

ENTREPRENEURSHIP (VIRTUAL)



PURPOSE

To evaluate the team's success to formulate a business plan, present business presentations and respond to changes that may occur during operation.

First, download and review the General Regulations at: <http://updates.skillsusa.org>.

ELIGIBILITY (TEAM OF 4)

Open to a team of four active SkillsUSA members. A state may enter one high school team and one college/postsecondary team comprised of four registered members each. The team may perform with three members without penalty in the event that a member fails to show up or is forced to withdraw within five days of the competition, as long as four members were originally registered and verified in the national headquarters.

CLOTHING REQUIREMENTS

Class A: SkillsUSA Official Attire

- Red SkillsUSA blazer, windbreaker or sweater, or black or red SkillsUSA jacket.
- Button-up, collared, white dress shirt (accompanied by a plain, solid black tie), white blouse (collarless or small-collared) or white turtleneck, with any collar not extend into lapel area of the blazer, sweater, windbreaker or jacket.
- Black dress slacks (accompanied by black dress socks or black skin-tone seamless hose) or black dress skirt (knee-length, accompanied by black or skin-tone seamless hose).
- Black dress shoes.

Contest Clothing Notes (Apply ONLY to Virtual Competitions):

- Official SkillsUSA Competition Clothing recommended but NOT required.

- Contestant clothing options include the following:
 - Official Competition Clothing.
 - Trade Appropriate Clothing.
 - Professional Dress.
 - Business Casual.
- Clothing must meet industry safety standards.
- No identification of the contestant, school or state is allowed on clothing.
- No offensive, vulgar or inappropriate images or text are allowed on contestants clothing.
- No shorts or sleeveless shirts are allowed.
- Skirts must be at least knee-length.
- Proper Personal Protective Equipment (PPE) must be worn by contestant to meet all state, local and school requirements due to COVID-19.
- Scoring deductions may only be given and/or disqualification of contestant if clothing safety standards are not met.

These regulations refer to clothing items that are pictured and described at: www.skillsusastore.org. If you have questions about clothing or other logo items, call 1-888-501-2183.

EQUIPMENT AND MATERIALS

1. Computer with high-speed internet capability and camera to use applications such as Zoom, Teams, etc. The minimum recommended internet bandwidth speeds for joining Zoom meetings, accessing on-demand curriculum and other online operations is 2.0 Mbps up and down. You can test your current internet speeds by following this link: <https://www.speedtest.net/>. Allow the page to load and click on GO.
2. A secondary camera(s) may be required to provide judges with the ability to view contestants from different angles. Additional camera requirements will be located on the SkillsUSA website at <http://updates.skillsusa.org>.
3. A contest Proctor will be required to be on site to assist judges. A local industry expert is preferred to serve as the Proctor and shall not be an individual that has been involved with the training of the

contestant(s). The Proctor will serve as the onsite “hands and eyes” for the judges. Proctor will follow instructions from the judges for safety and operations related to the competition. Proctor may be asked by judges to perform several tasks such as operating a portable camera to show specific components or steps, measure parts, or any task that will provide judges with information needed to assist in accurate scoring of the contestant’s work or presentation. However, the Proctor shall not serve as a judge nor have any influence in contestant scores.

4. The contestant’s instructor or advisor shall be on site to observe all competition activities to ensure a safe and healthy competition experience for all participants. That instructor or advisor will not be allowed to interact or interfere with the competitor unless a safety issue arises that requires interaction. Any other support or interaction between the contestant and the instructor/advisor will result in disqualification
5. All competitors must create a one-page résumé and submit an electronic copy to the technical committee chair at least seven (7) days in advance of the competition. Failure to do so will result in a 10-point penalty. Instructions for submission of the electronic résumé copy will be provided on the SkillsUSA website at <http://updates.skillsusa.org>.
6. All materials and supplies needed for their presentations, including all presentation equipment such as visual aids, a computer, projector, extension cords, etc.
 - a. An electronic copy of the team’s business case must be submitted. The electronic copy must be submitted by June 1, or penalties will be applied. See electronic submission details in the Knowledge Performance section below.
7. Resources provided to contestants:
 - a. HP LIFE eLearning (www.life-global.org/go/skillsusa), a free, open educational resource providing self-paced and interactive modules teaching business and IT skills of the 21st century. HP LIFE eLearning course mapping to standards and competencies provided.

