

Technology

INNOVATION CHALLENGE

Executive Summary Template

[Company]

First, tell us who you are in one or two sentences. Don't assume these one or two sentences have to explain everything about your company. These simply need to communicate enough of the idea to get the basic point across.

Next, tell us where you are at in one or two sentences. Are you a pure concept living on a few napkins in a dorm room? Are you a real operating business with employees (however poorly paid) and paying customers? Do you already have some funding?

[Need]

What is the problem you are solving? What is the pain your customers are facing? How severe is it?

[Solution]

Explain how you solve this problem. You don't have time to get into details, so find a concise way to communicate your solution to the above-stated need. Remember to tell your reader **WHAT** you deliver and not **HOW** you deliver it. Is your solution patentable (or patented) or is it otherwise protectable by law?

In other words, a good Solution for a lawn fertilizer company would be: "Our proprietary lawn fertilizer gives home gardeners a lush, green lawn that is child-safe, pet-safe, and environmentally friendly."

A bad Solution would be: "Our secret lawn fertilizer uses the latest bio-active microbes and non-toxic alkenoids, unlike competing products who use outmoded nitrogen-based formulations."

[Market]

This section is about *quantifying* the need in terms of dollars. Here you are trying to answer the question "How many dollars feel the need?" In other words, can money be made solving the problem you have identified? How many people feel the *specific* need you described above? Does a market already exist? If so, how big is it (in terms of dollars of revenue/year for the entire industry)?

[Competition]

Who else is competing with you? How big are they? How are you going to be competitive? Some entrepreneurs are afraid to talk about competition; they should feel exactly the opposite. You should understand your competitors well. If questioned, you should be able to speak on them at length *and, more importantly*, clearly articulate how your company is superior.

[Business Model]

Here is where you explain what method you will use to get paid by your customers. Some examples are: subscription (cable TV), retail (things you buy at Target), licensing (where you give another company the rights to produce and sell your product and they give you a royalty on all sales), etc.

[Financials]

Typically companies place a *very* summarized, five-year projection of their revenue, costs, and profits in this section. Given the scope of this contest, the above may be far outside your current levels of expertise. If so, it is perfectly acceptable instead for you to answer some or all of these basic questions: What will your start-up costs be? What will the COGS (cost of goods sold) for your product be? Once you are up and running, what will the approximate total annual cost of running your business be? How long will it take you to reach break-even (income=expenses)?

[Exit]

When investors give you money, they naturally expect to get it all back plus a large profit. In this section you need to explain *how* your investors actually extract their profits (aka *Exit*) from the company. Typically this happens in one of four ways:

1. You treat their investment like a loan, paying off the principle plus an amount of interest over time. This is a typical exit for companies financed by friends & family.
2. Investors receive payments from your company (usually a percentage of profits) every year forever.
3. You sell your company to a larger company and the investors (and you) cash-out at that time. This is the most common means of exit for companies that receive funding from venture capitalists or angel investors.
4. Your company grows to be extremely large (think Google) and "goes public." Such a company goes through the expensive regulatory process of becoming a public company, allowing its investors (and founders) to sell their stock on a major stock exchange (such as NYSE or NYSDAQ) for a very healthy profit. This method is extremely rare.

[People]

Who is going to execute this plan and why should we believe in them? The single most important indicator of success for a start up is not the idea, not the market, but the *People*. Names are not generally important here (unless someone on your team is named Gates...). What *is* important is to stress what core skills your team has, what credibility they bring to the table, *and* what skills/people you know you still need.

Do you have an expert in marketing? Do you have someone who understands the market/industry you are entering into? Do you have someone who knows how to run the day-to-day operations of a business? Do you have all the engineers/product people you need? Is there someone leading you with *real* leadership experience?

If you have any significant strategic partners, this is a good place to make mention of them and what credibility they bring to your venture.

[Deliverables/Milestones]

Here you show the audience that you have clear goals and metrics for measuring success. What are the 3-5 next big steps (aka milestones) your company needs to take? What target dates do you have for accomplishing these milestones? What means to measure progress (aka metrics) will you use?

