

2017

Houlton entrepreneur challenge

SUPPORTING PARTNERS:



ADDITIONAL PARTNERS:



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1.0 Program Overview

The Town of Houlton and the Southern Aroostook Development Corporation have teamed up with area organizations and business leaders to develop an entrepreneurship program with the following goals:

- Develop an innovative approach to business recruitment and to enhance the business mix in the Town of Houlton.
- To encourage businesses interested in expanding or opening a new location to consider the Town of Houlton.
- To provide entrepreneurial businesses a head-start during the toughest year of business operation ... the first year.
- To provide guidance and financial support during the critical first years of market entry so that the business can build a lasting footprint in Houlton.
- To strengthen the Houlton economy by complementing the existing business mix while addressing critical gaps in the economy's sustainability.
- To provide business assistance for existing businesses as they expand or transition into a new phase of their operation.
- To transform underutilized or vacant commercial spaces into more vibrant and attractive locations.
- To build a “buzz” and promote Houlton as a great place to start a business.

The program will include three phases with the last phase resulting in the selection of one business who will receive multiple benefits to aid in the start or expansion of their business. Other participants may be eligible for some benefits as made possible by donated services by the business community.

2.0 Criteria

The Selection Committee will consider the following criteria in determining a winner:

- **Selling The Idea** – presenting a clear, fully developed and extensive Business Plan. Clearly stating & justifying a rational case for the business's ability to succeed. *This section will be valued at 20 points (or 20%) in evaluation.*
- **Funding The Idea** – Providing clear, reasonable financial projections in the Business Plan, showing analysis such as break even points and/or profitability benchmarks, sources and uses of funds are clear and reasonable and match operations plans. Demonstrating that human and financial resources are available to successfully manage the operation and adequate cash is available on hand to cover unexpected expenses or missed revenue projections. *This section will be valued at 30 points (or 30%) in evaluation.*
- **Qualifying The Idea** – Demonstrating a level of business experience and qualifications to operate the business. Showing “intangibles” including, but not limited to, a unique angle, business name or other information creating a “buzz” factor. *This section will be valued at 20 points (or 20%) in evaluation.*

- **Benefits Of The Idea** – Showing that the business enhances the current business mix in Houlton and does not unduly compete with existing business, it provides products or services that are not currently offered in the area. Showing that the business idea is creative, has the ability to attract people or additional businesses to the area and will create new jobs for the area (owner counts as a job). *This section will be valued at 30 points (or 30%) in evaluation.*

3.0 Judging

Judging will be conducted by the Selection Committee which will be comprised of representatives of our financial partners and of the Entrepreneur Challenge Planning Committee. This Selection Committee will be responsible for selecting those who will advance into the next stages.

4.0 Program Details

Phase I – Business Concept & 5-Minute Oral Pitch

Phase I will begin with **Ignite The Spark** – an informational night featuring a panel discussion scheduled for Wednesday, May 17th, 2017. Panelists will include local entrepreneurs sharing their stories and experiences to inspire you to ignite your spark. Information from the Selection Committee will also be provided to share the criteria they are looking for in a winner and tips for being a successful contestant in the Entrepreneur Challenge.

Mentor Teams will be available for **One-On-One Coaching Sessions** on Wednesday, May 31st & Thursday, June 1st, 2017. These informal sessions will afford contestants the opportunity to speak with seasoned professionals to receive guidance on the process. The mentors will evaluate and customize any additional assistance and resources that would prove helpful for each contestant participating in the sessions.

Each contestant will then need to submit a one-two-page **Business Concept** by Thursday, June 29th, 2017. The attached form may be used. A cover page, such as the attached application, should be included with the Concept. Use your creativity in the description. Please include the following information (in brief) in your concept:

- ✓ What are the products or services that would be delivered or sold?
- ✓ Define and describe the market for this business.
- ✓ How will your business enhance Houlton and the region as a whole?
- ✓ What resources and assets do you currently have?
- ✓ What resources would be needed to develop this concept (personnel, financing, equipment, etc.)?
- ✓ What are your qualifications to develop/expand this business?
- ✓ Are there any similar businesses around already? If so, how is yours different?
- ✓ What is your unique angle, business name or other information that may really “sell” the committee on your concept?

A 5-minute **Oral Pitch** to the selection committee will be scheduled Wednesday, July 12th, 2017. (If additional time is required, pitches may also be scheduled on July 13th, 2017). This is a narrative designed to tell your story. All pitches will be reviewed to determine who will continue to Phase II.

