



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

**Building Knowledge of Agricultural Entrepreneurship Through
Business Plan Competitions: Case of the Minnesota Cup and ApEc
3551 Exercise**

**Ward E. Nefstead
Associate Professor & Extension Economist
Department of Applied Economics
University of Minnesota**

**Selected Paper
AAEA Annual Meeting
San Francisco , CA
July, 2015**

Building Knowledge of Agricultural Entrepreneurship through Business Plan Competitions : Case of the Minnesota Cup

The curriculum for ApEc 3551 at the University of Minnesota has evolved as the class has been taught for the past five years. The class involves focus on group projects and the creation of a business plan for a new ag or food product. What has been missing is the students ability to judge the quality of written business plans in a real world context.

The author was selected to judge the Minnesota Cup business plan competition during 2014. This responsibility consisted of reviewing initial proposals(over 80) submitted for the business plan competition and voting on the merits of each through three successive rounds of the competition. The later round required a full business plan and investor proposals. Live presentations for the final round were used to select a winner for the category. The category judged by the author was the Food , Ag and Beverage division. A total of seven divisions were judged for the Minnesota Cup. Cash prizes are awarded for each division and one overall winner over all divisions is selected. Cash prizes are awarded in the amount of \$20000 for each division and a prize of \$50000 for the overall winner. This paper reports of the involvement of students in ApEc 3551 in judging a business plan competition using actual entries for the Minnesota Cup.

Other Collegiate Business Plan Competitions

Other Colleges and Universities have sponsored business plan competitions. The most recent and regional focused effort by Iowa State University in 2014 involved seventeen colleges in the Midwest. The prize for the top plan was \$5000. The winning plan was submitted by Colorado State University. This financial incentive has stimulated wide interest in participating in this type

of competition. The Minnesota Cup has a division which included student entries. The winner of this division in 2014 was Johny Pops. The student winners have been invited to be judges for the Food , Ag and Beverage division this year. The difference in the student and other divisions is the degree of progress toward a startup and other criteria. Table 1 shows a list of all collegiate business competitions.

Value of Participating in Business Plan Competitions

Many educators use the preparation of a Business Plan as a culminating assignment in entrepreneurship courses. Additionally, a number of institutions and organizations conduct business plan competitions to further entrepreneurship education. The objective for both of these exercises is to prepare student entrepreneurs for the challenging task of authoring a coherent and compelling document to communicate their proposed new venture to a variety of audiences including potential investors, lenders, employees, and partners. Some research shows that business plans are not always the key success factor for the success of new ventures, but the exercise of writing a business plan is an important planning tool for entrepreneurs and a valuable integrative educational process for students, because it requires the student to employ concepts from a variety of their courses including marketing, finance, accounting, strategy, operations, and human resources. (5)

Iowa State Business Competition

Iowa State University sponsored a Midwest University business competition in 2014.

AMES, Iowa — Undergraduate and graduate students from 15 land-grant universities will have the opportunity in the next few months to compete for \$15,000 in cash awards through a new program developed by [Iowa State University's Agricultural Entrepreneurship Initiative](#) and sponsored by [Stine Seed](#) and [Summit Group](#).

The [Agricultural Business Plan Competition](#) will provide undergraduate and graduate students with a platform to develop and share their agriculture-related entrepreneurial business venture ideas. It also will allow participants the opportunity to learn written and oral presentation skills, build their entrepreneurial network and motivate them to create feasible businesses that will contribute to the betterment of the agriculture industry. Three grand prizes in the amount of \$5,000 each will be awarded to the top teams in the competition.

"Today's ag environment is as challenging as ever, so to secure our future we will need growers and ag industry professionals with true vision and an entrepreneurial spirit," said Harry H. Stine, founder of Stine Seed. "When we develop high-yielding seeds, the way to find the very best is through extensive testing and evaluation. So it stands to reason that the best way for us to find the ag leaders of tomorrow is to look for those individuals that show promise and then provide programs and resources to help them hone their skills."

The Agricultural Business Plan Competition is open to students at Iowa State University, Colorado State University, Illinois State University, University of Illinois, Kansas State University, Michigan State University, University of Missouri, Oklahoma State University, Purdue University, South Dakota State University, The Ohio State University, University of Minnesota, University of Nebraska-Lincoln, University of Wisconsin-Madison or University of Wisconsin-Platteville.