- b. Contest recommendations/best practices

Note: Your contest may also require a hard copy of your résumé as part of the actual contest. Check the Contest Guidelines and/or the updates page on the SkillsUSA website at <http://updates.skillsusa.org>.

SCOPE OF THE CONTEST

The Entrepreneurship contest area consists of two separate competitions, one for high school students and another for college/postsecondary students.

Knowledge Performance

One hard copy of each participating team’s business plan must be brought to the orientation and to the contest site. The team also must send an electronic copy to dpeaton@skillsusa.org and bleisy@comcast.net. The electronic copy must be received by June 1. Electronic submissions missing the deadline are subject to penalties.

The electronically submitted business plans will be judged prior to the two-day competition and will comprise 50% of the team’s total score.

Skill Performance

The contest includes a business plan presentation and a challenge presentation to demonstrate performance skills.

A. Schedule of Skill Performance

1. *Day One, Orientation Session:* A brief overview of the contest will be delivered. Teams’ schedules will be randomly assigned by the Technical Director. Copies of the team members résumés will be collected during this session. Teams will be reminded of the challenge questions at this session as well. All work must be completed by the registered team members only. The competition will be spread over Day Two and Day Three via three teams.
2. *Day Two, 12-minute Business Plan Presentations:* Teams will have five minutes to set up the room for their presentations and will have a maximum of 12 minutes for their presentations.

All team members must participate and must also demonstrate an in-depth understanding and knowledge of their business plan that may include a demonstration of their product. Teams should cover all eight criteria in the Standards and Competencies section.

3. *Day Three, 12-minute Business Plan Presentation:* Teams will have five minutes to set up the room for their presentations and will have a maximum of 12 minutes for their presentations. All team members must participate and must also demonstrate an in-depth understanding and knowledge of their business plan that may include a demonstration of their product.

Teams should cover all eight criteria in the Standards and Competencies section.

During the question and answer period, students must present the answers to the challenge questions. No observers will be permitted to talk or gesture to contestants during presentations. No observers may enter or leave the room during presentations. The presentations will be open to the public. Teams may observe the presentations only after they have completed their presentation on each day.

Challenge questions to be answered during the oral presentation:

- Anyone can start a business, but should you (from a needs, social and economical point of view)?
 - Why you (rather than your competition)?
4. *Day Four, Mandatory Closing and Mentoring Workshop:* Two-hour workshop, 30-minute closing feedback session

B. Method of Presentation

1. Computer projection may be used to deliver the presentations.
2. Each presentation will be limited to the timeframes as stated previously. Points will be deducted for teams that exceed the time limits. Judges will be allowed

up to an additional 10 minutes for clarification and questions after each presentation is complete.

3. A professional presentation is expected from each team. This includes, but is not limited to, posture, eye contact, clarity, volume, teamwork, effective use of visuals, use of time and group dynamics. Each team member must verbally participate in the presentation.

C. Format of Written Plans

1. All pages in the business plan will be 8.5"x11" and, with the exception of the title page, will be numbered. The business plan may not be more than 30 pages long, including the title page, sample forms, marketing materials and supporting documents. Everything submitted is part of the business plan. The front and back of the pages may be used.
2. The text of the business plan will be typed (12 pt. Times New Roman or equivalent). Handmade or computer-generated graphs and charts are acceptable. Professionally made graphs and charts are unacceptable.
3. The title page will include the name of the business, the name of the class or classes, name of the team (if one exists), names of the team members and date of submission.
4. The second page will be the Table of Contents.
5. The third page will be a team "Bio Sheet" that provides a brief overview of the business the group selected as well as a description of the experience and skills each team member brought to the effort.
6. The fourth page will consist of verification from a senior educational institution official that the project is the original work of the registered team members.
7. The business plan that follows these above mentioned pages must be organized according to the competencies listed below. Points will be deducted for each criterion out of sequence, not completed or omitted.

Standards and Competencies

ENTR 1.0 — Executive Summary

- 1.1 **Company Mission**
This is a short description of the company that would be written on the back of a business card. It communicates the value proposition of the company, also known as the elevator pitch.

