

Business Plan Competitions and Their Impact on New Ventures' Business Models

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This empirical research identifies and examines the possible relationships between an entrepreneur's participation in a Business Plan Competition (BPC) and changes made to his/her new venture business model. The authors utilize an exploratory sequential mixed method study (Tashakkori & Creswell, 2007) to develop an improved understanding of how a business plan competition impacts a new venture's business model. The findings of the study suggest that participating in BPCs does have an impact on the new ventures' business model. These findings raise important questions regarding the future of BPC's and their relationship to strengthening new ventures' business model.

INTRODUCTION

The relationship between entrepreneurship and economic development has been well documented in the literature (Audretsch, 2007). Even the European Council made a commitment to entrepreneurship in an attempt to spur economic growth with the 2000 Lisbon Proclamation, in which the European Council established the goal of becoming the world leader in entrepreneurship by 2020. One of the tools used to increase entrepreneurship by some of the European countries, such as Germany, is Start-up Competitions also known as Business Plan Competitions. Despite their growing importance in popularity and practice, little research exists which examines the impact of Start Up Competitions (SUC) and/or BPCs (Schwartz, Goethner, Michelsen and Waldmann, 2013). These scholars point out that existing research focuses on specific aspects of SUCs, such as the impact of team diversity in business plan competitions or their "value-added" in the context of entrepreneurship education and spin-off creation from universities but doesn't examine the impact of the competitions on the competitors or the SUCs contribution to economic development.

Other researchers point out that, although there is some research on the impacts and benefits BPCs provide to educational institutions (Russell, Atchison, and Brooks, 2008), research on the use of funds from business plan competitions is varied and often focused on attracting investors. The lacuna of research on this topic points to either a lack of interest on the part of entrepreneurs or the organizations hosting business plan competitions or simply the assumption that BPCs work with little analysis of the outcome. Schwartz and his colleagues suggest that while their exploratory research provides some demographical data about SUCs in Germany, it doesn't "tell much about the effectiveness of SUCs as a policy measure aimed at facilitating the entrepreneurial process" (Schwartz, et. al., p.1592, 2013). Further, they suggest that one area for further research should focus on the value added by SUCs from the perspective of their participants (Schwartz, et. al., 2013). This research attempts to fill this void by contributing towards a better understanding of the impact Business Plan Competitions (BPC) have on the entrepreneurs and their new ventures' business models. By examining, *in situ*, qualitatively and quantitatively the impact of a business planning competition on new ventures, this research uncovers relationships of interest to scholars, policy makers, BPC event organizers, and investors as well as entrepreneurs.

PURPOSE AND NATURE OF BUSINESS PLAN COMPETITIONS

Competitions not only provide the opportunity to win seed money for new ventures but also provide a means of developing the skills and contacts to be successful (Russell, et.al, 2008). Typically a business plan competition has four aims: to motivate people to come forward with their ideas; to build their commercial skills by bringing them together with business talent; to attract venture capital; and to identify service providers (such as patent attorneys, executive recruiters, and accountants) who are willing to support entrepreneurial activities (Russell, et.al., 2008). BPC's around the world have been established to stimulate new venture creation and to capture the ideas, talents and potential in the community.

Competitions uncover and develop entrepreneurial talent in different ways depending on the extent of the entrepreneur's existing networks and other forms of support. But all successful competitions are likely to share some essential characteristics. To encourage involvement, the BPC must be well promoted and its threshold for admission kept low, so even those who have never written a business plan can take part. Second, BPC's are open to people with minimal business knowledge and experience and, therefore, must be structured as learning programs: participants should have an opportunity, as they proceed, to develop their business skills and have their reasoning tested.

Generally, BPC's are designed to bring people together for the purpose of creating a context in which an idea might be developed and tested in a supportive and non-threatening environment. (Russell, et.al. 2008). Equally important factors are networking, team building and expert mentoring which provide a range of opportunities for learning through interaction with others. That is, contests aren't just for newbies seeking seed funding, professional services and free advice. In some cases young companies have found a BPC to be an opportunity to reach out to customers, partners and investors as well as to build awareness (Goodman, 2012).

