How to Develop a Winning Concept Paper

Larry Wilk – Adj. Professor UCI, Beall Center Board

David Ochi – Adj. Professor UCI, Beall Center Board

UCI Paul Merage School of Business
Beall Center for Innovation & Entrepreneurship
Agenda

• Welcome & Intros
• Competition Overview
• Rules…
• What’s a “Concept Paper”
• Suggested Format
• Methodology & Considerations
• Judging criteria
• Resources and Q & A
• Beall Bash
COMPETITION STRUCTURE

1st Place 1st Place 1st Place 1st Place 1st Place
2nd Place 2nd Place 2nd Place 2nd Place 2nd Place

UCI Blum Center for Poverty Alleviation
For 2019, the Blum Center Social Enterprise track will have particular focus on Women and Girls' Empowerment and Affordable Housing
TECH SURGE

What it is…

▪ Specialty track open to all teams using UC intellectual property (IP) as core part of business idea
▪ 2 awards
▪ $5,000 & $10,000 in additional prize money!

Benefits
▪ Immersive, experiential learning
▪ Chance to commercialize University IP

BONUS!
▪ Access to UCI Applied Innovation staff
▪ Hands-on coaching, mentoring & training
▪ Extended resources & domain expertise
▪ Winners enter Wayfinder incubator program

hayleyy@uci.edu
Your Idea…

- Must be **ORIGINAL**
- Not in existence before January 2017
- In pre-incubator form
- Have not received financial backing by professional 3rd-party incubators, accelerators, existing companies or VCs exceeding **$10,000**

Participation…

- Open to **ALL** UCI graduate & undergraduate students
- Open to UCI faculty & staff
- Open to UCI alumni
- **4**-member recommended; **6**-member max
- At least **2** registered at UCI students
Rules!

① Length: 3 pages max + 1 cover page
② Cover Page:
  a) Venture Name
  b) Teammates’ names & UCI school affiliations
  c) Graduate/undergraduate status
③ Due Date: February 24th by noon PST
④ URL to submit (in PDF only!): bit.ly/nvcconceptpaper

no......e...x...c...u...s...e...s...!
What is a Concept Paper?

- Bizplan; pitchdeck; research paper: *Nope!*
- Method to screen startup ideas
- Chance to organize your concept & team
- Evidence of:
  - a market (need/issue/pain/opportunity)
  - a solution (value proposition/benefits)
- Opportunity to sell your concept & team
- A compelling short story!

*It’s tempting, but don’t throw in the “kitchen sink”*
Sounds kind of dull, right...?

Remember, you’re selling your idea and team… make it interesting & compelling!
Suggested Format

1. **Introduction/mission:** to grab attention
2. **Market need:** to create urgency
3. **Product or service:** to develop interest
4. **Market potential:** to substantiate your claims
5. **Advantages/Differentiators:** to validate approach
6. **Business Model:** to clarify how you make $
7. **Team:** to provide confidence

*Tailor to your specific track, market & solution*
PHASE 1: Concept Paper
Submit a 3-page Concept Paper by February 24th

- Problem/pain you’re addressing
- Solution/value proposition
- Clearly-defined target market
- Market size & validation

- Clear competitive edge
- $$$ How you make money!
- Evidence to make it believable
Where Do You Start?

Market need?
Revenue model?
Product or service?
Team members?

Which element is most important?
Methodology & Considerations

1. Assign roles: getter; doer; counter; leader
2. Collect market data; refine concept
   - survey prospective customers
   - research size, growth rates
   - segment your market
   - identify competitors (they always exist)
   - determine market opportunity
   - fit product/solution to opportunity
   - establish competitive differentiators
3. Draft…solicit feedback…iterate
4. Appeal to the head & heart – be passionate!
Business Model Canvas → Concept Paper

