

# 2016 Alltech Innovation Competition

## Rules and Guidelines

*Founded in 1980 by Dr. Pearse Lyons, Alltech improves the health and performance of people, animals and plants through natural nutrition and scientific innovation. With more than 5,000 employees in 128 countries, the company has developed a strong regional presence in Europe, North America, Latin America, the Middle East, Africa and Asia. For further information, visit [www.alltech.com](http://www.alltech.com).*

The Alltech Innovation Competition is designed to mimic the real world process of raising venture capital while at the same time developing ventures that can either be launched in or provide a significant socioeconomic benefit to the Commonwealth. This year's competition topic is on innovation in food and agriculture, as connected to Alltech's core areas of business in animal nutrition, crop science, and brewing and distilling.

The competition is open to well-qualified undergraduate and graduate students to gain real experience in this process while developing and growing new ventures based either on their own ideas and technologies or those developed by others. Each university may submit one team – *undergraduate or graduate* – consisting of no more than four students per team and no more than two academic advisors.

The spirit of the competition is to allow companies conceived and developed during the undergraduate or graduate school experience to participate. This means excluding companies that were started before undergraduate or graduate school admission or are an expansion of an established business.

This document sets out guidelines to capture these goals. Not every circumstance can be anticipated. The Alltech Innovation Competition directors reserve the right to disqualify any team that violates the rules, regulations or the spirit of the competition.

Faculty advisors are responsible for ensuring their teams meet these requirements. The teams are also responsible for ensuring their own eligibility. Violations by the teams will result in the school being ineligible in this year's competition and forfeiture of awards and prize money.

### IP Considerations:

- Teams requiring non-disclosure agreements (NDAs) should not participate.
- All sessions of the competition are open to the public and may be broadcast to interested persons through media which may include radio, television and the Internet.
- Any data or information discussed or divulged throughout the competition should be considered information that will enter the public domain.

- The Alltech Innovation Competition may make photocopies, photographs, video recordings and/or audio recordings of the presentations including the business plan and other documents, charts, media or other material prepared for use in presentation at the competition.
- The above entity may use the materials in any book or other printed materials and any videotape or other medium that they may produce, provided that any profits earned from the sale of such items is used to defray the costs of future Alltech Innovation Competitions. The Alltech Innovation Competition has non-exclusive world rights in all languages, and in all media, to use or to publish the materials in any book, other printed materials, videotapes or other medium, and to use the materials in future editions thereof and derivative products.

## Written Plans:

- Plans should be submitted as a single, printable PDF file. Plans are limited to no more than 10 pages (not including a single cover page and single table of contents page) and can include up to 6 additional pages of appendices. Page format is 1.5 line spacing with 1 inch top, bottom, left and right margins, and 12 point font. This line spacing and font requirement applies to the textual content of the document and not to titles and descriptions accompanying pictures, graphs, tables or worksheets. All pages must be numbered excluding the cover page. The cover page must include venture name and university affiliation.
- Financial data presented in the appendix must include cash flow, income statement, and balance sheet details.
- Include an explanation of the offering to investors indicating how much money is required, how it will be used and the proposed structure of the deal.
- Delineate the exit strategies anticipated as part of the equity offering.
- Appendices should be included only when they support the findings, statements and observations in the plan.

## Pitching Your Idea:

- The pitching round is of 15 minutes followed by any Q&A with the judges.
- Each member of the student team present at the competition must participate fully in the formal presentation of the plan.
- Teams may not observe other teams' pitching until after they have presented their own plan.
- Each team needs to supply its own PC-compatible PowerPoint presentation file on a USB stick and is responsible for assuring it works with the provided audio-visual equipment in advance of their presentation.

**Student Involvement:** The competition is for student created, managed, and owned ventures. This is the most common area for requested rules clarification. The guidelines are:

- Students played a major role in conceiving the venture by having key management roles and owning significant equity in the venture.
- Significant equity is 50% or more of the equity allocated to the management team and key advisors.
- The objective of this rule is to exclude ventures formed and managed by non-students who have token student representation to compete in the Alltech Innovation Competition.

**Team Composition:** This is a competition for well-qualified undergraduate and graduate students; teams may consist of all undergraduate students or all graduate students. Students from any graduate program (not just MBAs) are eligible to participate, including executive and evening format programs. Non-students may be members of the venture's management team and may participate in planning the venture, however only students may participate in the competition.

**Student Enrollment:** The competition is for students currently enrolled in the university/institute.

**Nature of Ventures:** Companies must intend to be operating companies with corporate structures and financial statements that reflect real operating revenues and expenses. This is intended to exclude investment vehicles, partnerships, licensing and other pass-through entities where returns are measured for investment value versus operating earnings.

The competition focuses on new, independent ventures in the seed, start-up or early growth stages. In addition to what is outlined in the above paragraph, generally excluded are the following: buy-outs, expansions of existing companies, roll-ups, real estate syndications, tax shelters, franchise based outlets, licensing agreements for distribution in a different geographical area and spin-outs from existing corporations.

Licensing technologies from universities or research labs is encouraged assuming there has been no previous commercialization. Key in these types of ventures is demonstrating significant added value to the technology through the efforts of the management team. When licensing a technology or technologies from others, the management team must demonstrate legal rights to commercialize the technology. These legal rights are typically demonstrated through an executed option to license or executed license agreement.

All ventures must be seeking outside equity capital.

**Prior Activity:** Ventures and their base concepts may compete only once in the Alltech Innovation Competition. Ventures that have generated revenue or raised equity capital from sources other than the members of the student team before the current academic year are excluded.

**University Sponsorship and Faculty Adviser Involvement:** The business plan must be prepared under faculty supervision. Ideally, the business plan will be prepared for credit in a regularly scheduled course or as an independent study. The business plan must

represent the original work of members of the team. All universities with participating teams are required to send faculty or other university advisors to the Alltech Innovation Competition.

At the time a team submits their business plan to the Alltech Innovation Competition the faculty adviser must, on behalf of the sponsoring university, attest to the eligibility of their team, their adherence to the rules and guidelines and acknowledge potential penalties for violations and infractions.

### **Competition Awards:**

- Cash prize of INR 1,00,000 will be awarded to the university securing first position and INR 10,000 for rest of the participating universities. Each university is responsible for cash prize distribution to its team.