The objectives of Start-up Competitions (SUC's) explored in the work of (Schwartz, et. al., 2013) found that SUC's both increase the quantity of entrepreneurial activity by shaping an individual's decision to become nascent entrepreneur, while simultaneously increasing the quality of entrepreneurship through the development of entrepreneurial skills (Schwartz, et. al., 2013). Additionally, the BPC should be considered an excellent medium for promoting an entrepreneur's new venture, refining the business model and as a one-stop shopping venue where entrepreneurs meet lenders, test their ideas and gather invaluable mentoring and advice.

THE BUSINESS MODEL

Writing business plans are, of course, not a necessary condition for starting a business. Essentially, business plans are works-in-progress and works-of-art and where they start does not correlate closely with

where they finish (Spinelli and Adams, 2012). Many new ventures demonstrate their capability by starting their businesses without business plans. Businesses were successfully launched before BPCs first became popular in the 1970s. Even today, many new ventures demonstrate their capability by starting up their businesses without business plans.

In their review of the planning literature, Karlsson and Honig (2009) suggest that the link between business planning and performance has, so far, been inconclusive. They found that some studies found positive relationships, while others found negative relationships or no relationship. They argue that entrepreneurs answer external demands by writing business plans as part of a symbolic act to gain legitimacy for their actions (Karlsson & Honig, 2009; Ansgar, Stein, and Strack, 2009). Blank (2013), in his Harvard Business Review article, argues that entrepreneurs need to focus on using business models rather than trying to develop the perfect business plan. “Rather than engaging in months of planning and research, entrepreneurs accept that all they have on day one is a series of untested hypotheses – basically, good guesses. So instead of writing an intricate business plan, founders summarize their hypotheses in a framework called a business model canvas” (p. 5).

It seems clear from the literature that using business plans for evaluating entrepreneurial ideas could be problematic due to the nature of the planning process. Business models seem to provide a viable alternative to the business plan. Much of what goes into a business model does come from some level of planning activities that entrepreneurs engage in prior to starting their business. For example, the four aspects of Hamel’s (2000) business model--core strategy, strategic resources, partnerships and customer interface--are integral components of a business plan as well as a business model. The business model, however, can help determine the direction and efficacy of the new venture as grounded in the reality of the current situation providing more practical data and real time information for the entrepreneur than is often found in a business plan.

Use of the term “business model” (BM) has become commonplace in the modern management literature. The past 20 years have witnessed a significant increase in publications where this concept is employed (Chesbrough 2010; Katkalo and Shermakova 2008). BM has been widely applied in the strategic management of companies of all sizes and industry types (Magretta 2002; Morris, Schindehutte, and Allen 2005). Moreover, the business model concept is used increasingly to explain variations in the performance of companies working within the same industry (Stabell and Fjeldstad 1998; Zott and Amit 2007).

A business model broadly describes the strategic choices of how an organization creates and captures value (Shafer, Smith, and Linder, 2005 p 202). Slywotsky (1996) refers to the business model as the “totality of how a company selects its customers, defines and differentiates its offerings, defines the tasks it will perform itself and those it will outsource, configures its resources, goes to market.” Timmons (1996) states “a business model is architecture for the product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenues” (p. 22). Typically a new venture’s BM undergoes modification based on feedback from a variety of actors when competing in a BPC, which is often the primary consideration for competing in a BPC (Goodman, 2012).

A BM is a description of how a company intends to create value in the marketplace. It is that unique combination of products, services, image and distribution that a company carries forward, including the underlying organization of people (Aulet, 2013). A BM is the way a company applies knowledge to capture value, thus a logical tool for evaluation which is a key to articulating the new venture’s direction and attracting investors. The business planning process is more historical and, therefore, not closely tied to the current situation the entrepreneur is experiencing both pre- and post-launch. This difference provides a significant advantage to the use of the business model concept for entrepreneurs and for those examining entrepreneurs’ behavior and decision making. Therefore, the BM is our choice for evaluating the business and the impacts the business plan competition has on a new venture’s.