**Key Partners**
- Problem/pain you’re addressing

**Key Activities**
- Solution/value proposition

**Key Resources**
- Clearly-defined target market

**Value Propositions**
- Market size & validation

**Customer Relationships**
- Clear competitive edge

**Customer Segments**
- $$ How you make money!

**Cost Structure**
- Evidence to make it believable

**Revenue Streams**

## Customer

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Proposition</strong></td>
<td>What are you offering? What are the Gains? What are the Pains?</td>
</tr>
<tr>
<td></td>
<td>What is the Job Being Done?</td>
</tr>
<tr>
<td></td>
<td>Do they Care?</td>
</tr>
<tr>
<td><strong>Customer Segments</strong></td>
<td>Which customers will you serve?</td>
</tr>
<tr>
<td></td>
<td>Primary vs. secondary?</td>
</tr>
<tr>
<td></td>
<td>What is market potential?</td>
</tr>
<tr>
<td></td>
<td>Where are customers located?</td>
</tr>
<tr>
<td><strong>Customer Relationships</strong></td>
<td>What relationships with what segments?</td>
</tr>
<tr>
<td></td>
<td>Personal? Automated?</td>
</tr>
<tr>
<td></td>
<td>Acquisitive? Retentive ?</td>
</tr>
<tr>
<td><strong>Customer Channels</strong></td>
<td>How does each segment want to be reached?</td>
</tr>
<tr>
<td></td>
<td>Through which interaction points?</td>
</tr>
</tbody>
</table>
The Value Proposition Canvas
Value Proposition – Elevator Version

Our ____________________________
help(s) ____________________________
who want to ____________________________
by ____________________________
and ____________________________.
(Unlike ____________________________)

Products and Services
Customer Segment
Jobs to be done
Verb (e.g., reducing, avoiding) and a customer pain
Verb (e.g., increasing, enabling) and a customer gain
Competing value proposition
Overview / Introduction / Mission

a) Genesis?

b) Story?

c) Problem?

d) Solution?

e) Market?

FunBand

Overview

The experience of losing a child, even for a minute, is absolutely frightening whether you are a parent or someone entrusted with the child. Recently over lunch, some friends recounted the chilling story of losing sight of their 6-year-old daughter at a busy theme park. To them, the following series of events felt like an eternity: 1) they located security and notified them about their missing child -- 10 minutes elapsed; 2) they were led to underground security where cameras displayed images from throughout the park -- another 10 minutes elapsed. Upon beginning the search, they were told that it would only take about 20 minutes before the child would be gone for good. Following clear instructions, they scanned for the child’s face. Frantically searching a series of monitors, they spotted a familiar face amongst the sea of people. Their child was being led off by a strange man towards the park exit. 30 minutes was the time a kidnapper needed to escape from the park with a child! Luckily, their daughter was retrieved and the attempted kidnapping halted. As security had suspected, the kidnapper had already cut her hair and changed her clothing and shoes.

Although abductions like these are not uncommon, they are tragic events when they do occur. Despite advancements in technology, child-tracking solutions for parents are unsatisfactory. Parents can use child locators, write their phone number on their child’s body or clothing, and/or instruct their child to find a “mommy” for help if they are ever separated. Precious time is wasted in panicked searching and looking for help, and a sophisticated security camera system, as described above, is typically not available in the rare event of a missing child. FunBand is a secure wristband that uses LoRa™

Good stories help people relate & draw them in… hook them at “hello”
Product or Service?

a) Evidence of a solution...
b) Problem you’re solving?
c) Need you’re satisfying?
d) Pain you’re addressing?
e) What is the product or service?
   • Software that enables...
   • Medical diagnostic device for...
   • Programmable chip for telecom that...
   • Specialized services targeted to...
   • Innovative beverage container that...
f) Attributes & advantages?
g) Innovation & differentiators?
h) IP or “secret sauce”?

Consider your audience: technical or layperson?
Market Need

a) Evidence of a market/need?
b) Magnitude: vitamin? painkiller?
c) What’s behind the problem?
d) How you address need?
e) Customers & attributes?
f) Why will they buy?

Charts/images draw the eye, provide relief & communicate a lot of info quickly
The Business Model Canvas

Validate the Hypothesis
Customer Validation

- Who do you want to learn from?
- What do you want to learn?
- How will you get to them?
- How can you ensure an effective session?
- How do you make sense of what you learn?
Talk to a Variety of Customers

Technology Adoption Curve

Credit: Geoffrey Moore in his seminal book *Crossing the Chasm*
Talk to a Variety of Partners, Channel Participants
## Business Design

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Activities</td>
<td>Which activities do you need to perform well in your business model?</td>
</tr>
<tr>
<td></td>
<td>What is crucial? Proprietary?</td>
</tr>
<tr>
<td></td>
<td>What can be added later?</td>
</tr>
<tr>
<td>Key Resources</td>
<td>Which resources underpin your business model (staff, R&amp;D, technology,</td>
</tr>
<tr>
<td></td>
<td>facilities)?</td>
</tr>
<tr>
<td></td>
<td>Which assets are essential?</td>
</tr>
<tr>
<td>Key Partnerships</td>
<td>Which partners and suppliers leverage your model?</td>
</tr>
<tr>
<td></td>
<td>Who do you need to rely on?</td>
</tr>
<tr>
<td></td>
<td>What is risk profile?</td>
</tr>
</tbody>
</table>
Advantages & Differentiators

a) Competitors?
b) Their strengths…
c) Their weaknesses…
d) Their vulnerabilities?
e) Compare & contrast
f) How you compete?