Phase II – Business Plan

Phase II will feature an opportunity to meet with Josh Nadeau, Small Business Development Center Director at Northern Maine Development Commission for a personalized coaching/advising session. These sessions will be scheduled Wednesday, July 26th, 2017, Tuesday, August 8th, 2017 & Thursday, August 17th, 2017.

Each contestant will be required to complete a Business Plan.

- ❖ A draft copy must be submitted by Thursday, August 24th, 2017. The draft will be reviewed and returned with suggestions.
- ❖ The final version of the Business Plan will be due Thursday, September 21st, 2017. The business plan should be fully developed and extensive.

A thorough business plan includes:

- Company Summary
- Products/Services Summary
- Market Analysis Summary
- Challenges, Opportunities and Strategies to maximize success
- Resume, management history and two references
- Financial Plan (projected income, expenses, net profit, pricing, etc.). Please provide an explanation of your assumptions, as a profit/loss statement does not provide enough detail.
- Detail of how many full time and part time employees
- Startup Summary (Initial uses and sources, timeline proposal for opening, implementation of funds)
- A community impact summary stating:
 - How your business will enhance Houlton
 - How your business can benefit existing businesses in Houlton
 - Why your business stands out

Business plans will be reviewed to determine who will continue to Phase III.

Phase III – Final Presentation/Interview

Phase III will be a final presentation and interview in a 30-minute meeting with the Selection Committee (as described in the Judging section on page 4). The presentations/interviews will be held Wednesday, October 11th, 2017. To start, Phase III participants will describe their idea in front of the committee, including the business plan. The presentation can be verbal and may also include media (videos, PowerPoint, etc.). The presentation will be followed by a dialogue with the selection committee, who will raise questions based on the business plan and presentation.

5.0 Incentives (\$40,000 total value proposed)

- Forgiveable Loan - \$30,000 –
Up to a \$30,000 forgiveable loan will be presented to the winner. A formal promissory note will be created with conditions (such as employment of one person, business remaining in Houlton, compliance with all codes and permits, attendance at three educational or coaching sessions per year for three years). If the above conditions are met,
 - ◆ 50% of the loan will be forgiven at the end of year 2,
 - ◆ 25% of the loan will be forgiven at the end of year 3 and
 - ◆ 25% of the loan will be forgiven at the end of year 5.If conditions are not met, repayment of the loan will be administered by Machias Savings Bank with Terms & Conditions including, but not limited to, the following:
 - ◆ 5 year fixed term
 - ◆ Interest Rate will be fixed at Prime Rate for 5 years
 - ◆ Immediate repayment if business moves from Houlton
 - ◆ If the business is an entity, the partners or principals must secure the loan
- Up to 5 hours of legal services to assist with entity formation - Severson, Hand & Nelson - approximate value \$1,000
- Build a standard 3-page web site with standard hosting for 1 year, create a Facebook page and provide training and credit for managing the page, \$300 radio advertising credit and credit for video editing – Northern Maine Media/WHOU – approximate value \$2,010
- Business spotlight video package – The Idea Factory – approximate value \$795
- 1 year of free DSL service with a 3-year service contract (dependent on business location) – OTT Communications – approximate value \$500
- Additional incentives are being secured and will be announced as confirmed ...

6.0 Eligibility

The Contest is open to all legal U.S. residents and all individuals eligible to conduct business in the U.S. who are 18 years of age or older at the time of entry.

- ❖ Proposed businesses can be independent operations or franchised.
- ❖ Proposed businesses can be a one-person concept or a team concept.
- ❖ A current Houlton business can apply as an expansion, so long as it introduces a new element in the current business.

7.0 Official Rules and Regulations

- ✚ The proposed business must locate in Houlton
- ✚ Incentives are non-transferable and may not be redeemed for cash; substitutions by winners may not be requested.
- ✚ Printed copies of business proposals submitted into the contest may not be returned. Applicants may request that written proposals be kept confidential.
- ✚ The Selection Committee will review the business concepts and business plans.

