

KANSAS ENTREPRENEURSHIP CHALLENGE

Presented in Partnership With  KANSAS FREEMASONS
ON THE LEVEL

April 17, 2017 — Manhattan, KS

\$75,000 in total cash prizes

Network with successful entrepreneurs & judges

Get exposure, feedback and support for your idea

All Kansas High Schools are invited to participate.

The following Kansas Universities have been invited and are expected to participate:



The Kansas Entrepreneurship Challenge (KEC) is sponsored and supported by the Kansas Masonic Foundation and Kansas Masons to promote entrepreneurship and small business development in Kansas.

The competition is for student created, managed, and owned ventures.



KEY DATES

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|---|----------------|
| Intent to compete (High School Division) | March 1, 2017 |
| Video submission (High School Division) | March 13, 2017 |
| Intent to compete (University Division) | March 24, 2017 |
| Announcement of Finalists (High School Division) | March 27, 2017 |
| Executive Summary & Presentation Slides (All Divisions) | April 7, 2017 |

Please note: All submission deadlines are final. Late applications cannot be accepted and deadline extensions cannot be granted for any reason. The KEC staff encourages each team to submit requirements early so that any technical difficulties can be resolved before the deadline.

CONFIDENTIALITY AND INTELLECTUAL PROPERTY

All submitted information is deemed the property of the participating teams and any licensors. Competition judges and staff do not sign non-disclosure agreements. Teams are strongly encouraged to not provide any specifics or details that are considered to be intellectual property. There will be no penalty in judging when a question or issue is not fully addressed because of concerns over confidentiality.

CONFLICT OF INTEREST STATEMENT

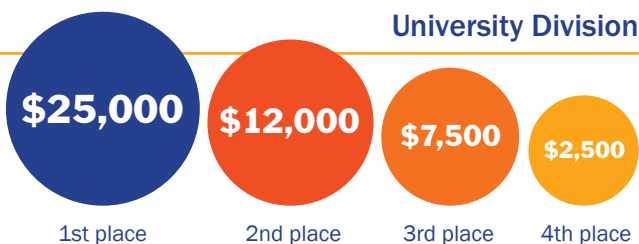
No judge, volunteer, or competition staff member may have any vested interest, equity stake, or financial stake in any of the finalist companies. Any of the previously listed parties that stand to gain financially or otherwise from the success of any finalist company is strictly prohibited. Any such associations will result in disqualification of the team and/or removal of that individual from his or her associated position with the competition.

SPIRIT OF THE COMPETITION

The spirit of the KEC is that current high school and university students originate, found, and lead the startup idea. Teams not aligned with this vision or not working towards this end may be disqualified (e.g. an existing company run by non-students cannot recruit students only to become eligible for the competition). The KEC staff reserves the right to review companies on a case-by-case basis and make eligibility decisions. Teams that are unsure of their eligibility should contact the KEC staff. The licensing of technologies or commercialization of research that is not the original work of the student team is prohibited. Competitors who promote illegal, illicit, unethical, immoral, or other types of activities, which may be considered unworthy of association with the KEC, may be disqualified.

PRIZE PAYMENTS

Cash prizes for the KEC will be awarded and paid to the legal entity where one exists. If no entity exists then the prizes will be awarded to individual student team members in proportion to the capitalization table or proposed capitalization table submitted. Cash prizes will not be paid at any time to non-students outside of an entity. If a non-student holds an equity position as indicated on a capitalization table where there is no entity present, the cash prize will be paid on a pro-rata basis to only the student members listed on the capitalization table. If no capitalization table exists, prize money will be split equally between student team members. Prize awards may be subject to taxation and are the sole responsibility of the entity or person to whom the awards are distributed. Each entity or individual will be required to provide a W-9 before receiving any prizes.



SECOND CHANCE FUNDING

up to \$5,000 (each division)

Second chance funding may be allocated across teams not selected to advance to round two presentations. Individual award amounts will be determined by judges based on interviews following round one.

ELIGIBILITY

Students must be enrolled in a Kansas High School or University during the semester the competition is held. Students must compete in the division associated with their current education-level. The concept and venture must demonstrate student management and ownership. Individuals or teams of no more than four students may submit a concept. Teams must have a faculty or staff sponsor from the team's school that will authenticate that the venture concept and executive summary are the student team's original work. Teams must present in-person at the KEC finals.