There are always competitors: obvious, indirect, manual and “status quo”
## Financial Model

<table>
<thead>
<tr>
<th>Step</th>
<th>Start-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Streams</strong></td>
<td>What are customers really willing to pay for?</td>
</tr>
<tr>
<td></td>
<td>What is pricing model?</td>
</tr>
<tr>
<td></td>
<td>Transactional or recurring revenues?</td>
</tr>
<tr>
<td></td>
<td>Market size and potential?</td>
</tr>
<tr>
<td><strong>Cost Structure</strong></td>
<td>What are direct costs?  Indirect costs?</td>
</tr>
<tr>
<td></td>
<td>Overhead?  Fixed vs. variable?</td>
</tr>
<tr>
<td></td>
<td>Development vs. on-going</td>
</tr>
<tr>
<td></td>
<td>Which are key elements?</td>
</tr>
<tr>
<td></td>
<td>What is variability/risk?</td>
</tr>
</tbody>
</table>
Market Potential

a) Market characteristics?
b) How big now? Potential?
c) Growth? New segments?
d) Focus niche? Why?
e) How will you dominate?
f) How will you target?
g) How will you connect?
h) How will you make $$$?

Be realistic…address an unserved niche…focus!
Business Model Canvas → Concept Paper

- **Problem/pain you’re addressing**
- **Solution/value proposition**
- **Clearly-defined target market**
- **Market size & validation**
- **Clear competitive edge**
- **How you make money!**
- **Evidence to make it believable**

The 10 Commandments of Visual Communication

- Colors: Play them cool!
- Typography: Know what’s your type
- Shapes: They shape your design. Get it?
- Hierarchy: Every element has a place!
- Lines: Lines can speak your moods…
- Iconography: What works best where?
- Contrast: Leave no grey areas
- Order: Keep things aligned!
- Weights: Size gets your attention!
- Space: Where less is more!
THE 10 COMMANDMENTS OF VISUAL COMMUNICATION

1. COLORS
   Play Them Cool!
   - Color Wheel
   - Analogous
   - Complementary
   - Cool
   - Warm
   - Use Weight Wheels
   - Avoid Comic Sans
   - Check and Balance, Motion

2. TYPOGRAPHY
   Know What’s Your Type!
   - GOMS
   - A to Z
   - Bold
   - Light
   - Medium
   - Book

3. SHAPES
   They Shape Your Design. Get It?
   - Triangle
   - Square
   - Circle
   - Focal Point
   - Focus
   - Flow

4. HIERARCHY
   Every Element Has a Place!
   - Visual Triangle
   - Golden Ratio
   - Holes
   - Focal Point
   - Rules
   - Transitional Lines

5. LINES
   Lines Can Speak Your Moods...
   - Horizontal Lines
   - Vertical Lines
   - Dotted Lines
   - Dashed
   - Grooved
   - Illusion

6. ICONOGRAPHY
   What Works Best Where?
   - Clip Art
   - Weight
   - Weight of Font
   - Form
   - Structure
   - Texture

7. CONTRAST
   Leave No Grey Areas!
   - Sad
   - Insane
   - Modular Grids
   - Overlapping
   - Right and Center
   - More Left and Center

8. ORDER
   Keep Things Aligned!
   - Manuscript
   - Column Grids
   - Modular Grids

9. WEIGHTS
   Size Gets You Attention!
   - Ultra-light
   - Light
   - Medium
   - Bold
   - Heavy

10. SPACE
    Where Less Is More!
    - Positive
    - Negative
    - Perspective
A title for a really great piece of research, just the best, really

Donald J. Trump

Trump University

Introduction

The current research, and it is really great research, it really is, relies on the theory — and I have the best theories, you know, I use the best theories in my research. It really is quite amazing how great the theory is, but I'm not really, in fact — it is a theory. A really good one and I've talked to people and, lots of people actually, and they all think what I said. It has a lot of appeal. It's really just all there and what it is. If people, you know, listen and whatever, if they don't get it, then what are you going to do? It's not like the idea isn't there and that, you know, it's what it is. I have to shake my head. Everyone is just shaking their heads. It really is.

