

2025 Heartland Challenge Startup Competition, April 3-5, 2025

Official Rules and Regulations

<u>TABLE OF CONTENTS</u>	<u>PAGE(s)</u>
I. GENERAL COMPETITION INFORMATION	2-3
a. Important Dates and Deadlines	
b. How to Enter	
c. Prize Pool	
II. GENERAL NOTICES	3-4
a. Withdrawal Penalty	
b. Use of Competition Materials	
c. Intellectual Property	
d. Decisions Regarding the Competition and the Winners	
III. ELIGIBILITY REQUIREMENTS	4-6
a. Student Enrollment	
b. Outside Funding Limitations	
c. Revenue Limitations	
d. Prior Activity	
e. Team Composition	
f. Team Size	
g. Student Involvement	
h. Faculty Involvement	
i. Nature of Ventures	
j. Attendance	
k. Copyrights & Permissions	
l. Required Forms for Prizes	
m. Eligibility Questions	
IV. SUBMISSION GUIDELINES	6-9
a. Executive Summary	
b. Optional Video Elevator Pitch	
c. Selection of Semi-Finalists	
d. Written Business Plan	
e. Slide Deck	
V. COMPETITION FORMAT	9-10
a. Startup Competition	
b. Elevator Pitch Competition	
c. Investor Roundtables	
d. Startup Expo	
e. Pre and Post Surveys	

I. GENERAL COMPETITION INFORMATION

The Heartland Challenge Startup Competition (HCSC) is a multi-round, multi-event graduate student startup competition hosted by the Sam M. Walton College of Business at the University of Arkansas. Although the Heartland Challenge is a graduate student competition, exceptional undergraduate teams will be considered. The competition includes a multi-round 15-minute oral investment pitch event, a 60-second elevator pitch event, a startup expo, and an investor roundtable event. The HCSC allows graduate students from accredited universities to simulate the experience of raising capital for a high-growth venture. Made possible by generous support from the Walton Family Charitable Support Foundation, 12 semifinalist teams will compete for a prize pool of up to \$100,000.

This document sets out guidelines for the competition. Not every circumstance can be anticipated. We reserve the right to disqualify any team and university that violates the rules, regulations, or spirit of the competition.

a. Important Dates and Deadlines

DATE	DEADLINE
December 16, 2024	Applications to the Heartland Challenge open
January 17, 2025 11:59pm CST	Deadline to submit Application, Executive Summary, and optional video pitch
February 24, 2025	Notify semifinalist teams of selection
February 28, 2025 11:59pm CST	Semifinalists confirm commitment to compete
March 24, 2025 11:59pm CDT	Full business plan due
April 3-5, 2025	2025 Heartland Challenge Startup Competition in Bentonville, AR

b. How to Enter

The HCSC uses the YouNoodle platform to manage applications. To enter, the designated team leader should complete the online enrollment form, which will be live at heartlandchallenge.uark.edu Monday, December 16, 2024.

In addition to general application information, the Executive Summary, and Video Pitch (optional, but strongly encouraged by competition judges) must be completed no later than 11:59 pm CST on Friday, January 17, 2025. Details for both are located on page 6-7 of this document. There is no cost to apply, though there will be costs associated with participating in the in-person competition that will not be covered.

If you have questions about any aspect of the competition, please contact Maddy Stricklen, Program Manager for the Heartland Challenge at the UA Office of Entrepreneurship and Innovation (startup@uark.edu).

Note: There is no limit on the number of teams that may apply from a single institution to the HCSC.

c. Prize Pool

Prize money will be awarded as follows:

Grand Prize Pool (available to four finalist teams and wild card):

1st Place	\$40,000
2nd Place	\$20,000
3rd Place	\$10,000
4th Place	\$5,000
5 th Place	\$2,000

Elevator Pitch (all semifinalist teams participate – audience vote)

1st Place	\$3,000
2nd Place	\$2,000

Startup Expo Award (all semifinalist teams participate – audience vote)

1 st Place	\$5,000
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Three Investor Roundtable Awards (all semifinalist teams participate – judges select winners from each of three tracks)

1st Place	\$3,000 each
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II. GENERAL NOTICES

