

FEEDBACK FROM THE JUDGES' SCORE SHEETS AT A BUSINESSPLAN COMPETITION: AN EXPLORATORY STUDY

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ABSTRACT

The aim of this paper is to conduct an exploratory study based on judges' scoring sheets obtained from a business plan competition organized in the Northeast region of the United States. A review of the literature shows that business plan development and business plan competitions are an important part of entrepreneurship education, focusing students on major constructs needed to develop a business. However, most of the research conducted seems to be aimed toward what can be learned in crafting a business plan, or what elements should be included, and how to present/pitch the plan to potential investors. That being said, we were not able to find recent studies focusing on what judges think about the plan they reviewed. Hence, we aim to address this gap in the research, as receiving feedback from the judges may be a valuable source of information in order to help students in focusing their effort on the section(s) that seemed to be the most critical to the judges. Not only can that information be used to enhance entrepreneurship education, it can also be a way to strengthen AACSB's "closing the loop" assessment requirement. Judges scored the business plans on seven criteria: Market opportunity, Competitive Advantage, Management Capability, Financial Understanding, Venture Maturity, Presentation, and Investment potential. We found that students performed at various levels across these criteria, performing best on the Presentation rubric and worst on Financial Understanding and Venture Maturity.

LITERATURE REVIEW

Entrepreneurship education has been a topic of growing interest in recent years (Josien, Gough, and Robinson, 2017; Robinson and Josien, 2014; Mattare, 2010; Man and Yu, 2009) and at present over 2/3rds of universities and colleges in the U.S. offer some form of entrepreneurship education (Cone, 2012), with entrepreneurship education defined as "the conveyance of entrepreneurial knowledge to students in terms of concepts, skills, and behaviors (Gartner, 1990) that entrepreneurs possess and use" (Young, 1997). Furthermore, in 2004, Honig and Karlsson, found that 78% of the top universities in the US had at least one course in their entrepreneurship curriculum dealing with a business plan and that 10 of the top 12 universities had their own competitions, and other studies confirm the prevalence of the business plan in entrepreneurship education over the years (Edelman, 2004; Vesper and Gartner, 1999). Finally, business plans and business plan competitions are used by many instructors as a medium to teach principled entrepreneurship (Delmar and Shane 2004).

As a business plan is “a document that describes an organization’s present state and its plans to achieve some desired future state through an articulation of its vision, mission, strategy, tactics, and goals/objective” (Busenitz, Fiet, and Moesel, 2005), it should be no surprise that a significant part of entrepreneurship education is the preparation of a business plan (Zimmerman, 2012), which also satisfies the widely accepted idea that entrepreneurship education include an experiential learning component (Vincent and Farlow, 2008). Additionally, the rapid development of business plan competitions over the last few years provides proof that competition enhances student learning in entrepreneurship and venture creation (Stage, 2012). Business plan competitions are prevalent in the U.S.: there are quite a few competitions organized, even though they are complex and expensive to set up (Laud, Betts, and Basu, 2015). According to the website www.bizplancompetitions.com, in the U.S., there are business plan competitions in all 50 states, with a total prize pool of \$22,795,495 given in 260 events (2017). Some of the benefits of such competition are experiential learning, skill development, increase confidence, chance of winning startup capital/cash, in-kind venture start-up support, networking, prestige and recognition, and enhanced learning opportunities (Meranda, Wilson, and Li; 2013, Russell, Atchison, and Brooks; 2008, Weisz; 2001, Bowden and Marton; 1999).

METHODOLOGY

We obtained the scoring sheets from six judges at a business plan competition held in the Northeast region of the U.S. There were 21 teams or individuals participating in the competition that were scored on seven different criteria: Market Opportunity, Competitive Advantage, Management Capability, Financial Understanding, Venture Maturity, Presentation, and Investment potential. Each criterion was graded on a scale of one through five, where 1 represented the lowest possible score and five the highest, for a potential high score of 105. The competitors were separated in two groups; each group had a set of three judges that scored all their teams in their group. Finally, the competition awarded six total prizes (each group had a first, second, and third place) and a total of \$5,000 was awarded to the competitors.

The six judges were invited from the business school's local stakeholder constituency. Selecting judges from the business community provides the competition with "real-world" experience where feedback reflects current market conditions and perspectives. (Judges from the business school are not chosen as they frequently have relationships with students that might bias their assessments.) Efforts were made to include a diverse set of judges. Unfortunately, the sole female judge needed to be replaced at the last minute due to a scheduling conflict. The six professionals who volunteered to serve as judges came from a variety of fields including, an active entrepreneur, an economic developer, a business advisor, and three higher-level executives from technology companies. Three of the judges represented organizations that helped sponsor the competition and provided funding for expenses and prize money. The judges are chosen carefully for their willingness and ability to engage with students and foster development of the business program.

As far as the analysis is concerned, since we have a fairly small sample, we will simply use descriptive statistics to glean information from the score sheets as more advanced statistic methods would not be appropriate.