Along with the theory, there's other work. Existing data — and again, I have the best data. You would really, if you had the same great data, be completely happy and the data are there. And they are really, you know, data and we have all kinds. The best kinds. And that's what we have the current work, which is great work, that is the best and it's great. If other people want to be walked through like bunny or something, then I don't know what their problems is. The data just are there so get off your lazy butts and stop looking for handouts. I'm not here to give handouts, you shouldn't expect that.

There are other people who have data that, at least on first glance, and if you believe the haters and losers who want to stop what I am doing, sure, I could terminate these people, I could literally ruin their lives, and they'd be all "Ooh, me, what am I going to do?" flying around flipping around like someone who needs a punch in the face, you know what I'm talking about? If you see what they say, I don't know. How can they get away with that? Take a look — you just take a look at what's going on. I stick up for people when they are right. These other losers need to be found. I could probably use them, but that's probably what they want anyway — to get my attention as if I would bother.

Let me just tell you something, I would love to do it. Absolutely love to dig these people, these liars, these little people with their petty concerns, but I am standing up for the right thing. That's what I do because that's what I have done and, ask anyone, it is what makes me a great researcher. I would rather write about the issues, the current research, which is much better than what other people have done. It's going to happen.

Methods

Participants: I was in Michigan and nobody there, at the rally, and there were a lot of people at the rally — we always have a lot of people because what I say, and I have the best words, really makes people, like regular people. They are the ones that I stick up for. Not the losers and takers. Or the baboons.

Procedure: So what people did, and we were the ones, you know, the people in charge. And we had the cameras, really, just the best cameras — we had everything, and the people users, now I don't want to say too much about it, but we had everything and it was better, and still cost less — because I am the one paying for this, it is money out of my pocket. And my pockets are deep because I am, and have been, a huge success in everything that I have done. I don't owe, owe a cent, to funding agencies at all, this is all mine and I'm not beholden to anyone. The research, and I know research, and this is top-shelf research was the best. One of the best research papers in the world, by the way. Make no mistake. Make no mistake at all — this is what those other people with they had done or what they wish they were doing, but they aren't because I am. So, you know, they are whatever, not worth the time.

Results

We can analyze: The best analysts, make no mistake, these analysts were absolutely top notch. And there were, of course, numbers and the best numbers. They really were. The numbers that is, The findings, what the numbers said, they are great. If you look at them, and I have, other people have and it is clear — and you cannot really argue about it — the analysis are, in fact, tremendous. And it is really something. It is. I’ve seen findings over the years, and I’ve had a lot of dealings with numbers — big numbers — and, no mistake, these numbers are, even by the standards of losers who don’t believe what they see, these numbers are really great. These are numbers, no doubt. And these are the best numbers. You can rely on those numbers because they are great numbers, it is impressive.

Discussion

If you look at the facts, and that's what we have here, facts and not just regular facts, but the best facts, the clearest, and best, the really great and obvious facts, and people have seen them. We have had a lot of people look at these facts and I have looked at these facts. The people who don't agree are pinheads. Why they don't talk about, perhaps only they know and when I called them out, and some people thought that was a bad idea, but I didn't back down and now people, and really the best people, the best people that are around and know, actually know, what they are doing, now say that I was right. Of course, I know that all along, but some people are — and not all people, I'm not saying you are, uneducated people, because I love uneducated people, they are just the best, you know? I did that because I felt that something had to be done, I am decisive. I make decisions, I make decisions every day, and those decisions have made me tons of money. I have a lot of money because I am smart and make the best decisions and the decisions are really great and there is a lot of money. You cannot argue with that, can you? No. You can’t.

References

Trump, D. J. (2005). Trump: Think Like a Billionaire
9 signs you might be an **ENTREPRENEUR**

- Hate the Status Quo
- Easily Bored
- Labeled a Rebel
- Resist Authority
- Fired From Jobs
- Obsessed
- Never Relaxing
- Bad at Small Talk
- Don’t Fit the Norm

**be who you are.**

Become an Entrepreneur

FundersandFounders.com
Visual Layering

- Layer by layer

How to Start the Day

First thing successful people do in the morning

Eat the frog

Mark Twain, "Tackle the hardest problem on your plate."