- a. Withdrawal Penalty:** If a confirmed team **DROPS OUT AFTER FEBRUARY 28, 2025, FOR ANY REASON**, their **university** will be ineligible to compete in the Heartland Challenge **for the next two years**. In addition, a letter will be sent to their faculty advisor and to the Dean of their school informing them of the team’s failure to honor their commitment and of their school’s disqualification for the next two years.
- b. Use of Competition Materials:** The University of Arkansas Sam M. Walton College of Business and Office of Entrepreneurship and Innovation and their agents 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 Heartland Challenge. The above entities may use the materials in any book or other printed materials and any videotape or other medium that they may produce for promotional and/or educational purposes only. These entities have 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.
- c. Intellectual Property:** Teams requiring non-disclosure agreements (NDAs) should not participate. Some 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.
- d. Decisions Regarding the Competition and the Winners:** All decisions regarding the competition rules, procedures, and processes are at the sole discretion of the HCSC organizers. Changes and/or interpretations of these rules may be made by the organizers at any time even though they may be (or may appear to be) in conflict with previously published information. The selection of the teams to compete and the selection of the winners are at the sole discretion of the judges and the

organizers. Best efforts will be made to make decisions in accordance with this Official Rules document.

III. ELIGIBILITY REQUIREMENTS

- a. **Student Enrollment:** The competition is for graduate students currently enrolled on a full or part-time basis (i.e. from July 2024 to June 2025) at accredited universities around the world. Students who graduated, or will graduate, after July 1, 2024 are included. Students who graduated before July 2024 are not eligible to participate. Adjustments will be made for teams from non-U.S. universities that have a different academic calendar; please contact Maddy Stricklen (startup@uark.edu) if you are from a non-U.S. school and believe this applies to you.
- b. **Outside Funding Limitations:**
 - i. All ventures must be seeking outside equity capital, typically early-stage venture investment or early-stage angel investment. All ventures must be “for-profit” entities. Ventures that have raised more than \$250,000 in equity capital from sources other than the members of the student team or their friends and families before July 1, 2024, are excluded. Equity funding awarded as part of an accelerator/incubator program **counts** toward funding limits. Startup teams may have raised ANY level of equity funding AFTER July 1, 2024.
 - ii. The following do not count toward the funding limit: Research and other grants, competition winnings, traditional loans, and any friends and family funding.
- c. **Revenue Limitations:** Ventures with more than \$100,000 in revenues in prior academic years (before July 1, 2024) are excluded.
- d. **Prior Activity:**
 - i. Both student and other team members may have worked on an idea or new technology in previous academic years, or in the case of the student team members, even prior to entering graduate school, provided that their venture’s revenues and equity capital raised do not exceed the above limits.
 - ii. Technologies may be presented at the HCSC only once. Competing team members may participate in the HCSC more than once if entering with a new venture/new technology.
- e. **Team Composition:**
 - i. The HCSC is a graduate student competition, but teams with a minority of undergraduates can compete. Exceptional teams composed only of undergraduates can apply and will also be considered. Students from any graduate program (not just MBAs) are eligible to participate, including those enrolled in executive and evening format programs. Non-students may be members of the venture’s management team and may participate in planning the venture, but only students may participate in the competition.
- f. **Team Size:**
 - i. Each team is required to participate with at least two (2) and no more than five (5) presenting members. Non-students involved in the venture are welcome to attend public events connected to the HCSC with the competing student team, but only students may participate in presentations and other competition activities. Faculty advisors and other team mentors are encouraged to attend.
- g. **Student Involvement:**
 - i. The competition is for student-created, managed, and owned ventures. Students must play a major role in conceiving the venture by having key management roles and owning significant equity in the venture (50% or more of the equity allocated to the management team and key advisors and 20% of the overall equity). The objective of this rule is to exclude ventures formed and managed by non-students who have token student representation to

compete in student competitions.