[Investment Strategy]

Informally referred to as "The Ask," this section's goal is to clearly articulate to the reader how much funding you are looking for *and* what you will do with that funding. Given the scope of this competition, we recommend you keep in mind that the total amount of funding available is only \$5,000. It therefore makes sense to ask for an amount somewhere in that neighborhood. It is also vital to remember that investors, or in this case the donors sponsoring the prize money, want to know their money will be put to good use! Explain how you will use the funding and why it is an efficient and judicious use.

Some good "asks" might be:

1. "The next critical step for our company is to secure our intellectual property. To that end the company has secured an expert in patent law as a board member, Dr. Goetz, a retired patent clerk. Through Dr. Goetz we have found a patent attorney who has agreed to work pro-bono. We now seek \$10,000 to cover our actual filing costs."
2. "The company's number one obstacle to growth is a lack of solid knowledge about the new market we have identified. We have already found a local market research firm with relevant expertise and a willingness to work at a discount. We seek \$5,000 to hire them to help us quantify the opportunity."

Executive Summary Template For Nonprofits

[Organization]

First, tell us who you are in one or two sentences. Don't assume these one or two sentences have to explain everything about your company. These simply need to communicate enough of the idea to get the basic point across.

Next, tell us where you are at in one or two sentences. Are you a pure concept living on a few napkins in a dorm room? Are you a real operating business with employees (however poorly paid) and paying customers? Do you already have some funding?

[Need]

What is the problem you are solving? What is the pain that your clients are facing? How severe is it?

[Solution]

Explain how you solve this problem. You don't have time to get into details, so find a concise way to communicate your solution to the above-stated need. Remember to tell your reader WHAT you deliver and not HOW you deliver it.

[Market]

This section is all about *quantifying* the need (as much as can be done). Here you are trying to answer questions like: How many people feel the *specific* need you described above? How severe is the suffering that can be alleviated? Does a market already exist? If so, how big is it? If this is a new market, are there any analogous markets or means to help quantify this potential market's size?

Some people think marketing doesn't apply to nonprofits, but few things could be further from the truth. Non-profit leaders who don't understand their market waste their donor's money and fail to achieve their objectives!

[Competition]

Who else is competing with you? How big are they? How are you going to be competitive? Some entrepreneurs are afraid to talk about competition; they should feel exactly the opposite. You should understand your competitors well. If questioned, you should be able to speak on them at length *and, more importantly*, clearly articulate how your non-profit is superior.

[Business Model]

The purpose of this section is to clearly articulate how your organization will generate revenue.

To survive, a non-profit needs to make money, the more it makes. The more good it can do in the world. Some non-profits make money from a large variety of sources: donations from the government, foundations, and/or individuals, but they also can make money from selling services.

Remember, "Non-profit" is a tax status, not a goal.

[Financials]

Typically, organizations place a very summarized, five-year projection of their revenues and costs. Given the scope of this contest, the above may be far outside your current levels of expertise. If so, it is perfectly acceptable instead for you to answer some or all of these basic questions: What will your start-up costs be? What will the COGS (cost of goods sold) for your product/service be? Once you are up and running, what will the approximate total annual cost of running your organization be? How long will it take you to reach break-even (income=expenses)?

[Impact]

Businesses stress to their investors the financial return on investment. Non-profits stress to their donors the social impact of their donations. How many lives will be affected by your organization's work? In what profound ways will their lives be changed or made better? Can you quantify any of these?

[People]

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Do you have an expert in marketing? Do you have someone who understands the market/industry you are entering into? Do you have someone who knows how to run the day-to-day operations of a business? Do you have all the engineers/product people you need? Is there someone leading you with *real* leadership experience?

If you have any significant strategic partners, this is a good place to make mention of them and what credibility they bring to your venture.

[Deliverables/Milestones]

Here you show the audience that you have clear goals and metrics for measuring success. What are the 3-5 next big steps (aka milestones) your company needs to take? What target dates do you have for accomplishing these milestones? What means to measure progress (aka metrics) will you use?

[Investment Strategy]

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Some good "asks" might be:

1. "The organization's number one obstacle to growth is a lack of solid knowledge about the new market we have identified. We have already found a local market research firm with relevant expertise and a willingness to work at a discount. We seek \$5,000 to hire them to help us quantify the need."
2. "With the help of local community leaders, the organization ran a pilot program in January on budget of \$1000. Community leaders and our board of advisors agree the program was a great success and have recommended we continue. We seek \$2,500 to scale up our pilot program to the next level."