

Gifted and Talented Silicon Valley Innovators

GVC | GATSVI Venture Challenge

OFFICIAL RULES & GUIDELINES

Last updated on August 31, 2019

PURPOSE OF PROGRAM

To encourage the founding of high-potential new ventures and to reward gifted and talented pre-collegiate entrepreneurs.

ELIGIBILITY

Team Size and Composition

There is no minimum or maximum team size. However, each team is required to have at least one high school student as an active member and integral part of the team. The high school student should have equity in the company and/or a role on the management team.

Entries must be the original work of the entrants and may be made by a single-student or multiple-student teams. Each team or student may submit as many entries as they wish. However, it is unlikely that multiple entries from the same team will be successful given that the plans are judged partly on the ability of the team to execute the plan.

Originality of Business Ideas

The new venture idea should be original and have commercial promise. The entry may be developed in conjunction with a research project, and students may enlist professional aid. Business plans that have participated in the past as part of other startup venture competitions are not eligible unless approved by one of the GVC directors or mentors.

Business plans for very early stage ventures may be acceptable if the company has not already received funding from venture capitalists and/or other investors. Teams that have secured arrangements for capital from any source must disclose the amounts and sources in their Phase I executive summaries. Entries which have received outside investment from venture firms, private investors, or other industry sources may be considered ineligible to compete and should contact the administrators of GATSVI in advance or confirmation.

Equity Agreement

As a condition to receive the Prize Money, each winning team must agree to provide GATSVI with equity in the Company (that was the subject of its business plan) in an amount equal to its respective award if the company receives funding or otherwise enters into a business combination transaction wherein the surviving entity receives financing or equity in another entity.

PHASES OF THE PROGRAM

Three Phases of the GATSVI Challenge

1. Phase I: Application and Selection

- a. One electronic copy of each team's feasibility summary is due to challenge@gatsvi.org by the Phase I deadline.
- b. Individual members of the GASTVI House of Judges (the "House") will read submissions and select teams/individuals moving onto the semi-finals
- c. Teams/individuals selected to advance to the semi-finals, will be announced.
- d. Winners of the semi-finals are encouraged to polish and improve their business plans and pitches for the finals at:
 1. *GATSVI accredited summer programs; or*
 2. *GATSVI accredited high school clubs*

2. Phase II: Semi-Finals + Mentoring & Coaching

- a. Semi-Finalists may be invited to provide more information.
- b. Semi-Final Competition will be 100% remote or online.
- c. The House will collectively evaluate and judge the Semi-Finalists.
- d. Winners will be:
 - i. *Awarded GATSVI Fellowship and Certificate*
 - ii. Invited to advance to the Finals in Silicon Valley (those who cannot fly to the finals can compete remotely via online streaming)
 - iii. Encouraged and mentored to polish and improve their business plans and pitches for the Finals at:
 1. *GATSVI summer programs*
 - a. During GATSVI summer programs, each team will present their business to in-class judges comprising venture capitalists, angel investors and entrepreneurs. For more details, please see the "Business Plans" section below. The feedback received from these presentations will help the teams improve the plan and their presentations and position them for optimal success during the Finals.

3. Phase III: Finals

- a. Each finalist team will present their full business in-person (or, in extenuating circumstances, online) to the GATSVI Senate.
- b. The Senate will adjourn after the final presentation to deliberate and select the winning teams.
- c. Winning teams will be announced at a reception immediately following the Senate's deliberation.

FEASIBILITY SUMMARIES

One electronic copy of the feasibility summary and the required supporting materials, including a signed Certifications and Agreements sheet, must be submitted to the specified submission email by the Phase I deadline. To help the judges gauge the relative merit of your business idea, please submit a concise Feasibility Summary. This Summary should comprise no more than eight (8) typed and double-spaced page. This Summary should include:

- A description of the business opportunity and market need to be fulfilled, the product or service idea (plus brief technology assessment, if applicable), preliminary analysis of the target market and potential market size
- A brief competitive analysis
- A brief outline of key strategies and objectives
- A review of the management team and outside advisors (if applicable)

The Feasibility Summary submission must include the following materials, collated in the following order:

- Cover Sheet (see 2019-2020 Entry Kit for official cover sheet)
- Certifications and Agreements sheet signed by all team members
- Set of resumes of all team members
- Feasibility Summary

Teams whose proposals show significant promise will be selected as semi-finalists and asked to continue to Phase II.

