

How to Win First Capital Challenge

Workshop at the Kingston Brewing Company

February 5th 2007

New Format for the Program

- In order to help more new business, the judges now have the flexibility to split all or some of the prize money between multiple finalists.
- In order to make it easier for winners and FCC, prizes are now interest bearing loans with interest capped at the amount awarded and paid back through royalty of 1% of sales. Interest rate is 10%.
- Businesses under two years old at time of submission are eligible.
- Goal remains the same – a self-sustaining competition to encourage entrepreneurs.

Tips and Techniques for Preparing a Submission

- Start early filling in the template downloadable off the web (www.Win50K.ca).
- Do the simple math to check profitability.
- Find complimentary team members.
- Research deeply your market and customers.
- Pre-sell to test your value proposition.

What the Judges Will Look For

- A quantifiable need, confirmed by market research, for your product or service
- Passion to succeed.
- Rich understanding of customers and markets.
- Credible model of profitability, i.e., $(\text{Price} \times \text{Units}) - (\text{Unit Cost} \times \text{Units}) - \text{Fixed Costs}$.
- Complete team of production, marketing and financial management expertise.
- Detailed business plan to break-even.

Deciding How Much You Should Apply For

1. Create your business plan to break-even.
2. Assume it will take twice as long and twice as much money – this is the total you need.
3. Look for opportunities to stage the capital requirements – spend in increments to lower the risk in stages.
4. Look for opportunities to have customers and suppliers finance some expenditures.
5. Evaluate the % of financing that can be leveraged from other sources.
6. The remainder is the amount that sets the above in motion, and is what you should ask for.