

THE TITAN STARTUP CHALLENGE

BUSINESS LAUNCH COMPETITION 2021



Application Guidelines and Application

September 2021

1.0 Background

Lackawanna College is a private, accredited college serving the people of Northeastern Pennsylvania. Our curriculum provides students with a direct path to a bachelor's degree, associate degree, or one of many different professional certifications. Additionally, our Continuing Education department helps put the people of Northeastern Pennsylvania back to work with modern career skills. For more information: www.lackawanna.edu

The Venture Lab is a program operated by Lackawanna College to support area entrepreneurs with a specialization in helping disadvantaged microenterprises using a lean startup methodology. Our program offers co-working space and a Fabrication Center for rapid prototyping at our Scranton campus. We also support entrepreneurs via our Microsoft® Teams digital platform. The Venture Lab provides training, support, advice, industry connections, peer mentoring, market research, promotion support, product development, and business planning assistance.

The Business Launch Competition provides a series of microgrants to qualified microenterprise entrepreneurs participating in the Venture Lab in order to overcome critical early stage financing challenges for disadvantaged community entrepreneurs in Northeast Pennsylvania (NEPA). Funding will be provided in competitive “gates” or “rounds” as participants plan, launch, and grow their new ventures. These mini-investments are designed to help firms along the path to startup success – not their only source of startup capital. Winners at each stage will receive training and support through the Venture Lab’s service offerings and partner organizations.

2.0 Definitions

2.1 Business Plan Competition

Business plan competitions have become a common form of investment in very early stage ventures and are typically associated with young, student entrepreneurs and educational institutions. The competitions typically require the submission of a full business plan followed by a pitch event. While there may be prizes for second or third place finishers, these competitions are often winner-take-all events.

2.2 Early Stage

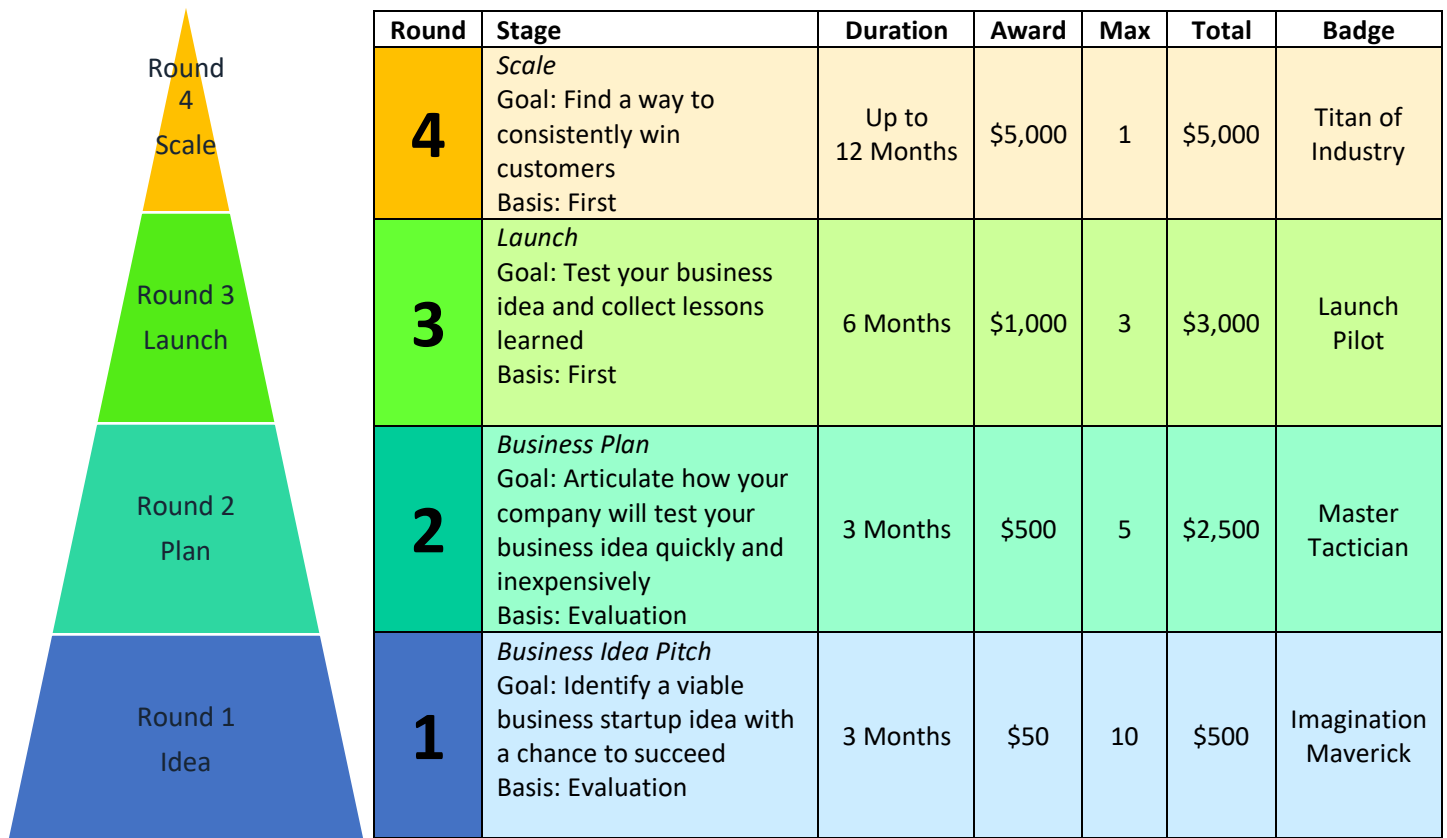
Business startups in the early stage of their development have either not been registered with the Pennsylvania Department of Commerce (PA DOC) or have been registered for less than 2 years.