The KEC is for new, independent student-run ventures in the concept stage or seed stage. Concepts must be the original work of the students who comprise the team. For-profit and not-for-profit entities are eligible. Generally excluded from entry are the following: buy-outs, expansions of existing companies, real estate syndications, tax shelters, franchises, and licensing agreements for distribution in the local market. The licensing of technologies or commercialization of research that is not the original work of the student team is prohibited. No person can be a member of more than one team. All teams may participate in future competitions, including finalist teams, but no team may use the same or similar plan submitted in a previous KEC.

High school teams must be sponsored by their local Masonic Lodge. Your local Lodge can be located at kansasmason.org. Each Masonic Lodge is eligible to sponsor one team. Each team must present their business concept to their local Masonic Lodge. The Masonic Lodge may choose to hold a local competition if multiple entries are to be considered.

Each invited University is eligible to send up to three teams to the KEC finals. Universities will determine their representative teams.

ENTRY INFORMATION

All entry information and submissions is available at: ksechallenge.com

COMPETITION FORMAT

ENTRY REQUIREMENTS: High School Division

High school teams and/or a local Lodge must complete the Intent to Compete by March 1, 2017. Each team must submit a three-minute video presentation of their idea by March 13, 2017. Videos should be uploaded to a website (such as Youtube or Vimeo) and a link provided via the competition website. Based on a review of the video presentation using the judging criteria (listed below), twenty-one teams will be selected to advance to the KEC finals. KEC finalist teams will be announced March 27, 2017. Teams selected to participate in the KEC finals must submit a three-page executive summary and all presentation slides by April 7, 2017.

ENTRY REQUIREMENTS: University Division

Universities and/or teams must complete the Intent to Compete form located on the competition website by March 24, 2017. Teams selected to participate in the KEC finals must submit a three-page executive summary and all presentation slides by April 7, 2017.

EXECUTIVE SUMMARY

All submitted work must be the original work of the team members. Any submission that does not meet these requirements will be eliminated from the competition.

Executive summaries must meet the following format requirements:

- No longer than three pages
- At least 10 point font
- At least .75" margins on all four sides
- Must be submitted in PDF format

Suggested Executive Summary Content

Business description

Provide an overview of your product or service, target market(s), customers, unique features, benefits, spinoffs, and environmental impact.

Market

This section should describe your target market (using demographics and/or psychographics). Be sure to utilize primary and secondary market research (cite sources).

Competition

Describe and analyze your key competitors.
How will you differentiate your product/service?

Management

Who is on your team and what education, experience, and talents do they bring to the venture? What are anticipated personnel needs now and in the future?

Financial Plan

Describe how you calculated sales, expenses, and capital needs. Describe key figures from the financials that justify financial feasibility.

FINALS: ALL DIVISIONS

ROUND 1

Each team will be allowed up to four minutes and four slides

Immediately following the presentation, judges will have two minutes to ask questions

Audience members are not allowed to ask questions or comment

Time begins when the presenter begins speaking

No prototypes, props, or index cards are allowed

Presenter must be physically present and give the presentation live, in person. Winners must also be present to claim prizes.

Presenters will be scheduled to present in random order. A list with the presentation order will be generated the day of the event

There will be no guarantee of confidentiality; presenters are encouraged to avoid speaking about topics or items that should remain confidential

At the conclusion of round one, judges will select four teams to advance to round two.

ROUND 2

Each team will be allowed up to six minutes and six slides

The presentation should be distinct from the round one presentation and used to build upon the original presentation

Immediately following the presentation, judges have four minutes to ask questions

Audience members will not be allowed to ask questions or comment

Time begins when the presenter begins speaking

Prototypes and props are allowed

Presenter must be physically present and give the presentation live, in person. Winners must also be present to claim prizes.

Presenters will be scheduled to present in random order. A list with the presentation order will be generated following round one

There will be no guarantee of confidentiality; presenters are encouraged to avoid speaking about topics or items that should remain confidential

JUDGING CRITERIA

Judges will use the following criteria to guide their selection of winners. The judges' decisions are final.

High School Division

Market opportunity **50%**

A clear understanding of a customer problem is presented. The product or service adequately addresses the problem.

Innovativeness of the idea **30%**

Founder / team provides something that is distinctive or fundamentally different from current offerings and will give it a competitive advantage in the marketplace.