- 1.2 **Management Team**
 - 1.2.1 Focus on the capabilities and relevant past accomplishments of the team
 - 1.2.2. Include service providers who add significant value to your team, e.g., attorneys, accountants and industry experts

- 1.3 **Market**
 - 1.3.1 Quickly define the market in regard to what problems are being addressed, size of potential market(s) and major segments of the overall market
 - 1.3.2 Address any important market trends and industry assumptions

- 1.4 **Products and Service**
 - 1.4.1 Provide a short description focusing on the unique nature of your idea and whether you will have “first mover” advantage
 - 1.4.2 Mention what technology you are using to implement the strategy, whether your ideas are proprietary or not, or if you have potential trade secrets (do not disclose them)
 - 1.4.3 If construction or manufacturing is involved, give target dates and time windows of completion

- 1.5 **Implementation Strategy**
 - 1.5.1 Quickly define the key aspects of the sales plan for achieving market penetration
 - 1.5.2 Describe any strategic alliances and partnerships that are important to your success

1.5.3 State other key factors that are critical to the success of the marketing efforts

- 1.6 **Risk Analysis**
 - 1.6.1 Explain how your competition is likely to respond to your entry into the market and how you will react
 - 1.6.2 Address a few key competitors and what competitive advantage you will leverage against them to take market share

1.7 Projected Financial Highlights

	<i>FY1</i>	<i>FY2</i>	<i>FY3</i>
Total Annual Sales/Revenues	\$	\$	\$
Net Income (End of Year Amounts)	\$	\$	\$
Cash Flow (End of Year Amounts)	\$	\$	\$

- 1.8 **Capital Requirements**
 - 1.8.1 State clearly and concisely the total amount required for the project and the intended use of those funds
 - 1.8.2 Mention the scalability of your plan and how you would work with a larger or smaller investment

ENTR 2.0 — Summary of Business

- 2.1 **Statement of Purpose**
State your objectives as *simply* as possible. If the plan is for your internal use, the statement should be a brief description of how you intend to use the business plan. If the plan is to be used as a financing proposal, the statement of purpose should respond to the following questions:
 - 2.1.1 Who is asking for money?

- 2.1.2 What is the business structure (LLC, sole proprietorship, etc.)?
- 2.1.3 How much money is needed?
- 2.1.4 What is the money needed for?
- 2.1.5 How will the funds be repaid?

2.2 **Mission Statement**

Include your mission statement here. This should be no more than 30 words and should describe your day-to-day business activities

2.3 **Description of Business**

The objective of this section of the plan is three-fold. After reading this section, the reader should be able to answer the following points:

- 2.3.1 What business are you in?
Many times the description or summary of business will answer the seven basic questions:
 - What kind of business are you going into?
 - What is the status of the business? (Start-up? Expansion? Acquisition?)
 - What is the business operating form?
 - Why will the business be profitable?
 - When will the business open, expand, etc.?
 - What hours of the day and days of the week will your business be open?
 - Is your business seasonal?
- 2.3.2 How are you going to operate it?
- 2.3.3 Why do you think it will succeed?

Remember to be precise, but do not go into too much detail. For a new business, experience in the industry is paramount. If you do not have significant experience running and managing a business in this industry, make sure there are people on your team that do. Speak with others in the industry and define key areas where your proposed business will differ from the entrenched competitors.

2.4 **Background of Business**

- 2.4.1 Include pertinent details of the background of the business. How long has the idea for the project been in place? Who are the key players? What dates are important?
- 2.4.2 Include any other background information necessary to understand where and why the business will be successful

2.5 **Location**

- 2.5.1 Include details of the location or proposed location. Is parking important?
- 2.5.2 Obtain traffic counts if needed. Is foot traffic important?
- 2.5.3 Include details on any construction or remodeling, timing, contractors, and proposed dates of start and completion

2.6 **Operating Agreement**

Include any pertinent details of the operating agreement: ownership of firm, partnerships, desired equity breakdown, etc.

2.7 **Products and Services Offered**

If your products or services are unique, state-of-the-art or otherwise noteworthy, explain how you will take advantage of those opportunities. Differentiating your products and services is a must in competitive environment. The first step is to communicate a thorough product or service knowledge.