2.3 Qualifying Microgrant

For the purposes of this Microgrant Program, a qualifying microenterprise is a small business with 5 or fewer owners and employees (combined), \$50,000 or less in assets, and \$25,000 or less in revenue over the past 12 months. This excludes businesses such as a traditional restaurant in favor of side hustles or secondary income streams such as food truck.

2.0 Competition Structure

The main competition will provide multiple rounds of funding tied to a lean startup interactive approach to enterprise creation – the same model taught in Lackawanna College’s entrepreneurship courses and via the Venture Lab. The following figure depicts how The Titan Startup Challenge will operate.



2.1 Titan Prizes

Startup companies will receive a cash award for successfully launching a microenterprise in a specific sector or achieving a specific objective. Titan Prizes include

- Use 3D printing as a manufacturing platform
- Book sales or Amazon sale rank in a specific category (for author-entrepreneurs)
- Venture Lab Membership
- Logo Design
- Business Startup Advising and Training
- Bookkeeping Account Setup and Training
- Tax Preparation

Local partner organizations will also contribute in-kind services and benefits to the awardees. Awardees will also benefit from local business connections made with partner organizations and recognition on Lackawanna College's social media platforms and press releases. Services/benefits include:

- Logo Design and Marketing Collateral Design (Flyers, Posters, Signage)
- Website Design/Development, SEO Analysis, Social Media Planning or Campaigns, etc.
- Marketing Video Production
- Lawyer Services (business registration, business structure advise, patent searches, etc.)
- Ad Placement in Local Media

2.2 Applicant Eligibility & Evaluation Criteria

The event is open to any entrepreneur who meets the following eligibility criteria for round #1 of the core competition program. In subsequent rounds, only those ventures that previously won a badge in the current cohort are eligible to win the next level of competition (i.e. you must be one of the 10 "Imagination Mavericks" to win one of the 5 "Master Tactician" spots, etc.).

Round #1 Qualifiers:

1. **Qualifying Microenterprise** – The business pitch must be for idea must be to start small business with 5 or fewer owners and employees (combined), \$50,000 or less in assets, and \$25,000 or less in revenue. This excludes businesses such as a traditional restaurant in favor of side hustles or secondary income streams such as food truck.
2. **Early Stage Venture** – The business must not already exist or have started (as documented by PA Department of Commerce registration) though it may be for venture built upon the entrepreneur's hobby, which may have generated modest income (less than \$2,000 annually).
3. **Physically located** within the five counties that comprise the NEPA region: Susquehanna, Wyoming, Lackawanna, Luzerne, and Wayne

While not required for eligibility, all other things being equal, priority for selection will be given to disadvantaged entrepreneurs over those with natural access to early stage bootstrapping capital (see Round #1 Evaluation Process for more details).

4. Evidence of **disadvantage** by either:
 - a. Physically located within one of the following Venture Lab Target Area Zip Codes: 18201, 18202, 18407, 18434, 18446, 18447, 18472, 18504, 18505, 18508, 18509, 18510, 18517, 18518, 18519, 18640, 18702, 18704
 - b. Prior calendar year income 150% or less than the federal poverty guidelines published by the US Department of Health & Human Services in January every year (link: <https://aspe.hhs.gov/poverty-guidelines>). For example, in 2020 the poverty guideline for a family of 4 was \$26,200. Entrepreneurs in this type of family with \$39,300 (26,200 X 1.5) or less in income would be eligible to participate in the BLC program. These guidelines determine eligibility for a range of federal and state social welfare programs.
 - c. **WAIVER**: A currently enrolled student or recent alumni (less than 5 years after graduation) of Lackawanna College. These individuals are a priority for the program and they do not need a disadvantaged status to participate.