As stated in the previous section, this research uses the business model concept for examining the impact of BPCs on new ventures. Specifically, this study utilized Hamel’s (2000) business model as the platform for analyzing the impact of BPCs. Hamel (2000) proposes four aspects of a business model:

core strategy, strategic resources, partnerships and customer interface. The core strategy describes how the firm competes relative to its competitors. The second aspect is the firm's strategic resources. These include (a) core competencies which include what the firm knows and encompasses skills and unique capabilities; (b) strategic assets which can include what the firm owns and includes brands, patents, infrastructure and proprietary data, for example; and (c) core processes which detail what activities will be used to translate the competencies. Business models detail the venture's competencies and expertise that are considered to be a key to its success (Hamel, 2000). The third aspect is the partnerships or the value network which includes three elements: suppliers, partners and coalitions. The final aspect is the customer interface. Its three elements include its pricing structure, relationship with customers on multiple levels and its fulfillment processes.

METHOD

This study uses a mixed method design. The utility of a mixed method design over a single method design in uncovering or answering certain queries is well established (Teddlie & Tashakkori, 2007; Creswell & Plano-Clark, 2007). The purpose of this sequential mixed method study is to develop an improved understanding of how a business plan competition impacts a new venture's business model. In addition, this mixed methods study validated an instrument for measuring the impacts and then used the instrument to explore and measure the impact a BPC has on a new business venture. To accomplish the study's purpose we proceeded in two stages. This approach is best described as "QUAL+ QUANT" (Teddlie & Tashakkori, 2009 P.143). The quantitative phase built on the qualitative data for the purpose of constructing the survey questionnaire.

We began the study with a qualitative exploration of the dimensions of a business plan and business model and how the two are interconnected. During this phase, we conducted on-on-one semi-structured interviews with six people and conducted a series of expert panel discussions. The reason for collecting qualitative data initially is that an instrument is not available and there is little guiding theory on how a BPC impacts a new venture's business model. These interviews created two types of qualitative data: interview field notes and transcripts of the interviews. We analyzed the qualitative data during the first phase using qualitative analytic techniques, including coding, thematic development, and comparison of themes to factors and survey items. The result of this qualitative phase was the survey questionnaire. After creating the survey instrument from the qualitative findings, the study moved into its second, quantitative phase.

The quantitative data were examined during the second phase. The survey responses were analyzed in three ways: analysis of the scale reliability, exploratory factor analysis to validate subscales, and correlational hypothesis testing to establish construct validity. The specifics of the mixed method design as adapted from DeVellis (2011) and Creswell (2003) are as follows.

Qualitative

1. Informal discussions with participants in a BPC and subject matter experts to generate a survey item pool, using short items, and appropriate questions that asked a single question.
2. Measurement scale determination for the items and the physical construction of the instrument.
3. Survey item pool review by a panel of experts, business people and researchers.
4. Consideration of similar instruments including validated items from other scales.

Quantitative

1. Pilot test administration of the instrument to sample for valid items (reliability, validity and item variances).
2. Survey site launch.
3. Data collection.
4. Analysis and adoption of new procedures and policies.

RESEARCH DESIGN AND SAMPLE

In the qualitative phase we assembled an expert panel to critique a tentative survey questionnaire. The expert panel validated the relevance of the survey questions in terms of their fit with Hamel's business model and the expected requirements of a BPC. This survey questionnaire was discussed in detail for its clarity, accuracy of fit to the new venture startup activities, and its fit with the BPC requirements. The expert panel was comprised of a local business owner, a director of the local Small Business Development Center (SBDC), a director of economic development for the city and region, and the dean of an AACSB business school. Prior to the instrument's distribution to a larger audience, an interview of four business owners who participated in the BPC and the same expert panel were tasked to evaluate the revised survey (see appendix A) for clarity of the questions and their relevance to both a BPC requirements and business model concepts. The survey was developed utilizing input from all of these sources.