"There are many talented students enrolled in agriculture programs at our land-grant universities. It is a privilege for Summit Group to be associated with this worthwhile new program and to have the opportunity to recognize and reward these future entrepreneurs," said Bruce Rastetter, CEO of Summit Group. "The importance of entrepreneurship in today's world can't be overstated — and its role for tomorrow's agriculture is vital."

Submissions are due November 15, 2014, with final business plan presentations at the Entrepreneurial Agribusiness Executive Conference in January at Iowa State University. For additional information, go to <http://www.agideasisu.com/competition/>.

The mission of the Agricultural Entrepreneurship Initiative is to create a broad understanding of entrepreneurship among faculty and students of the [College of Agriculture and Life Sciences](#) at Iowa State University and its supporting components, to provide a portfolio of educational experiences to develop our students' entrepreneurial skills while increasing interaction between students and faculty and agricultural entrepreneurs, and to increase the number of undergraduate and graduate students and faculty engaged in entrepreneurial activities.

As the nation's largest independent seed company, Stine Seed Farm, Inc., headquartered near Adel, Iowa, is focused on developing and marketing the world's best-performing corn and soybean seed through its retail arm, Stine Seed Company. Stine Seed Farm, Inc., operates the industry's largest corn and soybean breeding and development program, advancing and testing nearly 1 million unique soybean varieties and more than 100,000 preliminary corn hybrids annually. For nearly four decades, Stine's soybean research program has been regarded as the soybean genetics supplier of choice to the seed industry and Stine has consistently lead the Patent Board's Food, Beverage and Tobacco industry segment in growth and industry impact. For more information, call toll-free (800) 362-2510 or [visit the Web site](#).

Summit Group is based in Alden, Iowa, and under the leadership of CEO Bruce Rastetter, oversees a diverse number of successful operations, ranging from crop and livestock production to wind energy, renewable fuels and international development. Rastetter is the president of the Iowa Board of Regents and serves on the board of directors for Hawkeye Energy Holdings, Advanced Bioenergy and Iowa Premium Beef. An active philanthropist, he

founded the Rastetter Foundation, an initiative dedicated to supporting educational, entrepreneurial and agricultural pursuits. To learn more about Summit Group, go to www.SummitAg.com or call (515) 854-9820.

Minnesota Cup Business Plan Competition

The Minnesota legislature approved initial funding for the Minnesota Cup in 2009. Additional funding for the competition was obtained from corporate donations. A budget of over \$300,000 is now available to support the competition. The *Holmes Center for Entrepreneurship* is responsible for the administration of the competition. Judging criteria are given to the judges as a guide to the business plan evaluation. The rating system **uses** *Innovativeness of the Concept(50%); Progress in Implementing Concept(25%) and Evidence of Organizational structure(25%)*.

Class Exercise in Judging Business Plans

The author created several class exercises utilizing materials from the Minnesota Cup competition. These were from a previous year of the competition. Working in small groups, the students were charged with choosing a winner for the Food ,Ag and Beverage division. The instructor provided these business plan materials and answered questions pertinent to each entry. Contacts were made with those

proposing the business plan entries. Each student group was asked to choose the best entries through two rounds – initial and final.

Each student group was asked for their ratings and then to defend their choices.

Discussion of each set of choices was part of several class sessions. When all choices were made, the instructor revealed the actual rating made by Mn Cup judges.

Evaluation of the Business Plan Review Exercise

A post exercise evaluation revealed that this was a valuable part of the course.

Questions involved the completeness of materials submitted by entries, evidence of planning by these entries. Clarity of business concept, and qualifications of those making the proposal. A summary of data collected for the evaluation involved qualitative assessments as follows:

1. Usefulness of exercise (100% found value)-comments were :

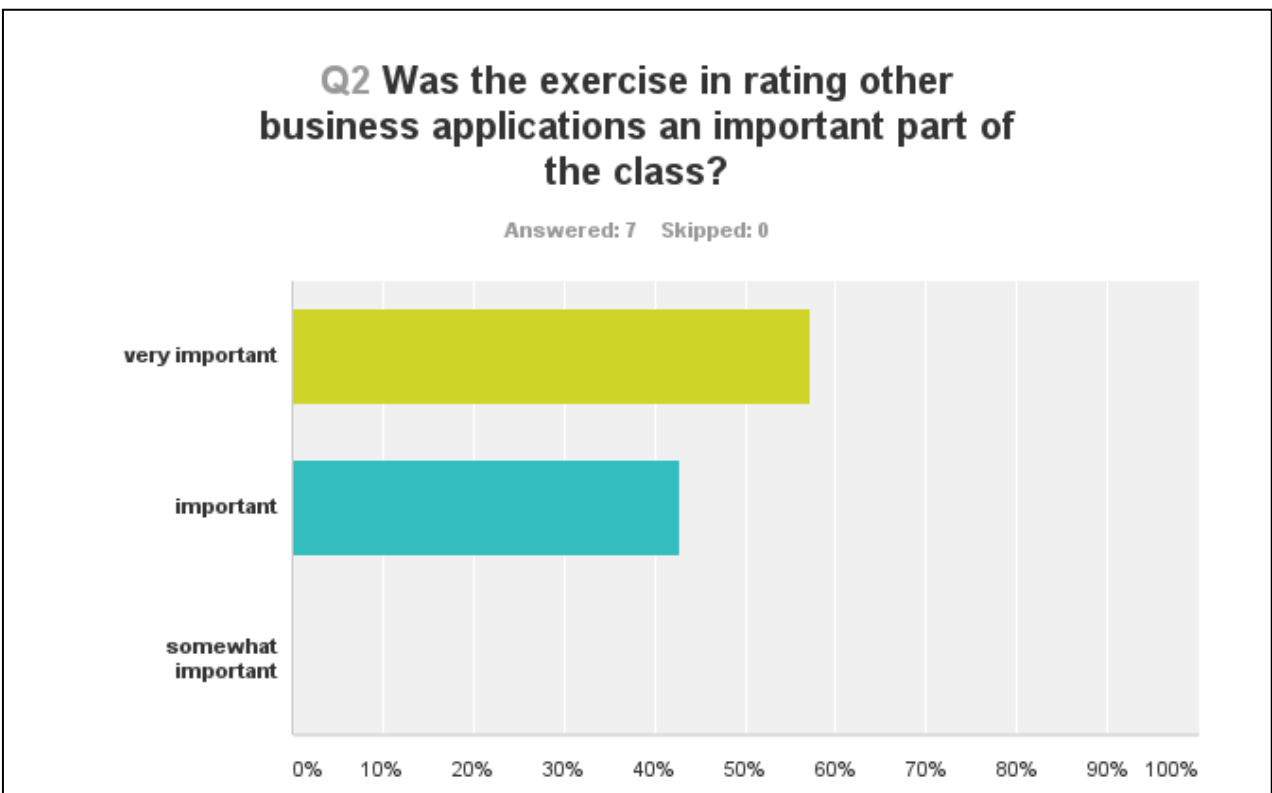
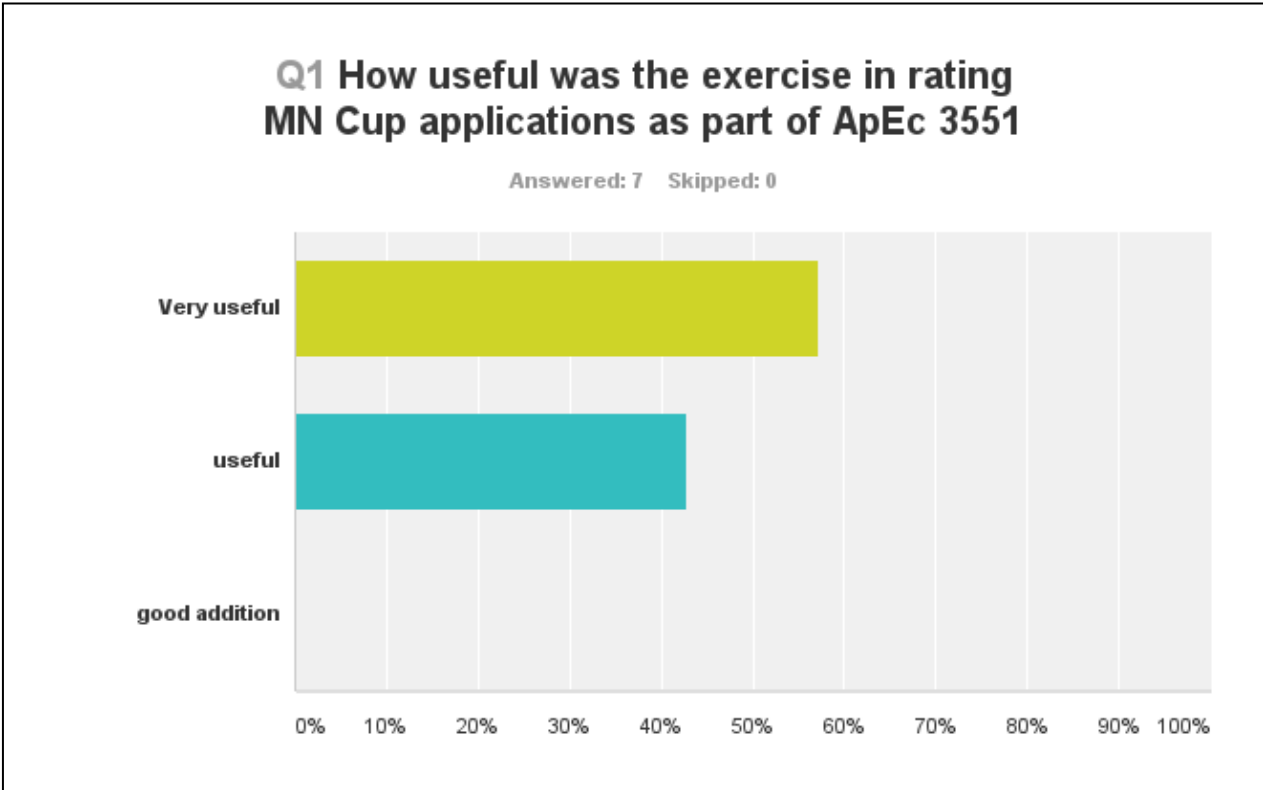
Very valuable, real world examples, liked the ability to probe into each entry