- ii. We recognize that the equity structure of some new university-based ventures may not yet be established; the 20% equity ownership rule may be waived in this situation. This waiver will be examined on a case-by-case basis.
- iii. In addition, we recognize that if the Intellectual Property (IP) is owned by the university, it is likely that a license for that IP may not have been finalized at the time of the competition. A license to the IP is not required to compete at the HCSC, but we encourage student teams to seek an option to obtain an exclusive license to the IP or provide other evidence that the startup will have the ability to obtain an exclusive license to the IP in the future. Teams will be required to submit evidence that they have permission from the owner of the IP to compete using it.

h. Faculty Involvement:

- i. Each team **MUST** have the endorsement of a faculty or staff advisor at their school and must provide contact information for their faculty advisor, regardless of whether the advisor will participate with the team at the HCSC. All universities with participating teams are strongly encouraged to have faculty or other university advisors attend the competition.
 - ii. Bids to the Heartland Challenge must be accepted by the team's faculty advisor. The faculty advisor must, on behalf of the sponsoring university, attest to the eligibility of the team, their adherence to the rules and guidelines, and acknowledge potential penalties for violations and infractions.
- i. Nature of Ventures:** The competition is for new, independent ventures in the seed, start-up, or early growth stages. Generally **excluded** are the following: buy-outs, expansions of existing companies, real estate syndications, tax shelters, franchises, licensing agreements for distribution in a different geographical area, and spinouts from existing corporations. Technology licenses from universities or research labs are encouraged if the intellectual property has not been previously commercialized. The management team must bring significant added value to the technology (not solely be in business to sell a license with developed technology).
- j. Attendance:** To be considered for any award, all competing (presenting) team members must arrive to Bentonville, AR at the HCSC on Thursday, April 3, 2025 in time for the kickoff event. They must also be present on Friday, April 4, 2025 at the appropriate time for the Semifinal Round and Elevator Pitch Competition; and on Saturday, April 5, 2025, for the Investor Roundtables, Final Round, and Startup Expo. Teams may not add or substitute presenting members during the competition. Teams must attend the awards ceremony on Saturday night to receive their awards. Teams should plan return travel no earlier than Sunday morning.
- k. Copyrights & Permissions:**
- i. If a team uses copyrighted materials and/or images from a third-party in their submissions or presentations, they must obtain permission and authorization in advance from the owners to use this material.
 - ii. Information presented by the Company at the HCSC is the sole responsibility of the Company. The University of Arkansas, the Heartland Challenge Startup Competition, and any of their affiliates (collectively, HCSC) have not taken, and do not intend to take, any steps to verify the adequacy, accuracy or completeness of any information, materials or statements presented by the Company. The Company, and not HCSC, is responsible for ensuring the Company's compliance with all applicable federal, state, and other securities laws, and it is solely the Company's responsibility to comply with any of such laws that are applicable. HCSC does not give investment advice, endorsement, analysis, or recommendations with

respect to any securities and is not a broker, venture fund or an investment advisor.

- l. Required Forms for Prizes:** If you win a prize in the Heartland Challenge, you will be contacted directly with instructions on how to redeem. This process will require you to provide documentation, which could include W-9, W8-BEN, and/or EIN forms, to receive award payments. **No prizes will be awarded without the required forms submitted.** You must take the proper steps to redeem this funding before July 1, 2025, or your prize money will be forfeited.
- m. Eligibility Questions:** Teams that have any questions about their eligibility should contact the Program Manager for the Heartland Challenge, Maddy Stricklen at startup@uark.edu.

IV. SUBMISSION GUIDELINES

The first round of the Heartland Challenge Startup competition will involve the submission of an Executive Summary and optional video pitch through YouNoodle. All other elements of the competition will consist of in-person presentations in Northwest Arkansas. All documents and presentations must be in English.

- a. Executive Summary:** Files must be submitted in Adobe Acrobat PDF and named as follows: **ES_CompanyName_UniversityName.pdf**. Executive Summaries should be submitted as part of the team's online application.
- i. Format:**
 - Executive Summaries should be a minimum of 2 and not more than 5 pages. 1-page executive summaries will NOT be accepted.
 - Cover page and table of contents do not count toward page total.
 - An appendix of up to 2 pages may also be included, as long as it is used to provide detailed financial information or to include materials that support the findings, statements, and observations in the plan.
 - In total, the maximum number of document pages is 9: 5 for executive summary, 2 for appendices, 1 for cover page, and 1 for table of contents (optional).
 - 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.
- ii. Content:** please include the following information in the Executive Summary:
 - Startup name, team members with their current educational status (undergraduate, graduate, PhD, etc.), and contact information must be listed in the document.
 - Opportunity summary – in 1-2 paragraphs describe the problem the company is addressing, the size and growth rate of the market, and your solution.
 - Product or service – Describe in more detail what your product does/how it works, the current state of development, and any technology validation to-date (i.e., the evidence you have that the technology works) and your competitive advantage.
 - Competitive differentiation – explain the competition and show what makes this company better than competitive alternatives.
 - Market and customer analysis – describe trends in the market, targeted customer segments, identified customers, and the value proposition to customers. Describe any customer/market validation (i.e., evidence you have that customers will pay for this product).
 - Management team/advisors – show how this team has the expertise to successfully launch this startup.
 - Financials – show 3–5-year projections of revenue, profit, and cash. If your team is generating revenue or has received outside funding, please be specific on where your funding has come from

(see Section III for funding/revenue limitations).

