

Six Lessons From Judging Harvard's Business Plan Competition



Harvard's Business Plan Contest--an annual event since 1997--has spawned hundreds of business plans. Winners and non-winners alike have gone on to implement their plans and start successful enterprises. The contest offers prizes totaling over \$170,000 to the winners and runners-up.

Many people are aware of Harvard entrepreneurial successes such as Tom Stemberg of Staples and Michael Bloomberg. The purpose of the contest was to inspire the next generation of Harvard Business School entrepreneurs.

I was honored to be asked to serve as a judge for this years' contest. Joining me as a judge were some of the country's leading investors, venture capitalists, entrepreneurs and thought leaders.

After each business plan presentation, the students received feedback from the judges. The insights of my fellow judges are worth repeating and are relevant to both new and mature companies.

- 1.** Simplify your concept and what you want to communicate. The judges come from a variety of backgrounds and level of comfort with various industries and technologies. Yet, many of the entrepreneurs spoke in a language that only few could understand. They were simply too close to their product or service and too emotionally attached to it to understand what it is like not to be an expert. This is common sense but so many executives fail to do this.
- 2.** Don't fall in love with your demo. One company spent far too much of their precious time in front of the judges giving a demo of the product and going into great detail about the product features. The demo did validate to the judges that the product was real but they were turned off and confused by too much information.
- 3.** Pick markets with similar needs and characteristics. One company wanted to hedge its bets and sell to both hospitals and fast food restaurants. While market diversification can be a good idea, selling to these industries requires two different sales models and approaches. This can easily swamp a small start-up. The judges recommended that they focus on one market first.

4. Test your product with customers. Once again, this is common sense but few of the contest participants based their plans on customer feedback. The ones that did clearly stood out from the crowd. Mature companies fail to do this as well.

5. Use care in picking the early users. Your early adopters will set the tone for your Go to Market Strategy. The wrong ones can eat up a lot of resources and do little to accelerate market penetration.

6. Show passion. One of the best presentations was from a young CEO who clearly loved her product and her company. Her enthusiasm was contagious. If this is obvious advice, then why did she stand out in such a positive way?

Of the 68 teams entered, five finalists were chosen. They were all outstanding young companies and stood out because they followed these rules. Their presentations were crisp, passionate and easy to follow. They used lots of pictures and visuals and limited the number of words on a slide. They clearly articulated what problem they solved. They were models for how to present a business case.

These are great lessons for anyone selling a business idea whether you are part of a team at a Fortune 500 company seeking management approval or a start-up seeking investor funds.

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