2. Important Part of ApEc 3551 course- 100% saw as a important part.

3. Did this help you in formulating your own business proposal? 95% saw this as an aid in developing their own business plan.

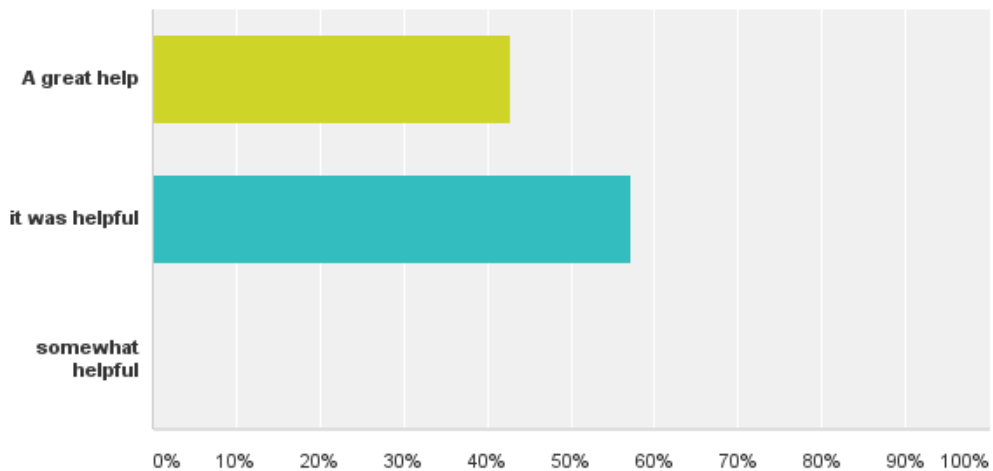
4. Would you recommend this as a continuing part of the ApEc 3551 course?

