

THE QUEEN'S ENTREPRENEURS' COMPETITION

ENGINEER'S PITCH COMPETITION GUIDE
2015/2016

"The Queen's Entrepreneurs' Competition is one of the oldest and largest competitions, drawing business students from across Canada and the world"

- David M. Saunders, PhD Dean



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Introduction

So you want to compete at the QEC, but don't know how to get started?

We've created an all-inclusive guide on how to succeed at the QEC that covers the following topics: how to form a business idea, create a business plan, and perfect a business pitch. These tips and tricks will give you insights on how to complete your first-round submission and pitch your business in the final round.

Stay tuned for a further guide on creating a business pitch in the coming weeks.

Make YOUR ideas happen at the QEC.

Creating A Business Idea

The first step to creating any sort of business is to have an idea of what the business will be. Contrary to what some individuals may believe, a business is not merely a product. Both the team and industry play key roles in determining the success of a business, and therefore must be considered when developing a business idea. The following is a suggested framework for developing a business idea. This framework is meant as a general guideline, not as the only way to develop a business idea. The framework is divided into four steps:

Step 1: Selecting an industry. This emphasizes matching a team's core competencies to an industry and field.

Step 2: Identifying a problem. This step ensures that the final business idea is solving an industry problem that has an opportunity to earn money.

Step 3: Brainstorming solutions. This step focuses on quantity of ideas, ensuring that a diverse range of potential solutions are considered. The key in this step is to resist the temptation of criticizing or shutting down out of the box ideas (no matter how unrealistic they may seem)

Step 4: Idea selection. This step takes all the potential solutions from step 3 and narrows them down to a final business idea. The final idea may not have been created in step 3, but instead be a combination of multiple ideas, or created from insights learned while analyzing potential business solutions.

While an optional step, selecting an industry helps focus future steps and is highly recommended to ensure a good team match for the business. This is because some team members may not work well in a given field due to their own skill set or preferences regardless of the business opportunity in a field. A field/industry can be as broad as "technology" and "healthcare" or as narrow as "hospital communication" and "craft beer".

When selecting an industry there are two factors that must be considered: competence and preference.

Competence

Competence is a team member's knowledge and ability to work in a particular industry. This doesn't mean that a team requires an environmental scientist if it wants to make a business focused on helping the environment, but it should be acknowledged that without this expertise it will be more difficult to develop the product and "sell" the team. In some cases these barriers can be overcome, but in other cases it would require bringing on another team member.

For example, a simple software platform may not require a specialized programmer if the team is willing to learn programming, but developing a product that requires FDA approval will likely require partnership with someone, or a team member, with a high degree of medical knowledge. This is why knowledge of a particular industry is also important. A team of business students may not be able to recognize that a "simple" software platform is actually very difficult until weeks have been spent developing the product. This is why competence includes both knowledge of a field and ability to work in a field.

You must become an expert in your field, or a top user. If you're neither, then become one.

For example, the company Homejoy, an online platform which connects customers with house cleaners raised over \$38 million in fundraising rounds. Despite this, Co-founder and CEO Adora Cheung continued to work cleaning jobs regularly so she could stay familiar and up-to-date with the industry.

STEP ONE: SELECT AN INDUSTRY

Preference

Preference is a team's interest in an industry. This can be because of curiosity, seeing an opportunity or a personal investment in the industry. It is important to narrow down on what a team member has a preference for or against.

For example, let's say a member of your team doesn't want to develop an app that tracks the nutritional information of someone's meals throughout the day. This team member may not want to develop an app, may not be passionate about nutrition (and prefers something else such as exercise) or has an ethical issue with tracking someone's personal information. Apps, nutrition and personal tracking. These are three different fields and the team member may have a dislike for one, but not the others. By determining where this team member's preferences lie, you can understand your team better and suggest ideas more likely to be suited to the team's preference in the future.

Preference for an industry is as important as competence. During pitch competitions, a team is selling its company and itself. Judges can tell if a team is passionate about an idea and invested in its success. In the end, working on a product that all team members have a preference for will lead to faster work, reduced conflict and an easier sell at the pitch.



STEP TWO: IDENTIFY A PROBLEM



A very common mistake that start-up companies make is developing a product without identifying a problem. Many failed start-ups believed that just because they have a cool idea, this is enough to develop a business. This mentality of "if I build it, they will come" has worked in the past, but is far less likely to succeed than a structured approach that first identifies a specific need in a market.

Not only must there be a very clear need that your company is addressing, but it must be a need people are willing to pay for. A company, BricaBox focused on addressing a technical problem, but failed to identify a problem that was faced by a large audience, let alone an audience that was willing to pay.