Likelihood to Launch **10%**

Founder / team presents a venture that is viable and likely to launch and scale for growth.

Management Capability **10%**

Founder / team demonstrates ability to effectively launch and grow company.

University Division

Likelihood to Launch **40%**

Founder / team presents a venture that is viable and likely to launch and scale for growth.

Innovativeness of the idea **30%**

Founder / team provides something that is distinctive or fundamentally different from current offerings and will give it a competitive advantage in the marketplace.

Market opportunity **20%**

A clear understanding of a customer problem is presented. The product or service adequately addresses the problem.

Management Capability **10%**

Founder / team demonstrates ability to effectively launch and grow company.

MEET THE JUDGES



RICHARD AVERY
Pizza Ranch, Emporia

When Rich Avery was 16 years old, he started work for McDonald's, never intending to make the fast-food restaurant business his life's work. But he began to work his way through the McDonald's ranks, becoming an assistant manager, store manager and eventually working as director of operations for seven stores.

After 18 years of experience and learning, along with studying accounting in college where he reaffirmed that sitting at a desk wasn't in his future, Avery left McDonald's when he became intrigued with the Pizza Ranch concept. When he opened his first store for the chain, he ran it himself with the help of his wife and two children. His 10-year-old daughter worked the front register.

Avery now owns three Pizza Ranch stores, two in South Dakota and one in Emporia. When he's not busy in the restaurant, he mentors other entrepreneurs through local programs.



ANTHONY W. "TONY" BORUM
Borum Machine Services Inc., Parker

Tony Borum began his career as an apprentice in 1986 in the precision machine shop owned by his father-in-law. He bought the family business in 2002, growing it and adapting it through modernization and a commitment to excellence.

He's the first to say that he doesn't run a large business, but Borum Machine Services Inc. is a strong business that has withstood significant industry changes. The company remanufactures railroad parts, makes replacement parts for processing and food packaging machines and does machining work for the oil fields. As the oil industry slowed, the food industry increased, and Borum focused on maintaining varied customers who could keep his business strong and "recession-proof."

Borum mentors young workers who come to his shop as apprentices, encouraging them to go on and get their degree, even making continuing education a job requirement.



JEFF BREAULT
Carey, Thomas, Hoover & Breault Inc., Wichita

Jeff Breault has been an advisor in the financial services business since 1986. He has developed a loyal nationwide client base, focusing on identifying client goals and designing financial strategies to achieve them. Jeff has a very entrepreneurial mindset, forming his own brokerage company in 1995 along with other business ventures.

Jeff advises individuals, non-profits and corporations. Working with business owners has given Jeff a broad experience base and insight into what factors contribute towards a successful business. A lifelong Kansan, he values the integrity and work ethic the Midwest is known for and feels that it's been a great part of his business success. Jeff serves on several charity boards and has a passion for classic cars.

MEET THE JUDGES



BRIAN BYRD
Landvest Corporation, Wichita

Brian Byrd is an owner of Landvest Corporation, a commercial real estate company based in Wichita. In addition to leading his sales team in the management of nearly 60 different businesses across the United States, Byrd serves as a regional and national speaker on sales, marketing and employee relations.

In addition, assists in consulting on various aspects of business from startups to packaging deals for purchase and sale.



RONALD L. CAPPS
Capps Manufacturing, Wichita

Co-owner and vice president of Capps Manufacturing, Ronald L. Capps has been in the aviation industry since he started his professional life. After working 19 years for Boeing Commercial Airplane Co., Capps joined the family business his father, Barney L. Capps, started in 1983, bringing extensive experience in industrial engineering, Lean manufacturing, operations systems and other concepts.

Capps Manufacturing is one of the largest family owned aerospace manufacturing company in the Midwest. The company specializes in stretch form and fabrication of detail parts and assemblies.



SKY GOODWIN
Multiple business lines, Goodland

An attorney with an undergrad in finance, Sky Goodwin's career path has focused on troubleshooting, operations strategy, and efficiency. Although he is working full-time at his family's business today, he keeps his hand in entrepreneurship with his own businesses and as an angel investor. After getting his juris doctorate specializing in transactional law, Goodwin earned a master's in business operational excellence and his Lean Six Sigma black belt. He's currently enrolled in the Graduate School of Banking in Colorado, a three-year master's level program.