In the quantitative phase, the survey information was sent to a sample of 62 owners of new ventures who had participated in a business plan competition in 2012 and 2013. This process involved e-mailing a link to an online questionnaire seeking details about the impact the business plan competition had on these competitors' business models. The questionnaire examined how the competition changed the new ventures' business model and their practices. Fifty-two of these new venture owners completed the online survey giving us an 84% response rate.

At the time of the competition, these new ventures were in varying stages of early venture development and had not fully launched their business. While they had established a brand, management team and a general marketing approach they were not fully funded and had generated only a modicum of sales.

Validity

Creswell (2003) defines *validity* within a mixed methods contexts as "the ability of the researcher to draw meaningful and accurate conclusions from all the data in the study" (p. 146). Further, Creswell's definition reinforces the notion of "inference quality," i.e. the accuracy with which researchers draw inductive and deductive conclusions from a study (Teddlie & Tashakkori, 2009; Johnson, Onwuegbuzie, and Turner, 2007). Validity in mixed methods research can take various forms, but a need exists to assess validity in terms of the overall design and the potential threats to validity and data collection and analysis as outlined here. We acknowledge that surveying a select group of participants from a single BPC over a two year period might be criticized for not having a broader-based dataset. However, considerable benefits come from this bounded dataset: the respondents have similar backgrounds and intentions and could provide insights unique to a university-sponsored event. Furthermore, because they are local citizens of the same region, they were more forthcoming with sensitive information than a random group of individuals who had not participated in a regional event. Their replies were anonymous. We guaranteed them confidentiality because some of the key information that they were asked to provide was very sensitive.

RESULTS

Qualitative

The initial qualitative phase led to a high quality quantitative phase, i.e. the creation of a survey questionnaire. The expert panel and one-on-one interviews with subject matter experts provided feedback and direction on the content, scope, and design of the questionnaire. Since no existing instrument that measures the impact of a BPC on a new ventures business was available, we relied on the qualitative methods in building questions that were pertinent to the creation of a business.

The expert panel provided insights in two key areas. First, terminology appropriate to the content of a BM was identified. This was key in communicating the language of business common to entrepreneurs and the connection to a BM. Second, four factors associated with a BM were explored and found relevant: market analysis, analytical skills, management and sales forecasting. These were then included in the

survey questionnaire (see table one below). The researchers, in collaboration with an expert panel and other subject matter experts, worked together to probe for specific aspects of how the BM components apply in creating the survey questions.

Table 1, illustrates the connection between key BM components and survey questions. In column one, we lay out the qualitative themes. Column two indicates the factors, independent variables by which we constructed the appropriate questions as stated in column 4. Column 3 provides Hamel’s Business Model concepts and how they relate to the four factors identified in the research. Thus we make transparent our survey construction and the basis of the mixed method.

Essentially, the qualitative themes, grounded in the interviews, were directly linked to Hamel’s business model components. For example, *market intelligence and communicating value* in the market place were linked to marketing and customer interface in Hamel’s model. The overall value of *analytical skills* in reasoning how the venture will perform is a skill set and these represent Hamel’s strategic resources component. The last two factors were *forming and creating* the organization, which was viewed as key to managing the new venture and *predicting sales and revenues* which was interpreted as central to accurate forecasting in establishing realistic and attainable business objectives. These two factors were both part of the core strategy component of Hamel’s business model.

**TABLE 1
EXPERT PANEL OUTCOMES RELATIONSHIP TO
HAMEL’S BUSINESS MODEL**

Qualitative Themes	Factors	Hamel’s Business Model Aspects	Survey Questions
Market intelligence, competitive awareness and communicating value	Marketing	Customer Interface	16, 14, 13, 15, 20, 9, 19, 17
Analytical	Skill Sets	Strategic Resources	7, 21, 22, 10, 6
Forming, creating, leading, visioning	Managing	Core Strategy	2, 5, 11, 12, 1, 2, 23, 4, 8, 3
Predicting and estimating sales and revenues	Forecasting	Core Strategy	28, 27, 29, 30, 26, 25, 24, 18

Projections were deemed central to determine if the new venture had both a realistic view of the market and an ability to capture sales. The panel agreed. As one member stated, “It is really about how you execute sales. If I am a salesman, I learn how to overcome objections. A new venture must learn how to listen to the client’s needs and actually close the sale based on the client’s needs.” Another member stated “The part I am looking at is their approach. How are they going to go about selling: are they going to have a direct sales force; will they rely solely on internet sales? What are they doing?”