RESULTS & FINDINGS

Tables 1 and 2 (see below) show the scores given to each participant and the associated descriptive statistics. Based on these two tables, we can develop the following findings. First, one group had a clear set of winners for their flight, with a top score of 87, second place of 85 and third place with 83, with the next best score being a 61. The second flight was not as clear cut, but once again the winner had a score in the high 80's (85), then 66 a tie for third place with 52. The average score of the competition was 58.5 with a standard deviation of 16.4 which indicates a fairly large variation in the competitors' scores. We view the range and standard deviation in judging results as strong evidence of the judges being able to discriminate between the higher and lower quality business plan presentations.

The second finding from our analysis of the data is the average of each of the six judging criteria. The criterion that received the highest average score was Presentation: 3.1/5 average, and standard deviation of 1, meaning that as far as the judges are concerned, they believed that the students were well prepared for the competition and were able to present their ideas fairly well. The second-best criterion was Competitive Advantage with an average of 3.0/5 and a standard deviation of 1.2 which seems to indicate that students were able to ground their business idea on something that would give them an edge compared to their potential market place competitors. The third criterion is Market Opportunity with an average of 2.9/5 and standard deviation of 1.1. Even if this is the third best average received, it might indicate that as far as the judges are concerned, the market opportunity that students see in their business idea is not as great as it seems for real business people. Also, related to this criterion, it is interesting to note that all the competitors who receive a 5 for that criterion ended up in the winners of the competition. The fourth criterion was Management Capabilities with an average of 2.5/5 and a standard deviation of 1.1. That criterion is right on the average of the scale and associated with the previous criterion might indicate that the competitors quite "green" in their abilities to run a business. The next criterion, Investment Potential, also had an average of 2.5 but with a bigger standard deviation (1.3). Once again that might indicate that the judges consistently saw that the proposed business ventures were not as great as the students believe them to be. The last two criteria, Financial Understanding and Venture Maturity, received the same average of 2.3, but one had a much larger standard deviation (1.1 and 1.4 respectively). The Financial Understanding low score is not surprising as it well recognized that entrepreneurship students have difficulties with accounting and financial skills to develop a business from scratch. The Venture maturity finding was not as expected, and might be a reflection that students usually develop their business idea on a single product/service and have little if any long-term plan to grow their businesses. Finally, the last finding we can glean from the analysis of the data is that the average score per item was right in the middle at 2.7, suggesting that the judges used the entire range of the scale and provide students with both positive and negative feedback.

| Table 1: raw judge's scores. | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| Flight | A | A | A | A | B | B | B | B | B | B | B | B | B | A | A | A | A | A | A | A | A |
| Market Opportunity | 3 | 3 | 3 | 4 | 3 | 4 | 4 | 3 | 2 | 4 | 4 | 5 | 5 | 4 | 1 | 1 | 3 | 4 | 1 | 4 | 3 |
| Competitive Advantage | 4 | 3 | 4 | 5 | 2 | 4 | 4 | 1 | 1 | 4 | 5 | 5 | 5 | 3 | 2 | 3 | 3 | 4 | 1 | 4 | 3 |
| Management Capability | 2 | 2 | 2 | 4 | 2 | 2 | 5 | 3 | 2 | 4 | 5 | 5 | 5 | 2 | 2 | 2 | 2 | 4 | 1 | 2 | 2 |
| Financial Understanding | 2 | 2 | 2 | 3 | 1 | 3 | 5 | 1 | 1 | 4 | 4 | 5 | 5 | 2 | 3 | 2 | 2 | 4 | 2 | 2 | 2 |
| Venture Maturity | 1 | 1 | 2 | 3 | 3 | 2 | 5 | 3 | 1 | 4 | 4 | 5 | 5 | 2 | 1 | 1 | 1 | 5 | 1 | 2 | 2 |
| Presentation | 3 | 3 | 3 | 4 | 3 | 3 | 5 | 3 | 3 | 4 | 5 | 5 | 5 | 3 | 2 | 2 | 3 | 4 | 2 | 4 | 3 |
| Inv. Potential | 3 | 2 | 2 | 5 | 3 | 3 | 5 | 1 | 3 | 4 | 5 | 5 | 5 | 3 | 1 | 1 | 3 | 3 | 1 | 4 | 1 |
| Market Opportunity | 2 | 3 | 2 | 2 | 3 | 1 | 5 | 1 | 3 | 1 | 4 | 2 | 5 | 3 | 3 | 2 | 1 | 3 | 2 | 2 | 2 |
| Competitive Advantage | 3 | 3 | 3 | 1 | 2 | 1 | 3 | 1 | 3 | 3 | 3 | 1 | 5 | 3 | 3 | 3 | 2 | 3 | 3 | 1 | 4 |
| Management Capability | 2 | 2 | 2 | 3 | 2 | 1 | 4 | 1 | 4 | 2 | 1 | 4 | 5 | 2 | 3 | 2 | 2 | 4 | 2 | 2 | 2 |
| Financial Understanding | 1 | 2 | 1 | 2 | 1 | 1 | 3 | 1 | 2 | 2 | 1 | 3 | 3 | 1 | 1 | 2 | 1 | 4 | 2 | 2 | 2 |
| Venture Maturity | 2 | 1 | 1 | 4 | 3 | 1 | 4 | 1 | 3 | 2 | 1 | 2 | 3 | 2 | 2 | 1 | 1 | 5 | 2 | 2 | 2 |
| Presentation | 2 | 3 | 2 | 4 | 2 | 2 | 4 | 2 | 3 | 4 | 3 | 5 | 4 | 2 | 4 | 2 | 3 | 5 | 3 | 3 | 3 |
| Investment Potential | 1 | 2 | 1 | 2 | 1 | 1 | 5 | 1 | 2 | 1 | 3 | 2 | 5 | 2 | 2 | 2 | 2 | 4 | 1 | 2 | 3 |
| Market Opportunity | 3 | 4 | 4 | 4 | 3 | 2 | 4 | 1 | 3 | 3 | 2 | 4 | 3 | 2 | 3 | 1 | 2 | 4 | 2 | 2 | 4 |
| Competitive Advantage | 4 | 3 | 4 | 4 | 4 | 1 | 4 | 1 | 3 | 2 | 2 | 3 | 3 | 3 | 4 | 2 | 4 | 4 | 4 | 1 | 4 |
| Management Capability | 2 | 2 | 2 | 3 | 2 | 1 | 3 | 2 | 2 | 3 | 1 | 4 | 2 | 3 | 2 | 2 | 2 | 5 | 1 | 2 | 2 |
| Financial Understanding | 2 | 2 | 2 | 1 | 1 | 1 | 3 | 2 | 2 | 2 | 1 | 4 | 2 | 1 | 4 | 3 | 3 | 4 | 2 | 3 | 2 |
| Venture Maturity | 1 | 1 | 1 | 3 | 1 | 3 | 4 | 3 | 4 | 3 | 3 | 5 | 5 | 1 | 1 | 1 | 1 | 3 | 1 | 2 | 1 |
| Presentation | 4 | 2 | 2 | 3 | 2 | 1 | 4 | 2 | 3 | 3 | 2 | 5 | 3 | 3 | 3 | 2 | 3 | 5 | 2 | 4 | 3 |
| Investment Potential | 2 | 3 | 3 | 2 | 2 | 1 | 4 | 1 | 2 | 2 | 1 | 4 | 2 | 2 | 4 | 1 | 3 | 4 | 2 | 2 | 2 |
| Total | 49 | 49 | 48 | 66 | 46 | 39 | 87 | 35 | 52 | 61 | 60 | 83 | 85 | 49 | 51 | 38 | 47 | 85 | 38 | 52 | 52 |