Visualize

Tony Robbins, "Visualize how you will make your day."

Work out

Barack Obama, "I do it just to clear my head and relieve me of stress."

Real work, no email

David Karp, "Don't check your email and do real work."

Talk to customers

Craig Newmark, "Customer service."

Ask myself

Steve Jobs, "Every morning I asked myself: If today were the last day of my life, would I want to do what I am about to do today?"

Funders and Founders
Benefiting Society and the Economy
academic technology transfer for 2017

- $68.2 billion Research Expenditures
- 6,050 Start-ups Still Operational as of FY2017
- 1,080 Start-ups Formed
- 755 New Products Created
- 7,849 Licenses & Options Executed
- 24,998 Invention Disclosures
- 15,335 New U.S. Patent Applications Filed
- 7,459 U.S. Patents Issued

Every year university research yields discoveries with commercial potential.

Powered by the Beall Center and UCI Applied Innovation
R&D Reality

Amazon
Annual R&D Budget
$22,600M

UCI Annual Research Budget
~$400M
Beauty Models

- Retail price: $32
- Wholesale price: $16
- Production costs: $8
- Use of channels and direct sales
- Target customer: Educated women 18-29
- Year 5 revenue: $6M
- Direct Margin: 75%
- Channel Margin: 50%
Sales Model

Cost of Producing for $8

Distribute for $16

Retail for $32

Directly Sell for $32

Revenue Model

$6 million revenue by Year 5

Direct margins of 75%

Channel margins of 50%
Great Resources:

- **Logo / Graphics**
  - Logojoy.com
  - Fivvr.com
  - 99Designs.com
  - Guru.com
  - freelogoservices.com

- **Design Software**
  - Canva.com

- **UCI Students!!!**
Tips To Be Visually Enticing

- Build your brand with every square inch
- Gain and keep attention
- Clarity over detail
- Marketing piece, not an academic piece
- You MUST have substance
- Layered understanding
- Make it compelling, not overly detailed
- Pull on emotions when possible
- Run it by dozens of people before you submit
Judging Criteria

① Clear pain / need / opportunity?
② Clear value prop / solution / benefit vs #1?
③ Defined target market / segment vs #1?
④ Differentiators / competitive edge?
⑤ Feasible revenue model?
⑥ Evidence to make #1 thru #5 believable?

Cover all bases! utilize all resources!
NEXT STEPS...

1. **FORM A TEAM**
   - 4+ people
   - Open to any UCI student
   - UCI alumni, faculty, and staff may also join teams

2. **BRAINSTORM A SOLUTION**
   - Turn an idea or problem into a revenue-generating solution

3. **CHOOSE A TRACK (unique considerations)**
   - Consumer Products
   - Consumer Services
   - Business Products and Services
   - Life Sciences
   - Social Impact Solutions

4. **TECH SURGE SPECIALTY AWARD**
   - Teams may win track prizes AND specialty award prizes
   - Open to any team that leverages University IP

5. **LEARN, APPLY, DO**
   - Applied Learning
   - Specialized Workshops
   - Consult with Experts
   - Coaching / Feedback

Powered by the Beall Center for Innovation and Entrepreneurship
KEY DATES

PHASE 1

- Jan 30th Workshop #3: “Crafting a Winning Concept Paper”
- Jan 31st Bonus Workshop: “The Next Generation of Social Enterprise”
- Feb 6th Workshop #4: “Intellectual Property”
- Feb 24th: NVC Concept Papers Due
- Mar 12th-15th: Semi-Finalists Announced

PHASE 2

- April 3rd Workshop #5: “Go To Market Strategy (Market Viability and Talking to Customers)”
- April 10th Workshop #6: “Financial Models”
- April 17th Workshop #7: “How to Build a Winning Pitch Deck”
- April 24th Workshop #8: “How to Pitch and Deal with Q&A”
- May 1st Bonus Presentation: “How to Influence, Persuade, and Sell Anyone and Anything”
- May 10th: NVC Pitch Decks Due
- May 22nd: Finals + Reception
QUESTIONS?
Thank You!

Beall Center for Innovation and Entrepreneurship
949.824.1172
meragebeallcenter@exchange.uci.edu

Question?
Email haleb@uci.edu

Powered by:
UCI Paul Merage School of Business
UCI Applied Innovation
merage.uci.edu/NVC
#UCINewVenture