Yes, 100% saw it as a continuing part of the class



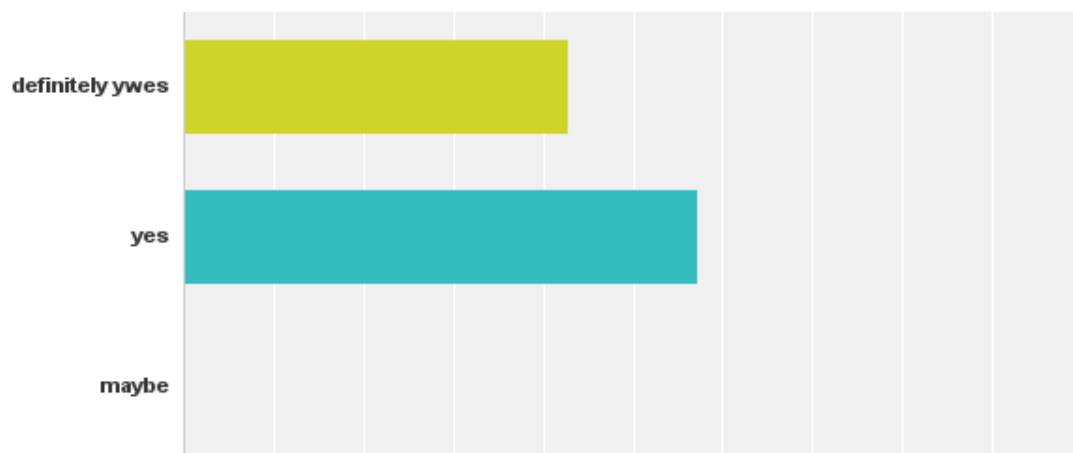
Q3 Did the rating exercise help you in formulating your own business plan?

Answered: 7 Skipped: 0



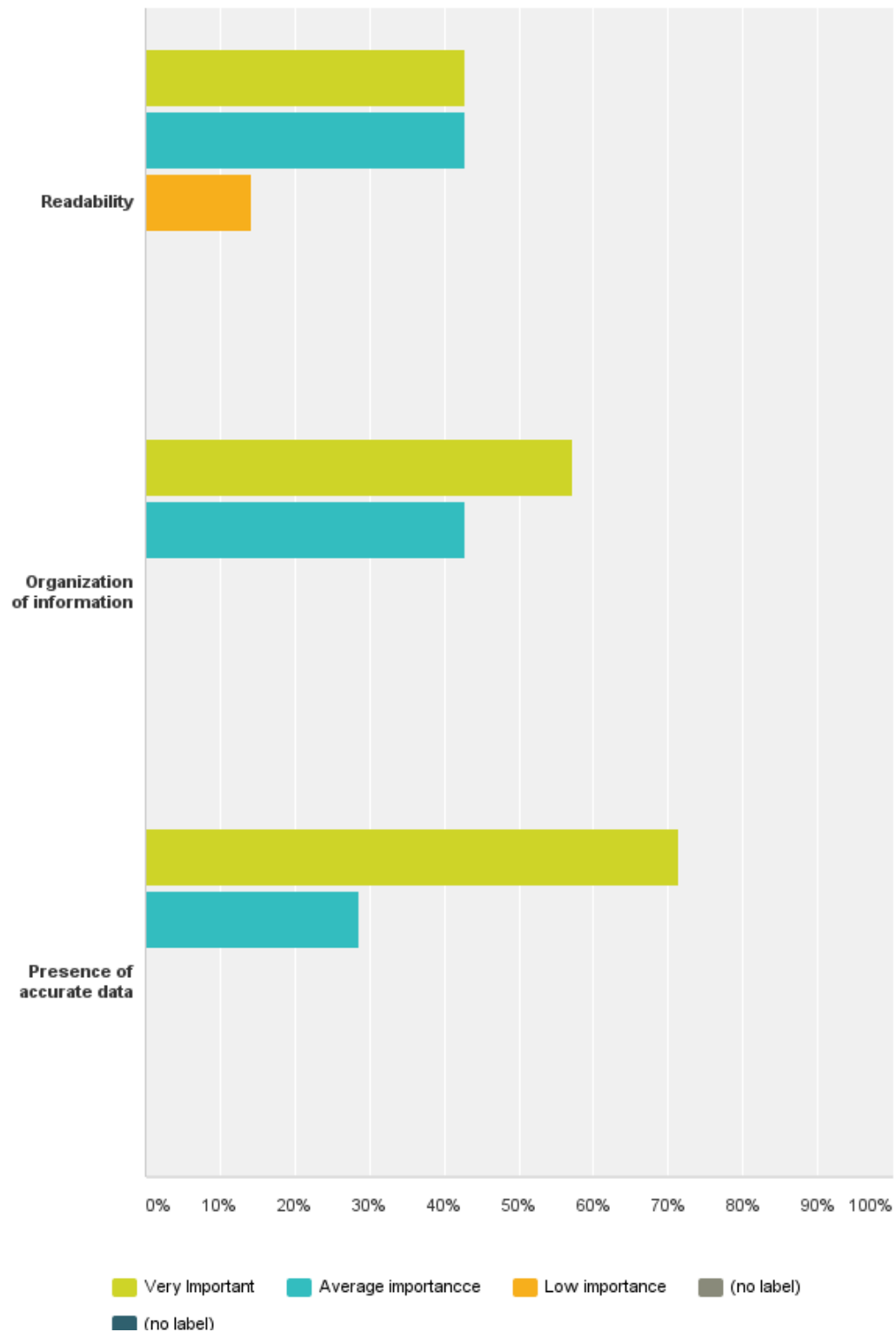
Q4 Would you recommend that the rating exercise be a permanent part if the 3551 class