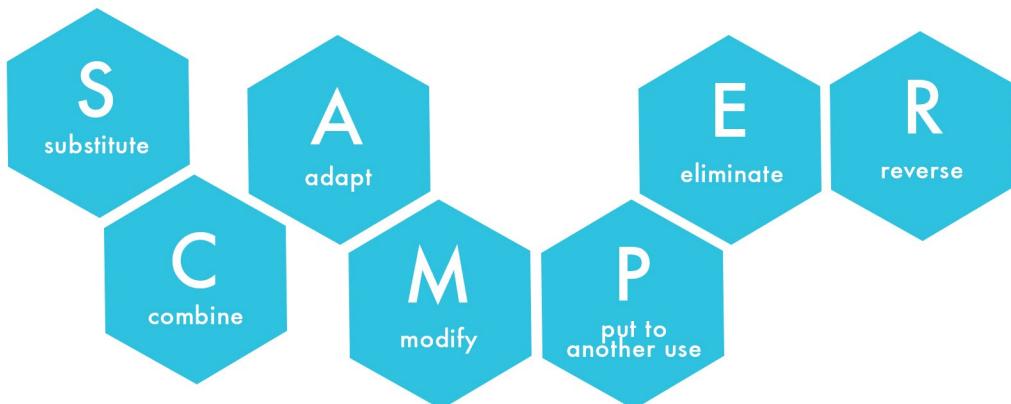
Once you have identified some problems in your industry of choice, it is time to brainstorm solutions.



STEP THREE: BRAINSTORM SOLUTIONS

In this step the goal of the team is to generate as many ideas as possible. Out-of-the-box ideas should be encouraged, even if they don't seem realistic. Don't worry about criticizing ideas until step 4, just focus on having a wide selection to choose from.

There's no perfect way to brainstorm solutions and different people will have different methods. This guide isn't meant to be exhaustive, but one recognized tool is the SCAMPER method. SCAMPER stands for: Substitute, Combine, Adapt, Modify/Magnify, Put to another use, Eliminate and Reverse.



Substitute

Take away a part of the selected thing, concept or situation and replace it with something else. Anything can be an item for substitution. The possibilities include steps in a process, product parts, the people or the place. Substitution is a technique of trial and error, of replacing one object with another until you are able to determine the correct idea.

Trigger words and example:

Some examples of trigger words for 'Substitution' are: colorize, alternate, rename, proxy, reposition, stand in, replace, surrogate, fill in, relieve and repackaging.

An example for 'Substitution' would be Boeing utilizing new composites in their aircraft so that they are lighter and fuel efficient to a greater degree.

Combine

The next step is to contemplate combining elements of the situation or problem you're facing so as think up something new. This is in line with the view of many creativity experts that creativity has to do with combining already existing things in a fresh way.

So join, force together or affiliate two or more elements pertaining to your subject matter and contemplate routes by which such a combination could possibly take you to a solution.

Trigger words and example:

Some examples of trigger words for 'Combine' are: become one, bring together, come together, conjoin, intermix, link, mingle, package, unite, amalgamate, link, relate, and commingle.

The Gutenberg printing press is a great example of something that was the product of "combining." Gutenberg came up with the movable type printing press by way of combining a coin punch with the grape press mechanism.

Adapt

Think if there's a solution for another problem that you may mold to suit your situation.

Trigger words and example:

Some examples of trigger words for 'Adapt' are: acclimatize, adopt, alter, become, accustomed, change, conceptualize, emulate, find your fit, get a feel for, incorporate, match, readjust, revise, settle in, vary, amend, bend, conform, familiarize, make suitable, refashion, transform, revise, modify.

Facebook was created for laptop and desktop browsers but rapidly adapted for utilization on mobile phones.

Modify/Magnify

Pose a question to yourself about which ideas you can produce if you magnify or modify your situation or problem. Magnifying parts of or the whole of your idea may enhance its perceived worth or furnish fresh insight pertaining to which components are most significant.

Trigger words and example:

Some examples of trigger words for 'Modify/Magnify' are: amplify, boost, expand, grow, increase, lengthen, multiply, overstress, strengthen, augment, enlarge, heighten, raise and stretch out.

Fancy hands altered the virtual assistant model by developing a system to facilitate an expansive distributed team to cope with the tasks, rather than making all to be seated in an office.

Put to another use

Contemplate how you can put your current idea to different uses or what could be reused from elsewhere so as to fix your own problem. Frequently, an idea only turns out to be great when applied in a different manner than first imagined. Modify the goal of the subject. Contemplate why it exists, its purpose of use and what it is assumed to do. Confront all of these suppositions and propose new and strange purposes.

A classical manifestation of this step is to discover a substitute market for a manufactured good when a specific market dries up, or to find a new buyer following the termination of the agreement with one buyer.

Trigger words and example:

Some examples of trigger words for 'Put to another Use' are: abuse, avail yourself of, bring into play, deplete, employ, exercise, expand, get through, luxuriate, manage, mistreat, reposition, spend, take pleasure in, use up, waste, work, apply, behave, contextualize, employ, exhaust, handle, take advantage of, utilize, work, wear out and treat.

Food waste from grocery stores and restaurants would usually end up in landfills, and putrefy. However, Ecoscraps converts food waste into compost. This is a good example of putting something to another use.

Eliminate (or Minify)

Contemplate what would happen if you eliminated components or elements of your idea or if you minimized, reduced or simplified aspects of it. By way of repeated elimination or trimming of ideas, processes and objects, it is possible to steadily constrict your challenge to that function or part of the most significance.