Quantitative

The survey questionnaire asked respondents to identify characteristics and behaviors of their business venture as well as rate the impact of a business plan competition on their business model. Table 2 provides the summary of demographic information collected.

**TABLE 2
DEMOGRAPHIC INFORMATION (RESPONSE RATE – 80%)**

Venture Demographics		Reasons for Participating in BPC	
1-2 BPCs within the last year	90%	Win money	38%
Won money	13%	Access to network	26%
Launch their venture	78%	Advice from experts	20%
Secured a trademark	30%	Exposure of idea	15%
Secured a patent	15%		
Patent pending	13%		
LLC	78%		
C Corp	15%		
Sub chapter S	10%		
Sole proprietor	4%		

Industry			
Information	19%	Professional/scientific/technical services	6%
Agriculture	6%	Management of companies and enterprises	2%
Mining	2%	Educational services	4%
Utilities	2%	Health care and social assistance	12%
Manufacturing	2%	Arts/entertainment/recreation	8%
Wholesale trade	6%	Accommodation and food services	2 %
Retail trade	10%	Other services except public administration	13%
Real estate rental and leasing	2%		

**TABLE 3
ACTIONS TAKEN AS A RESULT OF BUSINESS PLAN COMPETITION**

Action	% respondents
Identified new risks to the venture	100
Identified new competition	78
Attracted business advisors	78
Modified products or services	75
Developed an exit strategy	75
Developed distribution strategies	69
Identified regulatory business issues	59
Formed a mission statement	50
Developed social media marketing strategies	48
Identified new marketing opportunities	41
Built ways to capture market value	34
Created a code of ethics	28

Actions taken as a result of participating in a business plan competition are shown in the table below. All of the respondents identified new risks to their venture as a result of participating in a business plan competition. The majority of participants identified new competition, attracted business advisors, modified products or services, developed an exit strategy, developed distribution strategies, and identified regulatory business issues.

The portion of the survey asking respondents to rate the impact of a business plan competition included 30 questions on a Likert scale of 1 = great impact, 2 = some impact, 3 = n/a, 4 = little impact, and 5 = no impact. Exploratory factor analysis found a four-factor solution. Table 4 displays survey questions included in each factor (dimension) while Table 6 shows factor loadings for each survey question on a factor. Reliability analysis found a Cronbach Alpha of 0.93 for the 30 item scale with reliability values for the four dimensions ranging from 0.78 to 0.92 (Table 5).

**TABLE 4
EXPLORATORY FACTOR ANALYSIS, FOUR-FACTOR SOLUTION**

Quantitative Factors	Survey Questions
Marketing	16, 14, 13, 15, 20, 9, 19, 17
Skill Sets	7, 21, 22, 10, 6
Managing	2, 5, 11, 12, 1, 2, 23, 4, 8, 3
Forecasting	28, 27, 29, 30, 26, 25, 24, 18

**TABLE 5
RELIABILITY OF DIMENSIONS**

Dimension	Cronbach Alpha
Forecasting	0.92
Marketing	0.83
Managing	0.84
Skill Sets	0.78

**TABLE 6
FACTOR LOADINGS**

Question	Forecasting	Marketing	Managing	Skill Sets
28	0.92			
27	0.86			
29	0.85			
30	0.82			
26	0.82			
25	0.64			
24	0.62			

18	0.49			
16		0.77		
14		0.69		
13		0.67		
15		0.66		
20		0.60		
9		0.52		
19		0.41		
17		0.42		
11			0.71	
5			0.68	
12			0.66	
1			0.57	
2			0.57	
23			0.48	
4			0.52	
8			*	
3			*	
7				0.60
21				0.57
22				0.57
10				0.54
6				0.51

*Questions 3 and 8 loaded on Skill Sets. The skill set for these items was considered to be a management function. These items were included in the Managing dimension. Further analysis of the survey questions examined factor means. Table 7 illustrates average values of each dimension on a scale of 1=great impact, 2=some impact, 3=neutral, 4=little impact, 5=no impact. Overall, respondents thought a business plan competition had the most impact on forecasting (mean=2.31) and the least impact on skill sets (mean=3.30).