Be careful, however. While you want to communicate the important attributes that will make your business successful, many entrepreneurs go into too much detail about their products and services. Bankers and investors know business and finance and are not interested in the details of your project. They typically expect you to be the expert, so do not try to make them the expert with an overly technical business plan.

2.8 Strategic Alliances
 Make sure to address any businesses or organizations that will be crucial to your success. This group may include suppliers and trade associations. Many times, what may seem as a potential competitor may actually turn out to be a key strategic partner that will help guide you into the marketplace and perhaps become a valuable referral source.

2.9 Operational and Regulatory Items
 In this section, you want to discuss the status of any licenses, permits or other regulatory requirements to operating your business. If licenses have not been acquired, include likely dates for application or approval. Typically, the amount of money invested in an experienced small business attorney and accountant will save you time and money in the long run. Be wary of bargain basement or pre-paid legal and professional advice.

ENTR 3.0 — Marketing Plan

3.1 Industry Background
 3.1.1 Illustrate a detailed analysis of the current market size, both nationally and locally
 3.1.2 Identify areas of growth and market niches, etc. In most cases, charts or figures can illustrate market trends more efficiently and clearly than long narratives

3.2 Target Market
 3.2.1 Clearly identify who you have identified as your target market and why you have selected this target market. Try to avoid sweeping generalizations, so be as specific as possible
 3.2.2 Include key demographics on your target market, testimonials, results of surveys (formal or informal), etc.
 3.2.3 Clearly identify why people will buy what you are selling — a commonsense idea, but one that is critical and often overlooked
 3.2.4 Be sure to include industry statistics and demographic

information. Also identify why the customer will buy from you (the benefit to the customers)

3.3 Trends and Industry Assumptions
 3.3.1 Describe any key drivers that will influence the future of your business
 3.3.2 Articulate where you think the marketplace is going and why it is heading in that direction

3.4 Competitive Analysis
 Every business has competition. List no less than three and no more than five of your biggest competitors. What are your internal strengths and weaknesses? What are their external opportunities and threats? How will this environment affect your market and marketing strategy?

3.5 S.W.O.T. Analysis
 How will you address these and gain market share? List your strengths and weaknesses (internal) and competitors' opportunities and threats (external competition).

Internal	External
Strengths	Opportunities
Weaknesses	Threats

Show that you have done your homework on your competitors. Include details like sales analysis, number of years entrenched in the market,

reputation in the marketplace, key employees, officers, etc.

3.6 **Products and Services**

Discuss how your product or service line will relate to your target market while addressing the current external competitive environment. Again, readers often briefly skim through your business plan, so critical information such as this should be described several times.

3.7 **Pricing Strategy**

Discuss details of the pricing of your products or services and how they will relate to your target market and your competitors.

3.8 **Promotional and Advertising Plan**

Explain in detail how your business will capture market share. Include details on promotional and advertising activities and costs of those marketing activities. Do not just rely on “word of mouth advertising”; describe what steps you are taking to ensure that this positive “buzz” is created by your proposed business.

Remember, most effective marketing plans are the product of a well-thought-out, consistent, long-term strategy. Rarely do “one-shot” advertising or promotions effectively increase market share. If you are working with a professional firm or experienced marketer (recommended if mass media and/or social media marketing will be used), list and briefly describe that business relationship here.

ENTR 4.0 — Management Plan

This section is *extremely* important for new businesses and for those seeking capital from banks or investors.

4.1 **Management Team**

- 4.1.1 Describe who will manage the business. Include résumés in supporting documents in your appendix of key team members
- 4.1.2 Describe in detail your team’s experience, strengths, job functions and plans to fill gaps in the management team

- 4.1.3 Include job descriptions/duties for key personnel

4.2 **Related Work Experience**

- 4.2.1 Make sure to illustrate that you and your team have worked in this industry in the past
- 4.2.2 Include dates and descriptions of previous experience and how you will use these experiences and expertise to ensure that your project is successful

4.3 **Personnel Needed**

- 4.3.1 Address any additional team members you will need and how you plan to attract and retain those team members. This is consistently one of the biggest problems facing all small businesses year after year, as most entrepreneurs do not address how they will “scale” the business by adding talented personnel who can assume more duties as the business grows
- 4.3.2 Ensure that you address how you will deal with the challenges of recruiting, developing and retaining employees

4.4 **Salaries**

- 4.4.1 Address how your team and you will be paid. This seems obvious, but your financial projections and your marketing plan will drive revenues, and profits from those revenues will enable your team to be paid
- 4.4.2 If you will be working full time, show that you intend to take an owner’s withdrawal out of the business, even if it is a minimal amount, to ensure the business remains profitable and cash flow positive

4.5 **Advisory Board**

Critical to the project’s success is the recruitment of a well-balanced advisory board that will help you achieve your goals.