Round #1 Evaluation Criteria:

5. All ideas must rely on existing technology and/or a unique combination of existing technologies with very low integration risk.
6. Business ideas will be evaluated based on the understanding of customer needs from observation, interviews, experiments, or secondary research.
7. Business ideas in strong regional (NEPA) economic clusters and growing industry sectors will receive a higher rating than those in declining sectors.
8. Business ideas that describe how their firm will distinguish itself from competitors in a meaningful way will be more highly rated than ideas that propose an “also ran” business.

In addition to the above criteria, businesses with a specialization in alcohol (e.g. bars, beer distributors, etc.), tobacco (including vaping), firearms, or legalized drugs (i.e. cannabis) will not be eligible for the competitor or Titan Prizes, except for the following:

- Non-lethal firearm products and services such as firearm safety training and firearm accessories (scopes, etc.).
- Cannabis based products not used for intoxication or medical purposes (i.e. smoking) such as fibers, fabric, or advanced materials.

The Venture Lab program and judging panel reserve the right to reject any business idea from eligibility that promotes values or conditions that go against the mission of Lackawanna College or the Venture Lab program itself.

2.2.1 Round #1 Evaluation Process

While there are 10 spots available, awards will only be made to ideas that meet or exceed those thresholds as determined by the judging panel. Eligibility criteria (1-4) are pass/fail. Organizations must pass the first three (1-3) to be considered for a spot.

After eligibility has been determined, each of the eligible applications will reviewed by the judging panel based on criteria 5-8. Panel members will score each idea using the following 4-point scale:

1. Does not meet
2. Somewhat does not meet
3. Somewhat meets
4. Meets

Applications must score an average of 2.5 or higher on all four evaluation criteria as an aggregate of all reviewers to receive a Round #1 Imagination Maverick award.

2.2.2 Round #2 Criteria & Evaluation Process

For round #2, applicants must have been awarded a Maverick badge during round #1 within the same cohort. There will therefore be 10 or fewer applications for consideration in round #2. In round #2, the judging panel will score the submitted startup business plans based on the following criteria. These criteria are built around the Venture Lab *Startup Business Plan Template* (Word Document) and *Startup Business Breakeven Analysis Template* (Excel Spreadsheet) available from the Venture Lab’s digital platform.

2.3 Judging Panel

The judging panel is responsible for the evaluation, ranking, and award of microgrants (i.e. awards) to eligible applicants. The panel members will work independently of each other to review submitted applications for Round #1 using a scoring matrix in Excel. Scores will be aggregated by the BLC Program Manager from all judges.

The judging panel will consist of at least 3 members taken from:

- Lackawanna College faculty or staff.
- NEPA business leaders or Entrepreneurial Support Program partners.
- Prior Venture Lab BLC Competition winners.

2.4 Blacklisting

Applicants who are found to submit grossly inaccurate or misleading statements in their applications will be banned from consideration for both microgrants and microloans in the future. Similarly, entrepreneurs who win an award but make no demonstrated progress toward the next award milestone may be blacklisted. The entrepreneur's name will be recorded on a list of individuals who will not be considered for award maintained by the BLC Program Manager. An entrepreneur's name can be removed from the blacklist at the sole discretion of the BLC Program Manager with written notification to the Director (or Executive Committee member). The blacklist will remain private and maintained either on paper or in a password protected web platform such as Microsoft SharePoint or a private Teams channel.

2.5 Schedule

The competition schedule will be aligned to Lackawanna College's entrepreneurship education courses.

2.5.1 *Round #1 Imagination Maverick*

The application period begins Tuesday, November 2, 2021, and ends at 11:59pm on Monday, January 10, 2022.

Applications received after this period will not be considered for program consideration. (*See 2.3.1 Round #1 Criteria & Evaluation Process)

2.5.2 *Round #2 Master Tactician*

Imagination Maverick badge awardees are eligible for Round 2. Details for Round 2 will be provided to Round 1 awardees.

2.6 Application

If you would like to compete for microgrant funding, submit your application below. The application period begins Tuesday, November 2, 2021 and ends at 11:59pm on Monday, January 10, 2022. All fields must be completed.

Business Name*

Contact Name*

Email Address*

Mailing Street Address*

City, State, and Zip Code*

Phone Number*

Are you a Lackawanna College student or alumni? *

Description of Business Concept* (underneath the fillable box please put the additional questions) – Describe your product or service in one to two sentences.

Target Market* (Who is your product being sold to? Describe the demographic and the size.)

Market Drivers* (What will make this business successful? Is there a problem or need for your product or service?)

Value Proposition* (Why would a customer choose your product or service? What makes you different from your competitors? How would customers define your value?)

Competitive Advantage* (Who are your competitors? Why would a customer choose your business over your competition?)

Current Status* (To date, what progress have you made? Do you have a prototype? Do you have an established business? Provide an explanation of your current status)