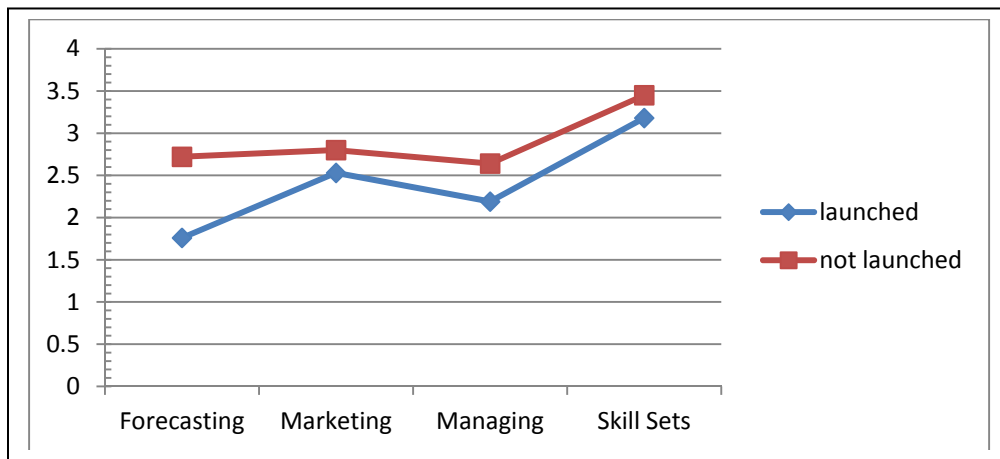
**TABLE 7
DIMENSION MEANS AND STANDARD DEVIATIONS**

Dimension	Mean	Standard Deviation
Forecasting	2.31	0.94
Marketing	2.70	0.83
Managing	2.46	0.77
Skill Sets	3.30	0.86

Multivariate analysis of variance by “Have you launched your business venture, yes/no” found significant differences for the overall model ($F_{4,39}=4.18$, $p < 0.01$). Table 8 shows means for each dimension by have/have not launched my business venture. Specifically, significant differences were found for the dimensions of forecasting impacts ($F_{1,42}=12.74$, $p < 0.001$) and the dimensions of managing impacts ($F_{1,42}=4.02$, $p < 0.052$). Figure 1 illustrates means for each dimension.

Those who have launched thought the impact on forecasting (mean=1.76) was significantly greater than those who had not launched (mean=2.72). The impact on managing was also found to be significantly greater for those who had launched (mean=2.19) than those who had not launched (mean=2.64). The impact on marketing (means=2.53, 2.80) and Skill Sets (means=3.18, 3.45) dimensions were not significantly different between those who have and have not launched a business venture.

**FIGURE 1
MEANS FOR EACH DIMENSION**



In terms of those who have launched a business venture, the impact on forecasting (mean=1.76) was the largest followed by the impact on managing (mean=2.19) and the impact on marketing (mean=2.53) while the impact on skill sets (mean=3.18) was the smallest. For those who have not launched a business venture, the impact on managing (mean=2.64) was the largest followed by the impact on forecasting (mean=2.72) and the impact on marketing (mean=2.80) while the impact on skill sets (mean=3.45) was once again the smallest.

**TABLE 8
DIMENSION MEANS AND STANDARD DEVIATIONS**

Dimension	Have launched	Have not launched	
Forecasting	1.76 (0.73)	2.72 (0.94)	$F_{1,42}=12.74$, $p < 0.001$
Marketing	2.53 (1.01)	2.80 (0.73)	$F_{1,42}=1.10$, $p = 0.30$ 0.01
Managing	2.19 (0.91)	2.64 (0.57)	$F_{1,42}=4.02$, $p = 0.51$
Skill Sets	3.18 (1.00)	3.45 (0.81)	$F_{1,42}=1.00$, $p = 0.32$

Those who had not launched their business were asked to indicate reasons. Respondents could select multiple reasons why they had not launched their business. Sixty-seven percent indicated a lack of

funding, 37% indicated costs, and 37% indicated other reasons. Other reasons included “too early to launch,” “completing prototype and product development,” “capturing market,” “product recognition,” “marketing,” and “location.”

