



**I-3 TECHNOLOGY START-UP COMPETITION 2009**

**INFORMATION KIT**

## INTRODUCTION

The purpose of the I-3 Technology Start-Up Competition is to foster and support the entrepreneurial spirit in the business community across Nova Scotia and to encourage the formation of new knowledge-based start-up companies.

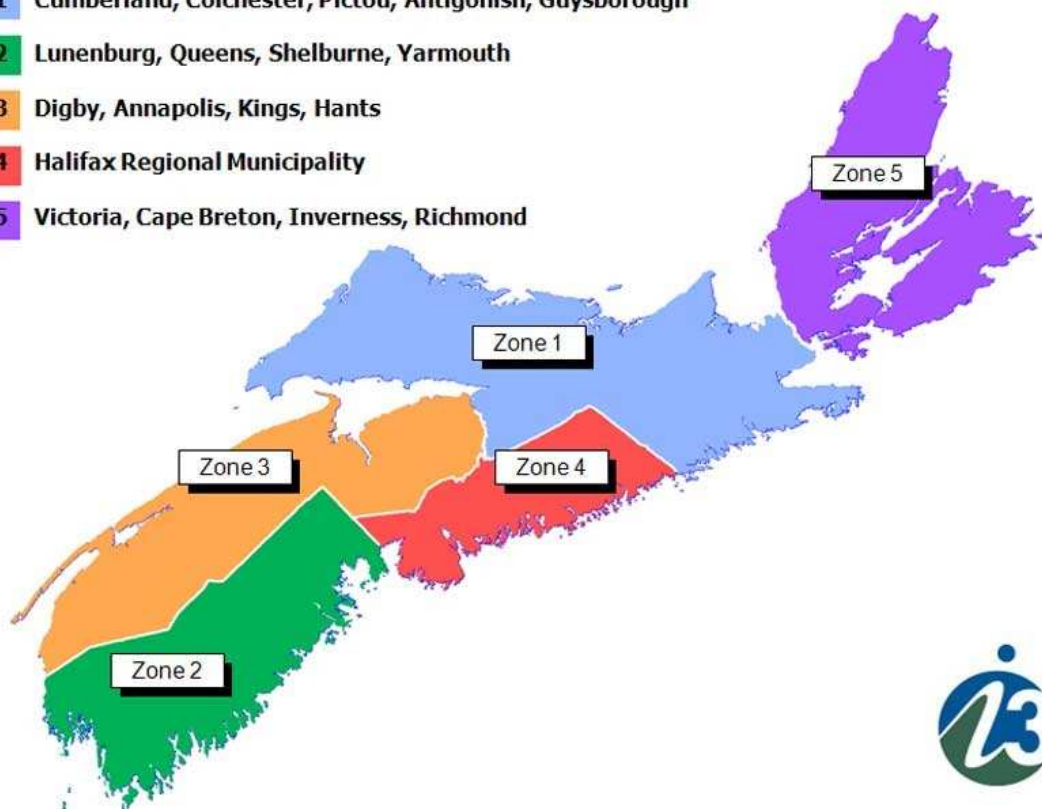
The purpose of I-3 is consistent with InNOVAcorp's mission:

*To fuel sustainable economic growth by enabling Nova Scotia knowledge-based companies to accelerate the commercialization of their technologies and increase competitiveness in export markets.*

The I-3 competition will be held in five zones covering all of Nova Scotia during the period of September 9, 2009 – February 9, 2010. Below are the competition zones.

### I-3 Technology Start-up Competition - Zone Map

- Zone 1** Cumberland, Colchester, Pictou, Antigonish, Guysborough
- Zone 2** Lunenburg, Queens, Shelburne, Yarmouth
- Zone 3** Digby, Annapolis, Kings, Hants
- Zone 4** Halifax Regional Municipality
- Zone 5** Victoria, Cape Breton, Inverness, Richmond



### **Early stage companies will compete for zone awards**

Each first place zone winner will receive a \$100,000 award package and each second place zone winner will receive a \$40,000 award package made up of seed investment cash and in-kind contributions to be used towards the further development of their start-up ventures. In-kind contributions will include support and resources in the form of business building expertise (i.e. legal, accounting, and marketing).

### **Winners move to provincial round**

A provincial winner will be selected from the first place zone winners. The provincial award is a \$100,000 HPi™ Microfund investment.

The I-3 competition is managed by InNOVAcorp. The award is intended for the establishment and/or further development of the new knowledge-based start-up business venture.

The six-person judging committee for each zone will have representatives with relevant start-up expertise from the public and private sectors.



## BACKGROUND

More than ever, a sustainable strong, vibrant economy in Nova Scotia requires continuous innovation and the creation of new start-up companies. Not only do early stage companies evolve over time to become major contributory employers in the community, but they also encourage a culture of entrepreneurship and innovation – key ingredients for a region's wealth.