Goodwin began teaching himself to write software when he was 12. After graduation, he worked primarily as a management consultant, writing software to automate accounting and business processes and developing beta software for startups. Sky has also served as Director of Investments for a venture capital firm. Today, he serves as VP of Operational Excellence for BankWest of Kansas, practices law in the Goodwin Law firm, and is a partner with Solve4X, which offers tactical consulting services to help companies tackle whatever their main problem (X) might be.

To feed his left brain, Goodwin founded Strategic Property Transformation, which helps homeowners with strategic remodeling in order to maximize returns when selling their home. SPT has a subsidiary, Frame Escape, a company that creates art in wood and metal.



PAUL HONAKER
Paul A. Honaker, CPA, PA, Topeka

With 30 years of experience in providing financial accounting services, Paul Honaker enjoys helping a wide array of individuals and businesses. Through his Certified Public Accounting firm, he has worked with small- to medium-sized businesses, individuals and many not-for-profit organizations to provide services from auditing to income tax planning and preparation to estates and trusts.

Honaker also has more than 12 years of experience in financial planning, investment and insurance products. Previously a chief financial officer for a food distribution wholesaler, he enjoys the opportunities found in owning his business. His background in the Kansas Army National Guard, where he began as a small arms repairman and left as a 1st Lieutenant finance officer in the Finance Branch, helped him build the skills necessary for running a successful business.



JOHN STEVEN "STEVE" MOLSTAD
Colby Canvas Company, Colby

Steve Molstad's canvas company, which makes everything from awnings for residences and sports fields to customized boat covers to tractor covers, and other new product lines of dairy barn sidewalls and oil drilling rig weather shelters. In July, he was scrambling to make last-minute orders, usually repairs on canvas that had been stored since last year, for nearby county fairs.

It's a good place to be, and Molstad is glad he and his brother continued the family business his dad started in the 1960s. But his dad wouldn't recognize the business today, as the brothers had to make changes to stay competitive. His father was primarily a manufacturer, and now Molstad runs a custom fabrication shop, where virtually each thing they make is one of a kind.



L. KENT NEEDHAM
First Security Bank, Overbrook

Generations of Kent Needham's family worked in the banking business, and as a young boy of 9, he dumped trash and filed checks in the family bank after school. While attending Fort Hays State University, where he graduated with a B.S. in Business with majors in finance and economics, he continued working at banks, and a variety of other jobs. He received an MBA with emphasis in banking and finance from Wichita State University and graduated from the Colorado Graduate School of Banking in Boulder. Needham began his post-graduate career working for Western National Bank, Amarillo, Texas, but wanting to raise his family in Kansas he accepted the position of Executive Vice President at Farmers Bank & Trust in Great Bend. From there, he held leadership Positions as President and CEO of the First State Bank and Trust in Tonganoxie, before recently taking the positions of Chairman of the Board, President and CEO of First Security Bank, Overbrook. Needham believes in being an advocate for his profession and has been very active with the Kansas Bankers Association where he served as chairman, the American Bankers Association, the Kansas/Nebraska School of Banking and was trustee and chairman of the Graduate School of Banking in Colorado. Through the Financial Services Volunteer Corp., New York City, he volunteered in Russia, working with that country's financial industry on strategic planning. He currently serves on the board of the FHLBank of Topeka.



BRENT SADLER
Web Creations & Consulting, LLC (WCCIT), Salina

Brent started WCCIT in the basement of his house in 1995, building computers and designing websites, a skill he learned at Kansas State University after serving in the U.S. Navy for six years. The company quickly outgrew its sparse beginnings, and today, he works with multiple clients, serving as chief information officer and/or security officer for healthcare, legal and manufacturing companies.

In the healthcare world, Sadler and his WCCIT staff provide full HIPAA risk assessments, focusing on security, proof of compliance and other issues critical to supporting healthcare businesses. WCCIT also supports legal entities and law firms. With his extensive security experience, Sadler provides expert opinions on IT and serves as an expert witness.

WCCIT wasn't Sadler's first business. In the mid 1990s, he started Mid-Kan Internet, which was the first internet provider in North Central Kansas; then started Slappys Electric Paradise, an internet PC and console gaming café with DVD rentals.