- Investment – describe the amount and type of investment (convertible debt, angel, early VC) you are seeking and use of funds.
 - Intellectual property – provide a status of patents, licenses, or other IP (if applicable)
- b. Video Elevator Pitch:** Teams may submit a supporting, optional 60-second video elevator pitch as part of the online application. Teams should upload their video to YouTube and paste the link into the appropriate field in their application. You must ensure the YouTube video settings include permission to embed the video on an external site. You may set the privacy settings to "Unlisted" but NOT "Private" if you wish to restrict viewing to the HCSC. The video pitch should be in a similar format to the elevator pitches to be presented at the competition. Please name the file extension (if possible) with your team name. In the first 10 seconds of the video, state your name, your team name, and your school. You may use any recording device readily available (cell phone, computer, camera) to record the video. The focus of the video should be your presentation and content, not high production quality.
- c. Selection of Semi-Finalists:** Twelve teams will be selected to compete at the HCSC by late February. Confirmed teams will have until **11:59pm CDT March 24, 2025** to submit their formal, 10-page business plan via email at startup@uark.edu. Teams must also submit media materials to be used in print, web, and other media formats. Media materials include:
- 100-word team descriptions
 - Team/team member photos
 - Product or prototype photos (if applicable)
 - Company logo
 - University logo/University External Relations/PR/Marketing contact information
- d. Written Business Plan:** The 12 teams that are invited to compete at the HCSC are required to submit a written business plan. Although the written plan is not a formal part of the scoring for the investment pitch competition, judges are asked to read the plans before the competition and are told that they can consider it when ranking teams.
- i. Format**
- Semifinalist teams will submit a business plan with up to 10 pages of text and 6 pages of appendices pages (. Files must be submitted in Adobe Acrobat PDF. Files should be named according to the following format: **BP_CompanyName_UniversityName.pdf** and should be emailed to Maddy Stricklen at startup@uark.edu.
 - The text portion of the plan (up to 10 pages; 1.5 line spacing, 12-point font, 1-inch margins) should present all pertinent information in a clear and concise manner.
 - The appendix is limited to 6 pages and should provide detailed financial information or include materials that support the findings, statements, and observations in the plan. Plans with fewer than 6 pages of appendices may not use the remaining pages to increase the length of their business plan beyond 10 pages.
 - In total, the maximum number of document pages is 18: 10 for business plan, 6 for appendices, 1 for cover page, and 1 for table of contents (optional).
- ii. Content:** Similar to the Executive Summary, we recommend your business plan include the following information:
- Summary (1 ½- 2 pages, including summary financials and your investor ask)
 - Opportunity
 - What problem are you addressing?
 - What are the size and growth rate of the market?

- What trends are influencing the market opportunity?
- Product or Service
 - What are you selling?
 - What evidence do you have that it works?
 - What is your value proposition? (How does it eliminate customer pain/benefit customers?)
 - How does it fit into existing customer processes?
 - What is the status of your intellectual property (if any)?
 - What key milestones must you reach before your product/service is ready for market?
- Competitive Differentiation
 - Who are the current competitors in the market?
 - What emerging technologies will compete with you in the future?
 - How does your product or service compare to those of competitors?
 - What is your competitive advantage?
- Market and Customer Analysis (how you will go-to-market)
 - Who is your target market?
 - How will you sell and promote your product/service to them?
 - How much will it cost you to acquire a customer?
- Other Operating Strategies
 - As appropriate, describe other operating strategies, such as distribution, R&D, regulatory approach, intellectual property protection, and production.
- Management Team and Advisors
 - What are the background and qualifications of the team members?
 - Who is responsible for which aspects of the business?
 - What management team gaps are you seeking to fill? How will you fill them?
 - Who are your advisors and what are their qualifications?
- Critical risks
 - Briefly summarize the critical risks facing your business and your mitigation strategy for them.
- Summary financial information and investment opportunity
 - Describe the amount of investment you are seeking and the proposed structure of the offering (convertible debt, equity).
 - Describe the source of all funds you anticipate receiving and the use of those funds.
 - Describe how investors will get a return on their investment (possible exit strategy). Teams that are seeking impact investment should address the social return on investment as well.
 - Provide summary financial info for 3-5 years (revenue, profits, & cash).
 - **Please note:** The team is not required to reveal the exact desired terms of the deal (i.e., proposed company valuation and percentage of company being offered). However, teams should expect to be asked about these terms and should be prepared to answer these questions in some fashion (if this information is not already provided in the written plan.) It is up to the team to assess the best way to address this question and whether the team wants to state their proposed valuation or reserve

