

## HCC Newspring Business Plan Competition

### Existing Businesses

The HCC/Newspring Business Plan Contest (BPC) accepts both proposed businesses and existing small businesses that desire to grow. The competition gives contestants the opportunity to test their growth assumptions in a competitive environment with experienced advisors.

The BPC training is designed to be complementary to what has been learned in the Small Business Management course and in the *10,000 Small Business* Program. The 8 hours of BPC training delivered in five evening sessions are designed to reinforce proven thought processes of successful businesses and to guide the contestants as they review, polish, refine and update the draft plan they bring into the competition. The thought processes covered are central to running a business on a daily basis and to making the necessary adjustments for continued success.

The training shows the contestants how to avoid the primary pitfalls that cause companies to fail. It guides the contestants to think through and ensure their strategy addresses the following key areas:

- **Market Opportunity** - Clearly evaluating the market opportunity.
- **Differentiation** - Differentiating their company relative to competitors.
- **Sales and Marketing** - Sufficient sales and marketing to achieve goals.
- **Funding** -Evaluating and estimating sufficient funding required to achieve the growth plan and meet the market window.
- **Cash Flow and Capital** - Well thought out use of cash flow and capital.
- **Processes** - The necessary processes to facilitate the company's growth plan.
- **Management** - The necessary leadership from key players.
- **Allocation of Resources** – Well thought out allocation of resources, talent and skills.
- **Timing/Market Window** - Clear plan to take advantage of the market window.

Existing businesses have already enjoyed some degree of success. The BPC is designed to help contestants to confirm or modify, where necessary, their growth plan assumptions in a competitive environment. Successful entrepreneurs constantly recognize the importance of updating and creating a plan for the next level of growth. The BPC therefore asks the existing company contestants to emphasize what they are going to do differently to grow. Operating differently covers a broad range of implementations including, but not limited to:

- Launching a new and more comprehensive marketing program.
- Expanding sales capability.
- Expanding market area.
- Opening another location.
- Improving operations, effectiveness, profitability and cash flow.

- Launching a new product.
- Hiring new skills into the company.

The important point here is that the contestants need to know what they want to do, what it is going to cost and the timeframe in which it has to be done.

**Written Plan Format:** The BPC has its own written plan format. This is necessary to be able to equitably evaluate the business plans. In the past, some contestants have asked, "Why can't I just submit my Business Plan or Growth Plan from a previous course or program?" The answer is simple. It would be too hard to evaluate the plans equitably if they are not presented in a common format and do not address the thought processes covered in the training sessions. If the contestant has already done a business plan or growth plan, that knowledge will be invaluable in developing the BPC Business Plan. Part of the value of the BPC is guiding the contestant to review and enhance the knowledge they have previously accumulated with the knowledge gained in the training. This combined knowledge will help the contestant develop a plan with a higher probability of success.

**Raising Money-Seeking Funding** - The BPC is designed for contestants to develop a business plan for raising money. Some contestants say, "But I don't need money or don't plan to raise any, so why would the competition training and mentorship be valuable to me?" The answer is again simple. This type of plan forces the contestant consider the following:

- Do they have a valuable market opportunity?
- Do their cash sources support the activities necessary to achieve their revenue projections?
- How much money is really necessary to achieve their objectives in the necessary timeframe?
- How are they going to invest their time and money to achieve their objectives?
- Can they grow with an economy of scale?

If the contestant really doesn't want or need money they just develop it accordingly and present in the format of asking for a line of credit. Almost all companies need a line of credit.

In summary, this is a great opportunity for contestants with existing companies to add to their knowledge base and utilize the knowledge and skills they have already developed. Oh yes, they can also win some money!