STEPHEN L. SAUDER
Value-Line, Valu Net, Emporia Radio Stations Inc., Emporia

Steve Sauder has been an entrepreneur since his graduation from Emporia State University in 1968. He co-founded Valu-Line, the first alternative long distance telephone company in Kansas in 1981, acquired Emporia's Radio Station Inc., in 1986, developed numerous real estate projects, became the principle partner in a hotel company in 2001 and co-founded Valu Net, an all-fiber telecommunications company serving the Emporia area, in 2011.

Sauder served his Emporia community in many ways including as Chairman of the United Way Drive, the Emporia Area Chamber of Commerce and the Regional Development Association. At Emporia State University, Sauder twice co-chaired capital campaigns; the most recent as "Champion for Athletics" in the University's successful \$55 million Now and Forever campaign. ESU honored him with the Joe Cannon Service Award in 2014 and named him a Distinguished Alumni in 2016.



JEFFREY L. SOWDER
Rancher, Min Mix Minerals, CW Feed Products, Sowder Seed Co., Toronto

Jeffrey Sowder started working in his father's feed store, founded in 1947, when he was 12 years old, and he's worked there ever since. But today, that small-town store, Sowder Seed Co., services a much wider territory and has satellite sales people and stores in three locations. In addition, Sowder bought CW Feed Products in Wichita, expanding it after its purchase in 1999.

As a rancher running about 1,000 head, he also operates a wholesale mineral and feed business, Min Mix Products. Sowder developed his own line of cattle minerals in the 1980s, and they began to be in demand as other ranchers heard about the product.



MIKEL J. STOOPS
Three Sisters Inn, Baldwin City

Mikel Stoops entered the workforce as a union electrician, completing the apprentice program. He returned to school for more training and began to work as a process control systems engineer, designing and programming large processes.

Although working to handle programming and design of complex processes in biodiesel facilities or pharmaceutical companies was interesting, Stoops spent his free time perfecting his skills as a chef. Though he never wanted to own a restaurant, when the opportunity to buy the Three Sisters Inn, a bed and breakfast in Baldwin City, Kansas came up, he took it. Today, he lives at the Inn with his wife and spends his days concocting delicious food for his guests.

MEET THE JUDGES



FREDERICK "RICK" REICHERT
Sprint, Lansing

Rick Reichert set the path for his professional career in the Army, where he was a signal officer, working with strategic communications, command control systems and intelligence systems.

His 20 years in the military gave Reichert the training, leadership experience and ability to take on increasing challenges, and he moved into the world of telecommunications when he got out. After working for AT&T, Reichert went to work for Sprint in Overland Park. He has held various positions in the Network Services Group, managing the third-party business that does network operations for Sprint. He is in demand as a speaker and trainer in organizational planning facilitation and leadership.



LINCOLN L. WILSON
Lincoln Wilson Enterprises, Inc., Goodland

When he was 16 years old, Lincoln Wilson began a small business cleaning up yards.

Since that time, he has ventured into numerous businesses, many of which he ran concurrently. As president and CEO of Lincoln Wilson Enterprises, Inc., he operates a mortgage company, a hotel and management company, a restaurant and lounge within the hotel, a private investigation company (where he was one of the first 10 African-American licensed investigators in Colorado), and he partnered with his wife in a retail business. When he purchased the Howard Johnson Hotel in Goodland in 2004. He sold that property 2-months shy of his five-year exit strategy. He increased revenues from \$55,000 a year to an average of \$1.3 million.

With multiple awards and honors to his name, Wilson is philosophical about entrepreneurship. It's changed, he said, from when he was a child and was taught that opportunity only knocks once. As he grew older, he realized the truth: "Opportunity today is greater than it has ever been; it involves being prepared to recognize it when it knocks."



MICHAEL WILSON
Niall Luxury Goods, Overland Park

When Michael Wilson was 16 years old, he started an after-market auto accessories company, building it large enough that he could sell it before he went to college, where he got his undergraduate degree in two years and a master's in one year.

He worked in marketing for about four years before starting Wavelength Media, which he sold three years later. Finally, though, he found what he calls his business "soulmate" in founding and operating Niall Luxury Goods, a company that sells top-quality timepieces and will soon add other luxury items. Everything but the movements is made in America. The luxury watches are a brand meant to "honor those who are all in, an anagram of Niall," he said.