- 4.5.1 Recruit local professionals who will be essential to the operations of your business and include those names or identified professionals in your business plan. These people are not on your payroll, but they should be accessible to answer any questions or problems that may arise
- 4.5.2 Mention your relationships with these professionals and their area of expertise, years in the business, etc.
- 4.5.3 Gauge these professionals' interest in serving on your advisory board, and get their permission to list their name and business in your business plan.
- 4.5.4 Prepare to set up at least quarterly meetings with the entire advisory board for the first year, but also plan to talk with members of the advisory board on a more frequent basis between meetings.
- 4.5.5 Ask your coach/consultant for additional advice regarding this section of your business plan.

Legal
 Firm name
 Address line 1
 Address line 2
 Phone/Email

Accounting
 Firm name
 Address line 1
 Address line 2
 Phone/Email

Industry Consultant/Expert
 Firm name
 Address line 1
 Address line 2
 Phone/Email

Insurance
 Firm name
 Address line 1
 Address line 2
 Phone/Email

Banking
 Firm name
 Address line 1
 Address line 2
 Phone/Email

ENTR 5.0 — Financial Plan Sources and Uses of Funds Statement

A financial template accompanies this business plan template and may be used to complete this section. Each worksheet may be copied to a word document and used as an appendix.

This sheet will describe exactly how much money is needed, how you will access those funds and how those funds will be used. (Land/building purchase, renovations, equipment, furniture/fixtures, inventory, working capital needs, etc.) Typically, funds on this sheet will be spent before the first day of operation.

If you opt to use another tool, you may do so but should include information indicated below.

5.1 Monthly Income Statement — Year One

This spreadsheet will track your month-to-month sales, variable costs and fixed cost. Often, sales projections are the most difficult and least understood aspect of business planning. Develop *reasonable* estimates of sales projections, cost of goods and fixed cost. Use industry benchmarks and talk to your KSBDC consultant on how to get that information. Develop projections that are neither overly inflated nor overly conservative.

5.2 Monthly Statement of Cash Flows — Year One

Think of this spreadsheet as a checkbook for your business. This will account for the cash sales expenses, not the accounting or “book” expenses. It will also include principle payments to debts and any cash withdrawals that the owner may take. Most importantly, the cash flow statement will show the timing of when cash is going out and coming into

the business and help you plan to remain cash positive.

- 5.3 **Monthly Balance Sheets — Year One**
Balance sheets track the assets, liabilities and equity of a business. The information on this spreadsheet is commonly used by bankers and investors to calculate financial ratios (benchmarks) that will be used to evaluate your business.
- 5.4 **Break-Even Analysis**
Often called a sensitivity analysis, or “what if” analysis, this spreadsheet will show exactly where the “break-even” point is regarding sales and expenses. This is a very useful tool to determine the amount of risk in a project and the margin of error built into your projections.
- 5.5 **List of Critical Assumptions**
It is important to explain exactly what assumptions you have made while building your financial model. Clearly identify *everything* that you have assumed. Do not expect the reviewer of your business plan to know how you arrived at each number in the preceding financial statements.
- 5.6 **Monthly or Quarterly Income Statements — Years Two and Three**
Unless your business is seasonal, many bankers and investors may prefer to see quarterly estimates for years two and three simply due to the fact that projections become less reliable in future years. Be sure to include any key elements that may affect your sales or expenses, such as additional employees, new locations, etc.
- 5.7 **Monthly or Quarterly Statements of Cash Flows — Years Two and Three**
- 5.8 **Monthly or Quarterly Balance Sheets — Years Two and Three**
- 5.9 **Ratio Analysis**
Include a sheet of common financial ratios (profitability, inventory

management, efficiency, etc.) for your business and compare those financial ratios to similar businesses or industry standards from Robert Morris Associates (RMA), Standard & Poor’s or other resources.

