her proposal. To ensure fairness, you must ask each participant the same questions—one question from each of the categories shown on the evaluation sheet. You should prepare these questions after you have read each prospectus, but before the presentation begins. After asking the questions, you may ask other questions that seem appropriate, based on your notes, which you may refer to during the presentation, or the presentation itself.

The Presentation Evaluation Form follows the outline shown in the section entitled Presentation Guidelines, which explains in greater detail what should be discussed in each part. As you interview, ask yourself, “Will this work? Is it realistic? Does the participant sound knowledgeable? Is the participant communicating clearly?” Ultimately, you must decide, “Would I lend money to or invest in this person and this proposal?”

Please familiarize yourself with all of the guidelines before starting to evaluate the presentation. (Penalty points have already been assigned to the written entry. See the Written Entry Checklist.) As you evaluate the presentation, please be sure to

- ◆ place the name and identification number label on the Scantron sheet (unless it has been done for you).
- ◆ fill in the appropriate score for each section.

(Continued on next page)

- ◆ write the score given in the space provided at the right. No score filled in or extended means that the participant will receive a zero for that area.
- ◆ ignore attempts to achieve a competitive advantage due to the quality of word-processing equipment available.
- ◆ double-check to ensure that you have scored every category.
- ◆ total your score. The series director will double-check all addition.

A maximum score of “Exceeds Expectations” in any category means that, in your opinion, the information is presented effectively and creatively; nothing more could be expected of an applicant.

A “Meets Expectations” rating means that the information is presented well. Though there may be a few minor problems or omissions, they are not significant. Creativity, however, is not shown to any great degree. A combined total score of 70 or better on the written and presentation sections will earn the participant DECA’s Certificate of Excellence at the international conference. A proposal that earns “Meets Expectations” in every category would probably get all or a major portion of the requested funding.

A “Below Expectations” score means that the information presented does not meet minimum standards of acceptability.

A “Little/No Value” score means either that some major flaw has been noted that damages the effectiveness of the presentation (this may be a major omission, a serious misstatement, poor writing or any other major flaw) or that the information presented is of no value (does not help the proposal at all).

After the questioning period, please thank the participant. Then complete the Presentation Evaluation Form, making sure to record a score for all categories. The maximum score for the evaluation is 100 points. It may help to go through several entries before actually starting to score the entries. Take notes on a separate sheet of paper if you wish to ask the participant about specific areas of the proposal during the presentation.

We hope you are impressed by the quality of the work of these potential entrepreneurs. If you have any suggestions for improving this event, please mention them to your series director.

We thank you for your help.

Tune
in
to Success



**Entrepreneurship
Participating Event, 2004**

Participant's Name: _____

**Written Entry
Checklist**

I.D. Number: _____

**Please refer to *Format Guidelines for the Written Entry*
for a more detailed explanation of these items.**

	Checked	Penalty Points Assessed	Page No.
1. The <i>Written Event</i> Statement of Assurances must be signed and submitted with the entry	_____	15	_____
2. Official DECA written event folio	_____	5	_____
3. Sheet protectors may <i>not</i> be used	_____	5	_____
4. Limited to 10 numbered pages (plus title page and table of contents)	_____	5 (per page)	_____
5. All pages numbered in sequence starting with the executive summary (except title page and table of contents)	_____	5	_____
6. Major content must be at least double-spaced (not space-and-a-half). Title page, table of contents, executive summary, footnotes, long quotes, material in tables, figures, exhibits, lists, headings, sample letters, forms, financial reports, etc., may be single-spaced	_____	5	_____
7. Entry must be typed/word processed. Charts and graphs may be handwritten. Handwritten corrections will be penalized.....	_____	5	_____
8. No fold-outs, attachments, tabs used. Paper is 8½ inches x 11 inches.....	_____	5	_____
9. No decorative artwork or desktop publishing decorative techniques are used	_____	5	_____
10. Entry follows the sequence outlined in the guidelines (title page, table of contents, executive summary, description and analysis of the business situation, proposed marketing/promotion plan, proposed financing plan). Page numbers of sections must appear in the table of contents. Each section is titled.....	_____	5	_____
Total Penalty Points Assessed		_____	

A check indicates that the item has been examined.
A circled number indicates that an infraction has been noted.
A page number indicates the location of the infraction.



**Entrepreneurship
Participating Event, 2004**

Participant's Name: _____

**Presentation
Evaluation Form**

I.D. Number: _____

**Please refer to *Format Guidelines for the Written Entry*
for a more detailed explanation of these items.**

	Exceeds Expectations	Meets Expectations	Below Expectations	Little/No Value	Judged Score
I. EXECUTIVE SUMMARY	4	3	2	1-0	_____
One-page description of the project					
II. DESCRIPTION AND ANALYSIS OF THE BUSINESS SITUATION					
A. Rationale and marketing research on the acceptability of the product/service.....	5	4	3-2	1-0	_____
B and C. Introduction and self-analysis.....	6-5	4	3-2	1-0	_____
D. Analysis of the business opportunity, customer and location.....	10-9	8-7	6-5-4	3-2-1-0	_____
E. Proposed organization	5	4	3-2	1-0	_____
III. PROPOSED MARKETING/PROMOTION PLAN					
A. Proposed product/service	5	4	3-2	1-0	_____
B. Pricing policies	5	4	3-2	1-0	_____
C. Personal promotion.....	5	4	3-2	1-0	_____
D. Nonpersonal promotion.....	5	4	3-2	1-0	_____
E. Place	5	4	3-2	1-0	_____
IV. PROPOSED FINANCING PLAN					
A. Projected income/cash flow.....	10-9	8-7-6	5-4-3	2-1-0	_____
B. Projected three-year plan.....	10-9	8-7-6	5-4-3	2-1-0	_____
C. Capital and repayment plan.....	5	4	3-2	1-0	_____
V. OVERALL IMPRESSION OF THE PRESENTATION AND OF THE PARTICI- PANT (articulate, knowledgeable).....	10-9	8-7-6	5-4-3	2-1-0	_____
VI. OVERALL IMPRESSION OF THE WRITTEN PROSPECTUS.....	10-9	8-7-6	5-4-3	2-1-0	_____

Total Possible Points: 100

Presentation Total Points: _____

LESS PENALTY POINTS: _____

TOTAL SCORE: _____