- ✚ By participating in this contest, you agree to these Official Rules and to all decisions of the Sponsors and the Selection Committee, which are final and binding in all respects.
- ✚ By entering the contest, you are validating the acceptance of a credit check.
- ✚ The Selection Committee reserves the right to select more than 1 winner or no winner.
- ✚ The Town of Houlton and Southern Aroostook Development Corporation reserve the right to use participants' names, likenesses, pictures, portraits, voices, biographical information and general information regarding the proposed business, for advertising and promotional purposes without additional compensation unless required by law.
- ✚ The Town of Houlton and Southern Aroostook Development Corporation seek to provide start up information to any viable businesses entering the competition whether or not they win this challenge. All entrants with feasible business plans will be contacted about available business spaces in Houlton as well as other services that may be of assistance.
- ✚ All entries must be received at the physical address indicated no later than 4:00pm EST on the due date. Applications received past the deadline will not be considered.
- ✚ The Town of Houlton and Southern Aroostook Development Corporation reserve the right to extend the date for selecting and notifying the Grand Prize Winner.
- ✚ Grand Prize Winner shall assume responsibility for the payment of all other items that are not part of the incentive package (including, but not limited to insurance, rental tax, permits and additional legal fees).
- ✚ Grand Prize Winner is required to have at least monthly contact with the Community Development Director or SADC Executive Director prior to opening, in order to keep the Town of Houlton and Southern Aroostook Development Corporation apprised of progress.
- ✚ In accordance with IRS Code regarding prizes and awards, a Form 1099-MISC may be issued to the Grand Prize Winner. Please consult your tax advisor for additional information.
- ✚ Contingency rules for loans may be given, which are separate from the contest rules.
- ✚ The winner will be responsible for meeting and complying with all codes and ordinances of the Town as required, including the issuance of any necessary permits.
- ✚ The winner of the Grand Prize must have their business open by June 1, 2018, unless an extension is request by the Winner and granted by the Selection Committee. If not completed thereafter, the grand prize is forfeited and may go to another entrant.
- ✚ By accepting the Grand Prize, the Winner releases and discharges the Town of Houlton and Southern Aroostook Development Corporation, their affiliated companies, participating sponsors, information providers, content providers, subsidiaries, advertisers, advertising agencies, promotional and marketing agencies and any other companies involved with or otherwise providing services related to this promotion, and all their respective employees, officers, directors, representatives and agents from any liability or damage due in whole or in part to the award, acceptance, possession, use or misuse of the Grand Prize or from participation in the Challenge
- ✚ Information regarding the Grand Prize winners will be posted on houlton-maine.com, sadcaroostook.org and related social media. Information will also be released to the press and directly to the public.
- ✚ If a Grand Prize Winner is unreachable after fifteen (15) business days, an alternate Grand Prize Winner will be selected.

8.0 Timeline

- **April 3, 2017:** Initial Program Announcement
- **May 17, 2017:** **Phase I – Ignite The Spark** – info night – Panel Discussion – hear inspiring stories from local entrepreneurs to help you ignite your spark. Information about the contest will be provided along with tips from the Selection Committee on being a successful contestant. Sign up for One-On-One Coaching Sessions.
- **May 31st & June 1st, 2017:** **Phase I** - Informal One-On-One Coaching Sessions
- **June 29th, 2017:** **Phase I** - Business Concepts (1-2 Pages) due
- **July 12th, 2017:** **Phase I** - Oral “Pitch” 5-Minute Presentations
- **July 26th, August 8th & 17th, 2017:** **Phase II – Personal Business Counseling Sessions** offered
- **August 24th, 2017:** **Phase II** – Draft Business Plans Due – they will be returned by September 8th, 2017 with suggestions & comments.
- **September 21st, 2017:** **Phase II** – Final Business Plans Due
- **October 2nd, 2017:** Announcement of those advancing to **Phase III** – Final Proposal
- **October 11th, 2017:** **Phase III** - Final Presentations/Interviews
- **October 16th, 2017:** Announcement of Winner (by 10/20/17)
- **June 1, 2018:** Business Must Be Open

9.0 Program Participation Process

All materials including the Business Concepts and Business Plans **must be submitted by 4:00pm on the due date** to:

Nancy Ketch
Community Development Director
Town of Houlton
21 Water Street
Houlton, ME 04730

For application packets, further information and questions contact:

Nancy Ketch, Community Development Director
Town of Houlton
21 Water Street
Houlton, ME 04730
(207)521-5938
comm.development@houlton-maine.com

Jon McLaughlin, Executive Director
Southern Aroostook Development Corporation
P.O. Box 783
Houlton, ME 04730
(207)521-0157
jon@sadcaroostook.org

TOWN OF HOULTON ENTREPRENEUR CHALLENGE APPLICATION FORM/COVER PAGE

Please complete this form and the next page as your business concept (as described on pages 4 & 10 of this packet).

Date: _____

Business Concept/Name of Business:

Is this

_____ a new business idea

_____ relocation of an out-of-town business

_____ an expansion of a current business

_____ other: _____

Name(s) (include all members if a team):

Lead: _____

Address of Lead Contact (Street, City, State, Zip):

Phone: Home _____ Cell _____

E-mail: _____

I have read the competition rules, timeline and eligibility requirements, and I attest that all information included in this application and the attached business pitch is true and accurate.

Signed: _____ Date: _____