ENTR 6.0 — Supporting Documents (Appendix)

- 6.1 Include applicable documentation, including:
- Résumés of key team members
 - Letters of intent
 - Copies of contracts/leases
 - Articles of organization/incorporation/partnership agreements
 - Details of your market research data, including industry trends, research on key competitors, demographic data, etc.
 - Key details of your marketing plan
 - Summarized tables of research/marketing surveys
 - Assumptions for your financial projections, industry benchmarks, information about your competitors, etc.
 - Other appropriate documentation

ENTR 7.0 — SkillsUSA Framework



The SkillsUSA Framework is used to pinpoint the Essential Elements found in Personal Skills, Workplace Skills, and Technical Skills Grounded in Academics. Students will be expected to display or explain how they used some of these Essential Elements. Please

reference the graphic above, as you may be scored on specific elements applied to your project. For more, visit: www.skillsusa.org/about/skillsusa-framework/.

Committee Identified Academic Skills

The technical committee has identified that the following academic skills are embedded in this contest.

Math Skills

- Use fractions to solve practical problems
- Use proportions and ratios to solve practical problems
- Simplify numerical expressions
- Solve practical problems involving percentages
- Solve single variable algebraic expressions
- Construct three-dimensional models
- Make predictions using knowledge of probability
- Make comparisons, predictions and inferences using graphs and charts
- Organize and describe data using matrices
- Analyze and provide sample order forms and bid forms that use multiple formulas
- Estimate the startup cost of a business
- Estimate operating expenses
- Calculate operation expenses
- Calculate sales projections
- Establish and use a record-keeping system
- Examine costs to produce marketable goods and services
- Calculate and provide pricing of good and services
- Calculate pricing options that better market good and services

Science Skills

- Describe factors that influence how populations change over time
- Describe and recognize solids, liquids and gases
- Describe characteristics of types of matter based on physical and chemical properties
- Use knowledge of physical properties (shape, density, solubility, odor, melting point, boiling point, color)
- Use knowledge of chemical properties (acidity, basicity, combustibility, reactivity)

Language Arts Skills

- Provide information in conversations and in group discussions
- Provide information in oral presentations
- Demonstrate use of such verbal communication skills as word choice, pitch, feeling, tone and voice
- Demonstrate use of such nonverbal communication skills as eye contact, posture and gestures using interviewing techniques to gain information
- Analyze mass media messages
- Demonstrate comprehension of a variety of informational texts
- Use text structures to aid comprehension
- Identify words and phrases that signal an author's organizational pattern to aid comprehension
- Understand source, viewpoint and purpose of texts
- Organize and synthesize information for use in written and oral presentations
- Demonstrate knowledge of appropriate reference materials
- Use print, electronic databases and online resources to access information in books and articles
- Demonstrate narrative writing
- Demonstrate expository writing
- Demonstrate persuasive writing
- Demonstrate informational writing
- Edit writing for correct grammar, capitalization, punctuation, spelling, sentence structure and paragraphing
- Use organizational flow charts

Connections to National Standards

State-level academic curriculum specialists identified the following connections to national academic standards.

Math Standards

- Numbers and operations
- Algebra
- Measurement
- Data analysis and probability
- Problem solving
- Communication
- Connections
- Representation

Source: NCTM Principles and Standards for School Mathematics. For more information, visit: <http://www.nctm.org>.

Science Standards

- Understands the nature of scientific inquiry
- Understands the scientific enterprise

Source: McREL compendium of national science standards. To view and search the compendium, visit: <http://www2.mcrel.org/compendium/browse.asp>.

Language Arts Standards

- Students adjust their use of spoken, written and visual language (e.g., conventions, style, vocabulary) to communicate effectively with a variety of audiences and for different purposes
- Students employ a wide range of strategies as they write and use different writing process elements appropriately to communicate with different audiences for a variety of purposes
- Students apply knowledge of language structure, language conventions (e.g., spelling and punctuation), media techniques, figurative language and genre to create, critique and discuss print and non-print texts
- Students use spoken, written and visual language to accomplish their own purposes (e.g., for learning, enjoyment, persuasion and the exchange of information)

Source: IRA/NCTE Standards for the English Language Arts. To view the standards, visit: www.ncte.org/standards.