DISCUSSION

This research attempts to begin to fill the void of research on the impacts a BPC has on new ventures and their entrepreneurs as called for in previous research (Schwartz, Goethner, Michelsen and Waldmann, 2013). The results of this study provide evidence that competing in a BPC does have an impact on an entrepreneur’s business model, primarily in the areas of forecasting and managing. It also suggests that the business model concept is a viable tool to use to evaluate the impact of the BPC experience on competitors. An examination of the data found that there were four factors that fit into the Business Model concept used to analyze the new ventures. These four factors are Forecasting, Marketing, Managing and Skill Sets. These factors were then shown to be linked to Hamel’s Business Model concepts in Table 1. The table shows that the factors represent three of Hamel’s concepts. These are Core Strategy, Strategic Resources and Customer Interface. The Value Network concept was not found in the data, and we believe that there are reasons for this.

These firms are very young and have not developed a significant network of valued partners, suppliers and coalitions yet. The Business Plan Competition is an opportunity to look for some of these network partners; however, only 26% of the participants indicated networking opportunities as a reason for entering the competition. With minor modifications to the competitions, the other business plan competitions could use a tool that is based on the BM that will provide more current and relevant data about the entrepreneurial ventures and those responsible for them. This requires balancing the critical need to articulate a business model that considers the efforts of designing a business model which includes these key factors: Customer, Value creation and capture, Competition and Distribution (Aulet, 2013).

The results show that there is a difference in the entrepreneur’s perceptions of the impact of the competition on their business model based on whether the business had been launched or not. There were significant differences on the forecasting and managing factors while no significant differences appeared between the marketing and skill set factors. The differences in the forecasting and managing factors suggest that the stage at which a new venture competes could make a difference in how they perceive the competition and all that they gain from the experience. This suggests that there may be more value gained by entrepreneurs who are close to or have launched their business than those who are still far away from their launch. Additionally, this difference may be because these two groups of entrepreneurs have different needs depending on where they are in the start-up process. Future competitions and researchers should examine this in greater detail.

Forecasting and managing were identified as having the largest impact on both sets of new ventures while marketing and skill sets were impacted the least. This data could suggest that either there wasn’t much advice or feedback provided that would impact these areas or that the entrepreneurs were not at a point where that type of information was seen as a priority for them to get their business to the next stage. Future organizers of competitions could use this information to examine what type of feedback and advice is provided during the competition and see if there is a balance of advice and feedback covering all the necessary components of the business model. Future research could also examine this area in greater detail.

This research study utilized a mixed-method design process to create a survey instrument to gather the impact data from competitors at BPCs. This tool and the research conducted provide a starting point for future research on BPCs. While this study found impact on the new ventures’ business models, it isn’t clear that this impact made a difference in the success rate of these ventures. Long-term research needs to be conducted following new ventures that compete at BPCs to see if there is a difference in the success rate of these start-ups versus new ventures that don’t compete in business plan competitions. As governments, universities and other funding groups look to BPCs as a tool to increase and enhance the

economic development of their regions or countries, future research along these lines could provide valuable evidence on whether the investment is producing the results that these groups were hoping would be produced or if there is a better place to invest the funds.

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APPENDIX A
SURVEY QUESTIONNAIRE

If you have **not** launched your business please indicate the reasons by selecting one of the following factors:

- Lack of funding
- Competitors launched similar products/services
- Costs
- Unable to secure a trade mark, patent or other protection
- too much work required
- Other (please list) _____

Please rank the order of importance (1 through 6 ...using only one number for each item) for participating in a business plan competition.