InNOVAcorp is committed to helping drive the creation of new start-up companies, especially those in the knowledge-based sectors.

The InNOVAcorp High Performance Incubation (HPi)<sup>TM</sup> business model is recognized locally and internationally as a best practice commercialization approach. The model incorporates three interwoven resources – incubation infrastructure, business mentoring and seed and venture capital investment – to help entrepreneurs overcome traditional hurdles to business growth.

InNOVAcorp focuses on high potential opportunities that most closely meet the following criteria:

**Stage:** Nova Scotia early stage company

**People:** Relevant subject matter expertise and management experience

**Market:** Large growing international addressable market

**Barrier:** High barrier to competitive entry

**Fundability:** Probability of obtaining a fully-funded business plan



## ELIGIBILITY RULES

Entrants must be Nova Scotia-based start-up business ventures with a focus on a new knowledge-based product and/or service.

In addition, the entrant must be majority owner (51 per cent or more) of the business venture and plan to work full-time within the business to be located in their zone.

I-3 zone winners from previous years are not eligible to reapply with the same product/product/service as in the winning submission but may reapply with a different product/service and a different company.

### Eligibility Defined

*Nova Scotia-based* – The head office is located in Nova Scotia and the business is/will be registered in Nova Scotia. Entrants apply in the zone in which the business is located. See below for zone details.

Zone 1: Cumberland, Colchester, Pictou, Antigonish, Guysborough

Zone 2: Lunenburg, Queens, Shelburne, Yarmouth

Zone 3: Digby, Annapolis, Kings, Hants

Zone 4: Halifax

Zone 5: Victoria, Cape Breton, Inverness, Richmond

*Start-up business venture* – Start-up refers only to sales revenue and not the number of years in business. Eligibility for competition – business has not generated sales revenue for longer than 24 months prior to October 8, 2009, the closing date of the first round.

*New knowledge-based product or service* – The business proposition must be a unique technology product or service that cannot be easily duplicated.

Entries will be evaluated based on the following InNOVAcorp criteria:

**Stage:** Nova Scotia early stage company

**People:** Relevant subject matter expertise and management experience

**Market:** Large growing international addressable market

**Barrier:** High barrier to competitive entry

**Fundability:** Probability of obtaining a fully-funded business plan



## AWARD PACKAGES

### Zone Awards (to be awarded in all five zones)

#### 1st Place Winner in Each Zone

- **\$100,000.00 award package** made up of cash and business building services

#### 2nd Place Winner in Each Zone

- **\$40,000.00 award package** made up of cash and business building services

#### Business Building Services Include:

- Marketing
- Market Research
- Financial
- Printing
- Branding and/or Website Development
- Legal

### Provincial Award

#### 1st Place Provincial Winner

- **\$100,000.00 InNOVAcorp HPI™ Microfund Investment\***

*\*HPI™ Microfund: Unlike the cash award, which is designed to cover reasonable business expenses and is not repayable, the HPI Microfund is a targeted early stage venture fund managed by InNOVAcorp. The investment will take the form of equity or debt, or a combination of both, and is subject to InNOVAcorp's general investment principles.*

Note: Awards are intended for the establishment and/or future development of the new knowledge-based start-up business venture in the zone indicated by entrants in their round one submission.

In the unlikely event there is low participation and none of the entries meet the criteria, the judges reserve the right to withhold award(s) and determine the best path forward to accomplish the competition's goals.



### I-3 COMPETITION TIMELINE

Date	Activity
Wednesday, September 9, 2009	Competition launch (Sydney)
Thursday, September 10, 2009	Zone 1 launch (Truro)
Friday, September 11, 2009	Zone 4 launch (Halifax)
Monday, September 14, 2009	Zone 3 launch (Middleton)
Monday, September 14, 2009	Zone 2 launch (Yarmouth)
Thursday, October 8, 2009	Round One (summary submission) entry deadline
Thursday, October 22, 2009	Round Two shortlist announced
Thursday, November 19, 2009	Round Two (full business plan submission ) entry deadline
Tuesday, December 8, 2009	Round Three shortlist announced
January 13 – 25, 2010	Round Three oral presentations (pitches), judging. Zone winners announced
Tuesday, January 26, 2010	Zone winners announced as provincial finalists
Tuesday, February 9, 2010	Provincial winner announced
Tuesday, February 9, 2010	Awards presentation (zone and provincial winners)

### SUBMITTING ENTRIES

Interested parties, who meet the eligibility criteria as previously outlined, must ensure all submissions follow competition guidelines.

Entries can be made online at [www.innovacorp.ca](http://www.innovacorp.ca).