Trigger words and example:

Some examples of trigger words for 'Eliminate (or Minify)' are: abolish, curb, disregard, eradicate, excrete, exterminate, jettison, lessen, liquidate, moderate, pass, purge, reject, restraint, simplify, throw out, underemphasize, wipe out, control, destroy, exclude, temper and waste.

Microsoft invented Windows 8 to do away with requiring a mouse.
Reverse (or Rearrange)

Rearrange – Contemplate whether you can do some kind of rearranging whether changing the sequence, pattern or layout; interchanging components; changing schedule; changing pace; or interchanging cause and effect. Contemplate changing the order of processes or other hierarchy involved.

Reverse

Contemplate what you would do if a portion of your process/product/probortunity was done or worked in another order, or in reverse. Reverse the orientation or direction. Turn it inside-out, upside-down, or backwards – just make it go against the direction it was meant to be used or to proceed.

Trigger words and example:

Some examples of trigger words for 'Rearrange' or 'Reverse' are: adjourn, back up, change, drive backward, invalidate, move backward, overturn, put off, readjust, relocate, reorder, repeal, reschedule, retreat, switch, turn around, withdraw, annul, delay, postpone, quash, rearrange, reposition, swap and undo.

Lyft and Uber have rearranged the process by which people search for a taxi. The latter don't really have to search for one – they just order a ride using their application.

For more information on the SCAMPER approach, visit www.entrepreneurial-insights.com

STEP FOUR: SELECTING AN IDEA



After following steps 1,2 and 3, your team should have a large list of potential solutions to a significant problem facing an industry within which you have extensive knowledge and a keen interest. The final step in the business idea creation process is to select a solution to pursue. Again, there is no perfect or standardized way to select ideas, and you may find your team already has a preference towards a certain idea (or perhaps none!).

Due to the quantity of potential solutions, it is often not feasible to conduct an in-depth analysis into all of them, and sometimes your team must be ready to cut ideas early on. It is important during this process to ensure all team members have their opinions heard and that there is a clear reason or an idea being cut.

You do not have to select solutions as they are. A small change (a.k.a pivot) may significantly improve the solution. You may also find you can combine elements from multiple solutions. These insights will only come from open discussion with other team members.

Once you have narrowed down your potential solutions to between 3-5, you can look into more detailed, scientific methods for selecting a final idea. It is common for teams to use a weighted evaluation matrix at this point to objectively compare solutions. While this is one method used, it is important to recognize that unless you are all full experts in a field, additional research may need to be conducted to determine the feasibility of the remaining solution. This research could be as simple as an internet search, to conducting surveys, field research and consulting experts.

You do not need to rush this step. Having a researched and validated business solution early-on will save a lot of time later in the process. Furthermore, the research you conduct in this step will also help when creating a business plan and business pitch. When researching these potential solutions, it may help to ask some of the questions that are found in the next section: Creating a Business Plan.

CREATING A BUSINESS PLAN

Broadly speaking, a business plan is a written document describing the nature of the business, the sales and marketing strategy, the financial background and containing a projected profit and loss statement. It is also communicates a business' goals and a roadmap to achieve these milestones. For the purposes of the Queen's Entrepreneurs Competition the key topics to be covered are:

Market Opportunity - What problem are you trying to solve?

Business Model & Viability - How are you going to solve this problem?

Execution Strategy - What do you propose to execute your business model?

Originality - Why are you different and/or better than any other venture competing in the market?

Financial Considerations - What are some things to consider when valuing your company? How can you use the QEC prize money to make it grow?

Before answering these questions, it is important to understand your business from a general perspective. An easy way to do this is using the following tool provided by Lean Canvas:



Lean Canvas created this tool by adapting a standard Business Model Canvas (<http://www.businessmodelgeneration.com>). There are many examples of both of these tools being used available online. Analysing your business using the Lean Canvas tool ensures that all aspects of the business are at least considered before moving forward with a business plan.

Other Business Plan considerations

A business plan is a representation of your business and therefore the quality of your business plan will reflect on the quality of your business. Make sure to include:

A clear title page with your business logo and name

A table of contents

An executive summary – One page (max) describing your business concisely and clearly

Well-formatted pages with all pages numbered

If you have the space, additional sections may include:

Competitive analysis – identifying key competitors in your industry and how they may interfere with your business

Market analysis – identifying recent trends in customer preference, new technologies etc. that will have an impact on your business

Operations and Management – How will your business operate?

Who is on your team and what does each team member bring to the team? Remember, it is just as important to sell your team as the business itself

Additional Resources

There are a variety of business plan templates, guides and samples available online. Two of the most successful websites that provide resources for creating business plans are:

www.Bplans.com – Has a collection of over 500 example business plans

www.entrepreneur.com – contains a variety of guides on how to write business plans





KEY COMPETITION DATES



OCTOBER 29TH, 2015

1st round (preliminary) submissions are
due on www.theqec.com

JANUARY 14TH - 16TH

2nd and 3rd rounds take place in Toronto, ON

JANUARY 14TH

Evening Competitor Welcome Reception

JANUARY 15TH

2nd Round Pitches

JANUARY 16TH

3rd Round Pitches