| Criterion | Average | Standard Deviation |
|-------------------------|---------|--------------------|
| Market Opportunity | 2.9 | 1.1 |
| Competitive Advantage | 3.0 | 1.2 |
| Management Capability | 2.5 | 1.1 |
| Financial Understanding | 2.3 | 1.1 |
| Venture Maturity | 2.3 | 1.4 |
| Presentation | 3.1 | 1.0 |
| Investment Potential | 2.5 | 1.3 |
| Average of all scores | 2.7 | |

VALUE & IMPLICATIONS

What can be gained by studying the judges' score sheets? For one, understanding in which category a competitor loses points would be valuable to know. Competition winners are the ones that outperform their opponents in the judges' minds; hence, knowing the usual weaknesses in the competitors' plans can improve their chances of overcoming weaknesses and winning competitions. Furthermore, based on our findings, we saw that getting a top score in Market Opportunity seems to be an important element to have if one's wanting to win a competition, maybe there is a halo effect in the judge's mind when they see a good marketable idea?

Another reason to gain a better understanding judging feedback is for entrepreneurship faculty to know where we need to provide more help to our students. We know all the constructs that need to be developed to create a valuable business plan; however, presenting the plan, especially at a competition or to investors, is a slightly different proposition than just teaching the required blocks. As we strive to enhance Entrepreneurship education, especially for universities seeking or maintaining their AACSB accreditation, we need to "close the loop" and the study of the judges' score sheets may be a useful tool for gaining external measures of student learning and identifying where improvement in teaching entrepreneurial education could be implemented.

As any studies, there are some limitations to our work, first we are basing our analysis on a relatively small sample, we have only six judges and each judge scored either 9 or 12 teams. Further research on a larger sample will be needed to validate our findings as there maybe some local or judges bias. Furthermore, all competitors were students; maybe the finding would be different if we had a more diverse competitor's background. Nevertheless, we are the only study that looked at business plan competition in such a way.

Furthermore, the importance of proving good judges for a holding a high-quality business plan competition seems apparent. The data provides some indication that the judges provided rigorous feedback that measures differences in student performances. The average score per item of 2.7 suggests that the judges used the entire range of scores, giving low scores almost as readily as high scores. To ensure high quality competitions, it may be an important area for future research not just to evaluate judge's feedback but to investigate the antecedents of judging performance. Based on our experiences, we believe that the following activities may have some influence on

quality judging feedback: 1) judge selection, 2) competition orientation, 3) judge training, 4) and recognition for their judging service.

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