*Submissions must be received by InNOVAcorp by 5:00pm AST on the round due date.*



## COMPETITION GUIDELINES

### Round One – Summary Submission

Round One - Important Dates	
Submission deadline	Thursday, October 8, 2009
Announcement of second round participants	Thursday, October 22, 2009

Complete the competition entry form and submit a 3-5 page summary of your business venture. The summary must include the following information:

- Cover Page
  - The primary contact person, with complete contact information including an email address
  - The business name (or proposed name), and a one-sentence overview of the main line of business
- Project Team
  - Name of majority owner (51% or more)
  - Brief background on the entrepreneur(s) involved and their experience
  - Roles and responsibilities of those involved
- Product and/or Service Offering
  - Brief description of the offering
  - What problem does it solve, or what need does it fulfill? What are the benefits of your offering?
- Uniqueness of the Offering/Barriers to Entry from Competitors
  - Why is the product/service unique or different from the competition?
  - Who are the major competitors?
  - What potential barriers of entry could you encounter?
  - Is this uniqueness sustainable (e.g. patents, intellectual property, barriers to entry, etc.)?
- Market Opportunity
  - Who are the targeted customers?
  - What is the market size?
  - Is there evidence they will buy the product?
  - How will the product penetrate the market?
- Current Stage of Development
  - What is the current status of the technology/venture?
  - What are the key next steps?
- Business Model
  - How will the company generate sustainable revenue?
- Milestones and Success Metrics
  - What are the success metrics and timelines?
  - What is the time required to go to market?
- Capital Requirements
  - How much funding is needed to move forward?
  - How will the money be used?
  - Why is your business an attractive investment?

The summary must be submitted in Microsoft Word or Adobe Acrobat PDF format prior to 5:00 pm AST on Thursday, October 8. A confirmation receipt will be sent by email.



Please note: We are unable to accommodate updates once summaries are submitted.

The document must be limited to 3-5 pages of text (typed, double-spaced, minimum 12 pitch font, with at least 1” margins on all sides), excluding the cover page.

The judging panel will select a short list of up to five (5) entries per zone that will be invited to move into Round Two of the competition. Announcement of the short list will be on October 22, 2009.

### Round Two – Full Business Plan Submission

Round Two - Important Dates	
Submission deadline	Thursday, November 19, 2009
Announcement of third round participants	Tuesday, December 8, 2009

Those moving on to Round Two will be required to submit a full business plan. An electronic version is required. The full plan must include the following:

- Executive Summary – Clear, exciting and effective as a stand-alone overview of the plan
- Products or Services – Description, features and benefits, pricing, current stage of development, proprietary position
- Market and Marketing Strategy – Description of the market, competitive analysis, needs identification, unique capabilities, sales/promotion and penetration
- Management – Background of key individuals, ability to execute strategy, human resource requirements, organizational structure
- Summary Financials – Presented in summary form, easy to read and understand, and consistent with plan

The full business plan must be submitted in Microsoft Word or Adobe Acrobat PDF format prior to 5:00 pm AST on Thursday, November 19. A confirmation receipt will be sent by email.

Plans are limited to 15 – 20 pages of text (typed, double-spaced, minimum 12 point font, with at least a 1” margin on all sides), excluding the cover page but including the executive summary, charts or diagrams, and summary financial data. Detailed spreadsheets and appropriate appendices should follow the text portion of the plan and be limited to 10 pages. Appendices should be included only when they support the statements and observations in the plan.

Financial data should include the projected cash flow statement, income statement, and balance sheet for a 3-year period, as well as actual financial statements (if applicable). Include an explanation of how much money is required and the use of funds. In addition to the detailed financial statements, a financial summary should be included (see below for an example).



## Illustrative Example

### Proposed Business Plan Financial Summary

	Year One	Year Two	Year Three
<b>Revenue:</b>	\$ 100,000	\$ 1,000,000	\$ 10,000,000
<b>Expenses:</b>	\$ 200,000	\$ 750,000	\$ 5,000,000
<b>Profit or (Loss):</b>	\$ (100,000)	\$ 250,000	\$ 5,000,000
<b>Profit Margin Percentage:</b>	-100.0%	25.0%	50.0%
<b>Employee Count:</b>	1	5	15

*The financial model example above is intended to show the level of detail that the judges are seeking. Entrants may be asked for additional levels of financial detail and back up assumptions to support the high level view.*

The judging panel will select a short list of three (3) participants from each zone that will be invited to move into Round Three of the competition. The announcement will be made on December 8, 2009. A workshop and/or one-on-one consulting assistance may be provided to the three finalists in each zone to assist in preparing the presentation and business plan for the third and final round. This workshop will take place in January.