that for future negotiations.

iii. Appendices:

- Five-year annual financial statements (income statement, balance sheet, and cash flow) should be included in the appendix.
- We recommend that you use the appendix to explain the assumptions behind your financial statements.
- The appendix may also include more detailed information referred to in the plan.

e. Slide Deck

- Semifinalist teams will be asked to submit a copy of their slide deck on Monday, March 31, 2025 to startup@uark.edu. This copy will be printed and used by judges to follow along with your presentation.
- You are free to update the deck after this submission and prior to your presentation in the semifinal round.

V. COMPETITION FORMAT

The Heartland Challenge is an investment pitch competition consisting of the following components:

a. Startup Competition (semifinals on Friday, April 4, and finals on Saturday, April 5)

- i. **SEMI-FINAL ROUND:** During the semifinal sessions, three teams will participate in four tracks. Each team is given 15 minutes to make an uninterrupted presentation, followed by up to 15 minutes of Q&A from the judges. The winner of each track will participate in the finals. Upon completion of the semifinal round, the lead judges from each track will meet to select a Wild Card team that will also move on to the final round.
- ii. **FINAL ROUND:** The format of the final round is 15 minutes of uninterrupted presentation followed by up to 20 minutes of Q&A. At the conclusion of the presentations, the judges will confer and select the first through fifth place finishers, which will be announced during the awards dinner on Saturday evening.
- iii. **Notes:**
 - i. Each team needs to supply its own PC-compatible laptop computer and is responsible for assuring it works with the provided audio-visual equipment in advance of their presentation.
 - ii. Teams may not observe other teams presenting in their track during the semifinal round.
 - iii. Finalist teams must present their pitch before they are permitted to watch other teams' presentations.
 - iv. Teams may videotape or record their own presentations but cannot do the same for other competition teams without the express written release of all team members and the attending faculty adviser.

b. Elevator Pitch Competition (Friday, April 4)

- i. **Rules and Criteria:**
 - One member of each team will present the team's business concept in a 60-second elevator pitch. The best pitches convince potential investors that they should schedule a follow-up meeting to explore the investment opportunity. We encourage teams to clearly and succinctly describe the problem they are solving, their solution, and their competitive advantage.

- Winners will be selected by audience choice and awards will be distributed during the Reception and Pitch Competition on Friday evening.
- Teams are allowed, but not required, to have a small, hand-held, or wearable prop if appropriate. The prop will simply be displayed and not passed around.
- No PowerPoint presentations or other audio-visuals are allowed.

c. Investor Roundtables (Saturday, April 5)

- All semifinalist teams will participate in the investor roundtables, where they will have the chance to discuss their business with judges in a less structured way, with no slides or materials. This experience is designed to simulate the experience of meeting an investor in a restaurant or an airport, and prior teams have found it extremely valuable. Teams have 2 minutes to describe their business uninterrupted, and the remaining 13 minutes is open dialogue between the judges and the teams. There will be 3 tracks, and judges will meet with 4 teams in each track.

d. Startup Expo (Saturday, April 5)

- All semifinalist teams will participate in a startup expo event prior to the awards dinner on Saturday evening. During this event, teams can generate interest in their businesses by discussing them with community members and others who may not have seen the other elements of the competition. Each attendee at the reception will be given two tokens to distribute to the team(s) of their choosing. The team with the most tokens will receive the \$5,000 prize.

e. Pre and Post Surveys

- All semifinalist team members and advisors participating are strongly encouraged to participate in pre- and post-assessments to evaluate their experience with the competition and the Northwest Arkansas region.