- Opportunity to win money
- Developing skills to be successful
- Develop contacts with business community
- Access to business community
- Opportunity to network
- Exposure of business

If you have launched your business please continue with the survey. These questions are intended to determine the impact a business plan competition has had on the various aspects of launching your business venture.

	Please answer each question by circling the number in each column that best matches your answer.	Great impact 1	Some impact 2	N/A 3	Little impact 4	No impact 5
1	The feedback gained at the business plan competition	1	2	3	4	5
2	Preparing for the business plan competition	1	2	3	4	5
3	Shaping the business' legal structure	1	2	3	4	5
4	Identifying the risks of launching the business	1	2	3	4	5
5	Developing an exit strategy	1	2	3	4	5
6	Attracting qualified management	1	2	3	4	5
7	Protecting intellectual property	1	2	3	4	5
8	Attracting business advisors	1	2	3	4	5
9.	Modifying products or services					
10	Creating a code of ethics	1	2	3	4	5
11	Forming a mission statement	1	2	3	4	5
12	Building ways to capture market value	1	2	3	4	5
13	Identifying marketing opportunities	1	2	3	4	5

14	Identifying distribution strategies	1	2	3	4	5
15	Analyzing the competition	1	2	3	4	5
16	Marketing through social media	1	2	3	4	5
17	Establishing a pricing structure	1	2	3	4	5
18	Analyzing the industry	1	2	3	4	5
19	Developing product warranties	1	2	3	4	5
20	Creating a sales plan	1	2	3	4	5
21	Developing Human resource policies	1	2	3	4	5
22	Developing new technology skills	1	2	3	4	5
23	Selecting the geographical location of the business	1	2	3	4	5
24	Understanding regulatory issues	1	2	3	4	5
25	Securing funding	1	2	3	4	5

26	Predicting sales	1	2	3	4	5
27	Predicting costs	1	2	3	4	5
28	Predicting profits	1	2	3	4	5
29	Predicting breakeven projections	1	2	3	4	5
30	Predicting cash flow projections	1	2	3	4	5

The following questions can help us determine what actions you have taken since competing in a business plan competition. Please answer each question by checking a Yes or No that best matches your answer.

		YES	NO
1	Identified new risks to the venture		
2	Developed an exit strategy		
3	Attracted business advisors		
4	Modified products or services		
5	Created a code of ethics		
6	Formed a mission statement		
7	Built ways to capture market value		
8	Identified new marketing opportunities		
9	Develop distribution strategies		
10	Identified new competition		
11	Developed social media marketing strategies		
12	Identified regulatory business issues		

Since the business plan competition we have exceeded our sales target?

Yes/No

Please mark an X next to the industry in which you are entering.
Industry. Please check the box indicating the industry in which you compete

- Agriculture, Forestry, Fishing and Hunting
- Mining, Quarrying, and Oil and Gas Extraction
- Utilities
- Construction
- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation and Warehousing
- Information
- Finance and Insurance
- Real Estate and Rental and Leasing
- Professional, Scientific, and Technical Services
- Management of Companies and Enterprises
- Administrative and Support and Waste Management and Remediation Services
- Educational Services
- Health Care and Social Assistance
- Arts, Entertainment, and Recreation
- Accommodation and Food Services
- Other Services (except Public Administration)
- Public Administration

Years since your business plan was developed ___ 1 year ___ 2 years ___ 3 years ___ 4 or more years

Level of education: bachelor's degree ___ masters or higher degree ___ certification ___ associates degree ___ vocational training

Age of participant: 21-30 years ___ 31-41 ___ 42-50 ___ 51 or older ___

Patent status if applicable: secured ___ pending ___ NA ___

Trade mark if applicable: secured ___ pending ___ NA ___

How many partners ___ investors ___ share holders ___

Legal status of the business: sole proprietor ___ LLC ___ incorporated Sub Chapter S ___ Incorporated C corporation ___ NA ___ Other ___

How many business plan competitions have you entered? 1-2 ___ 3-4 ___ 5-6 ___

Did you win any money in any of the competitions? Yes ___ No ___

What are the benefits of participating in a business plan competition?

Did you participate in the E Challenge business competition?

Yes\No