### Round Three – Oral Presentation

<b>Round Three - Important Dates</b>	
Oral presentations (pitches)	January 13 – 25, 2010
Zone winners announced as provincial finalists	Tuesday, January 26, 2010

Those in Round Three (final round) will have 30 minutes to present their business plan, followed by a 15 minute question-and-answer session.

A projector, screen and computer will be available in the presentation room. Presenters may bring their own laptop if desired. Laptops will connect directly to the projector present in the room. All presenters are encouraged to bring a back-up copy of their presentation. "Tech checks" can be done the day before the actual presentation by prior arrangement with the competition project manager.

Round Three (oral presentation) entries are required to provide an electronic copy of their presentation and business plan.

Zone winners will be announced as awarded (between January 13 – 25, 2010)



## Provincial Round

<b>Provincial Round - Important Dates</b>	
Oral presentations (pitches)	Tuesday, February 9, 2010
Awards presentations – zone winners and provincial winner	Tuesday, February 9, 2010

Zone winners will be invited to present their business opportunity/venture to a judging panel on February 9, 2010. This presentation will be similar to round three in that each finalist will be given 30 minutes to present their business plan, followed by a 15-minute question-and-answer session. A business plan will be submitted to the judges in advance of this presentation.

A projector, screen and computer will be available in the presentation room. Presenters may bring their own laptop if desired. Laptops will connect directly to the projector present in the room. All presenters are encouraged to bring a back-up copy of their presentation. "Tech checks" can be done the day before the actual presentation by prior arrangement with the competition project manager.

Entries in the provincial round are required to provide an electronic copy of their business plan and oral presentation.

Zone winners and the provincial winner will be announced at an event later that day – February 9, 2010.



## Announcing the Winner

The zone winners will be announced from January 13 – 25, 2010. The provincial finalists will be announced on Tuesday, January 26, 2010. The provincial winner will be announced at an awards ceremony in Halifax on Tuesday, February 9. During announcements and presentations, competition organizers may present a brief summary of the finalist's business plan and opportunity.

## Confidentiality

All submissions will be treated confidentially and will not be made available to the public. Only those directly involved in managing or judging the competition will view submitted documents. While business plan details will not be disclosed, the competition organizers reserve the right to announce publicly those who advance to subsequent rounds of the competition.

## Judging

A panel of six judges (per zone) representing public and private sectors will determine which entrants will advance to subsequent rounds and will select the winner.

The quality of the idea, the strength of the management team, and the clarity and persuasiveness of the written plan and oral presentation will influence the judges' selection of the competition's winner.

Key criteria for evaluation include:

**Stage:** Nova Scotia early stage company

**People:** Relevant subject matter expertise and management experience

**Market:** Large growing international addressable market

**Barrier:** High barrier to competitive entry

**Fundability:** Probability of obtaining a fully-funded business plan

Ultimately, the winning entrant will be the one the judges determine to have the most commercialization potential.

## Questions

Questions can be directed to April MacLeod, I-3 Project Manager, through the following methods:

- By phone at 1.800.565.7051 or 902.424.8670 ext. 1177
- By email at [I-3@innovacorp.ca](mailto:I-3@innovacorp.ca)



## **I-3 Competition Partners**

### **Zone 1 Partners**

Sandler Sales Institute  
AVIS Budget  
McIsaac Darragh Chartered Accountants  
Kerr & Nadeau, Barristers & Solicitors, Patent & Trademark Agents  
Hollis Bartlett Design  
MBW Courier  
St. Francis Xavier University Enterprise Development Centre  
Nova Scotia Community College  
Entrepreneurs' Forum

### **Zone 2 Partners**

Sandler Sales Institute  
AVIS Budget  
Belliveau Veinotte Inc. Chartered Accountants  
Lawyer-TBD  
Avid Media  
Saint Mary's University Business Development Centre  
Entrepreneurs' Forum

### **Zone 3 Partners**

Sandler Sales Institute  
AVIS Budget  
Grant Thornton  
Muttart Tufts DeWolfe & Coyle, Barristers & Solicitors  
Westcliffe Marketing  
Le Conseil de developpement economique de la Nouvelle-Ecosse  
Integrity Printing  
Ingeonuity Business Incubation Centre  
Entrepreneurs' Forum

### **Zone 4 Partners**

Sandler Sales Institute  
AVIS Budget  
WBLI Chartered Accountants  
Kerr & Nadeau, Barristers & Solicitors, Patent & Trademark Agents  
MT&L  
Bounty Print  
Saint Mary's University Business Development Centre  
Entrepreneurs' Forum

### **Zone 5 Partners**

Sandler Sales Institute  
AVIS Budget  
Grant Thornton  
Rudderham Chernin Law  
ICON Communications and Research  
Cape Breton Post  
Cape Breton University Small Business Development Centre  
Entrepreneurs' Forum