Answered: 7 Skipped: 0



Q5 What were the areas of difficulty in appraising the quality of MN Cup applications

Answered: 7 Skipped: 0



References:

1. Kjolsing, M. *Business Plan Entries*. **Holmes Center for Entrepreneurship-Carlson School of Management**.
2. Allen P. **A Dummys Guide to Entrepreneurship**. 20010.
3. Nefstead W. Course Syllabus for ApEc 3551. 2014
4. AgMrc. *Creating A Business Plan*. Iowa State University 2014
5. Zimmerman,John. (2014) Using Business Plan to Teach Entrepreneurship.
6. Iowa State University . Business Plan Competition 2014

Table 1. Collegiate Business Plan Competitions

1. [Rice Business Plan Competition](#) – \$1.3 million

The Rice University Business Plan Competition is the world's richest and largest graduate-level business plan competition. It is hosted and organized by the Rice Alliance for Technology and Entrepreneurship, which is Rice University's flagship initiative devoted to the support of entrepreneurship, and the Jesse H. Jones Graduate School of Business. This is the 12th year for the competition. In that time, it has grown from nine teams competing for \$10,000 in prize money in 2001, to 42 teams from around the world competing for more than \$1.3 million in cash and prizes.

2. [MIT Clean Energy](#) - \$200,000

The goal of the competition is to provide learning opportunities for and reward student ventures that demonstrate a high potential of successfully making clean energy more affordable, with a positive impact on the environment. By focusing on student ventures, we aim to train the next generation of clean energy entrepreneurs.

3. [NYU Stern New Venture and Social Venture Competitions](#) - \$200,000

Discover what it really takes to launch a startup. Enter the \$200K Entrepreneurs Challenge, the premier platform for identifying, nurturing and showcasing emerging entrepreneurs at NYU. At stake in our three competitions is a combined up to \$200,000 in startup money plus pro bono services and technical assistance to help your venture succeed.

4. [Harvard Business Plan Competition](#) – \$170,000

An annual event since 1997, the Business Plan Contest aims to provide an integrative learning experience for participating students. The Contest has spawned hundreds of business plans, and winners and non-winners alike have gone on to implement their plans and start successful enterprises. Examples include 3plex.com, Bang Networks, Chemdex, EyeViewDigital.com, Good Start Genetics, Low-Cost Eyeglasses, MyHappyPlanet, suppliermarket.com, Potentia Pharmaceuticals, and Zefer, among others.

5. [MIT \\$100k Entrepreneurship Competition](#) – \$100,000

Now in its 22nd year, the MIT \$100K Entrepreneurship Competition is a leading-edge forum for students and researchers in the MIT community to act on their talent, ideas and energy to launch tomorrow's leading firms. A year-long educational experience, the MIT \$100K brings together a network of resources (feedback from top VCs and entrepreneurs, media exposure, mentorship, educational guidance, networking and more than \$350K in cash and prizes) to help participants through the new venture construction process.

6. [Tufts 100k Business Plan Competition](#) – \$100,000

Since 2004, the Entrepreneurial Leadership program sponsors an annual business plan competition that awards a total of \$100,000 in cash and in-kind services (legal and advisory services) to the winning teams. Participants can choose to compete in the Classic Competition or the Social Entrepreneurship Competition. Anyone part of the Tufts community is encouraged to enter and take action on their ideas for business or social ventures.

7. [Purdue University's Burton D. Morgan Business Plan Competition](#) – \$100,000

The goal of the Purdue University's Burton D. Morgan Business Plan Competition is to provide an opportunity for Purdue students to learn about entrepreneurship through the development and presentation of a business idea to a panel of judges.

Participants in the competition will have an opportunity to define their ideas in commercial terms and to compete for substantial cash prizes that could be used to further the