



2010 Business Plan Competition

Sponsored by the South Dakota Bankers Foundation and
the Governor's Office of Economic Development

Listed below are the criteria necessary to get a student started in preparing a written business plan for the competition. The South Dakota Bankers Foundation and the Governor's Office of Economic Development have again been asked to donate first prize -- a personal computer system. Second, third, fourth, fifth and sixth place prizes will be cash awards sponsored by the South Dakota Bankers Foundation in the amounts of \$750, \$500 and \$100. It is recommended that all the points in the "Business Start-Up Plan" be addressed. Please see the back of this page for entry requirements. Judging will be based on the following criteria:

- ❖ Completeness of business plan
- ❖ Viability as an ongoing business
- ❖ Realistic financial projections/cash flow plan
- ❖ Conciseness in presentation
- ❖ Creativity and innovation

Judges for the contest include bankers, educators and business people from throughout the state. Finalists will be called to Pierre to participate in an oral interview on February 10, 2010, and will be asked to remain for the presentation of awards that evening. ***Students may attend with their parents and school advisor.*** The evening event is a reception and banquet attended by 400 of our state's legislators, constitutional officers, bankers and spouses.

Writing a business start-up plan helps you decide what is needed in terms of time, money and resources to get a business underway. The following outline should be helpful in that it addresses many of the issues that should be considered when starting a business. By thinking over some of the details with your advisors, parents or friends and getting them down on paper, you'll have a good idea of how you want a business to take shape. A business plan provides a concrete structure against which you can measure actual performance. You'll also save yourself time and money in the long run. If you do decide to create this business, you will have a logical plan with which to get started.

Your business plan should be a narrative and you will need to elaborate on your answers in order to sell your idea.

Use the following questions as a guide to incorporate into your entry.

The Basics of Your Business:

- A. Business Goals:
 1. What type of business are you planning?
 2. What do you hope to accomplish by starting this business?
 3. Who can help you out?

- B. The Basic Structure:
 1. Will your business be a sole proprietorship, partnership or corporation?
Don't confuse legal structure with managerial decision-making authority.
 2. Why did you choose this form of organization?
 3. Do you and/or your partners have any previous experience in this field or related fields?
 4. What contributions will each make to this organization?

- C. General Decisions:
 1. Where will your business be located?
 2. What will you need for materials, equipment and inventory? What are the costs involved for these items?
 3. What regulations or licenses are required?
 4. Where do you see your business headed one year from now?
 5. Do you have an exit strategy? Describe.

- D. Financing Decisions:
 1. How much do you anticipate spending to start your business? Be realistic.
 2. Where will you get the money?

3. Specifically, what do you plan to borrow money for – cash, collateral?
 4. How much do you think you'll need to borrow?
 - a. Do you anticipate needing more than this?
 - b. Can you still finance your project if you borrow less?
 5. What collateral/security do you provide for any loans requested?
 6. What is your repayment plan for any borrowed funds, including interest?
 7. What do you do if revenues fail to meet original projections?
 8. Have you drawn up realistic financial statements which detail your projections? This is very important.
 9. Will you be using cash or accrual accounting and why?
 10. Will you have employees? What are your challenges in having employees? Business insurance?
- E. Marketing Decisions:
1. Who will be your competition?
 2. How big is your market?
 3. Who is your average customer?
 4. Who will be your target market?
 5. What can you do differently to attract customers?
- F. The Product:
1. How will you price your service/product?
 2. How did you arrive at this price?
 3. Will you offer credit to your customers?
 4. How will your product be distributed?

Come up with alternative sales and marketing plans in case your original ideas don't bring the results you need.

If selected as a finalist, remember, the judges have already read your business plan. You will need to sell yourself and your plan. Some of the items the judges will use for scoring your written plan and oral interview include:

- Completeness of business plan
- Viability as an ongoing business
- Content, composition, knowledge of, and ability to sell your written plan

Include a cover page for your business plan that contains the following:

Your Name
The Name of Your Entry
School Name, Address and Phone Number
Name of an Advisor or School Contact
Your Home Address and Phone Number

Send 6 copies of completed business plans (one for each judge and one working copy) by:

DECEMBER 18, 2009.

Business Plan Competition
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