All winners of the semi-finals are encouraged to register for one of the following:

1. *GATSVI accredited summer programs; or*
2. *GATSVI accredited high school programs*

BUSINESS PLANS

All Finalists (= winners of the Semi-Finals) must submit complete business plan by end of June 1, 2020. The final Business Plan should not exceed twenty-five (25) double spaced pages of text and graphics, in addition to the appendices. Total plan and appendices should not exceed 50 pages. In addition, each business plan must include a cover sheet as the first page with a designated format that will be issued at the end of the Semi-Final Competition. These entries must be submitted electronically to challenge@gatsvi.org

Business Plans should include:

- Formal executive summary
- Business mission/description – what problem does this product intend to solve?
- Technology description if it's a technical product and IP rights
- Market info, including size, share and competitive analysis
- Revenue model and sales strategy
- Financial info (e.g., P&L, quarterly financial projections for first two years, and annual projections for years 3-5, pro forma cash flow and budget analysis, balance sheet and key assumptions for financials, much of which can be included in the appendix)
- Strategy for execution (e.g., operations, manufacturing, sales and marketing, alliances)
- Timetables/milestones
- Management/Board of advisors breakdown
- A working model or prototype, if appropriate, is advantageous but is not required.
- Exit strategy

JUDGING

Judging will be based on the commercial potential of the business, innovative nature and technical feasibility of the idea, the credibility of the projections and assumptions, and the ability of the team to make it happen. While the quality of management and advisors is important, it will be less of a factor in Phase I and more a factor as the team progresses through Phase II and onto Phase III.

JUDGES

I. The House

- a. Elected by GATSVI Management Team to serve for two-years.
- b. House is responsible for:
 - i. Selecting Semi-Finalists and Finalists
- c. House member qualifications are:
 - i. Distinguished entrepreneur or investor
 - ii. Received recommendation and invitation from GATSVI Member (i.e., House, Senate, Management, or Board).

II. The Senate

- a. Invited by GATSVI Management Team to serve for four-years.
- b. Senate is responsible for:
 - i. Selecting Winners of the GATSVI Venture Challenge
- c. Senate member qualifications are:
 - i. Distinguished US entrepreneur or US investor; and
 - ii. California company or resident; and
 - iii. Able to be present in Silicon Valley during the Final Competition; and
 - iv. Received recommendation and invitation from GATSVI Board Member

All decisions of the House and Senate will be final.

PRIZES AND EQUITY AGREEMENT

A cash prize totaling at least \$20,000, along with any additional goods and services, is divided among the top teams as deemed by the House and Senate. The allocation of the prize money will be determined in the Phase III Final Competition, based on relative merit and need.

Because of the extensive investment of time, resources, training, coaching and networking provided to each team through GATSVI, each contestant must review the terms of the Equity Agreement provided by GATSVI. Thus, as a condition to receive the award, each winning team must agree to provide GATSVI with equity in the company (that was the subject of its business plan) in an amount equal to its respective award if the company receives funding or otherwise enters into a business combination transaction wherein the surviving entity receives financing or equity in another entity.

PROTECTION OF INTELLECTUAL PROPERTY

GATSVI, the principal sponsor and organizer, the co-organizers, and co-sponsors of the GATSVI Venture Challenge have taken all reasonable measures to assure that all contestants retain their rights to the Business Plan and Intellectual Property. The co-sponsors and judges of the program include organizations that are interested in fostering the entrepreneurial process. Some of these organizations are in the business of working with and investing in the ideas of entrepreneurs. However, co-sponsoring organizations will only have access to the Plans with a team's prior approval and shall make no claim to any of the property or rights.

The protection of these rights is the ultimate responsibility of each contestant. Contestants are urged to mark as CONFIDENTIAL any portion of their Entries, which they consider to be proprietary, or of a sensitive nature. Contestants should be careful about disclosing any "patentable" concepts in their Entries because, although in the United States a patent application can be filed up to one year after the first public disclosure of an invention, in many foreign countries a patent application must be filed before any public disclosure is made.