

MARKHAM SPACE RACE

Join the Race...
And Your Business May be Moving Up in Style

**Markham Space Race Competition Guide
September 2008**

All applications must be submitted by October 19, 2008

Please email application to markhamspacepace@gmail.com



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1.0 Announcement

Markham Space Race Competition provides a platform for Canadian small early-stage businesses to demonstrate their skills and growth potential and compete for valuable business awards – gaining constructive feedback and visibility in the process.

This initiative is being launched to encourage entrepreneurs across Ontario to think “Growth and Innovation” in planning the future of their businesses. As Canada's High-Tech capital, we're delighted to be supporting and encouraging new technology investment in Markham with the help of our partners, GWL, Colliers and IFG Canada," said Stephen Chait, Director of Economic Development at the Town of Markham. "The competition supports the corporate goals and objectives of each of the sponsoring organizations and will give a growing business a chance to thrive."

At all stages of business, successful companies must make plans and successfully implement them – preparing for, and adapting to, changes along the way.

In the Markham Space Race Competition, early stage companies are competing to demonstrate the most promising growth plan over the next 12 months in terms of revenues, employees, and prospects for long-term growth.

While the competition is open to any Canadian company, awards include one year of furnished office space in Markham, and a range of professional services delivered from their offices within the GTA.

2.0 Participation Requirements

Applicants are required to complete the application form, in accordance with the competition rules and guidelines set out in this document which can be downloaded from www.markhamspacerace.ca.

2.1 Eligibility for Participation

Participation in the Markham Space Race Competition is open to all companies meeting the following mandatory requirements:

- must be incorporated within Canada.

Companies where the principle owners, or their immediate families, are employees of GWL Realty, Colliers International, IFG Canada and the Town of Markham, are ineligible to participate.

Applications received which fail to satisfy the eligibility criteria may be deemed ineligible to participate in the competition.

2.2 Application Process

Applicants must complete the Markham Space Race Growth Plan Application Form, which must be downloaded from www.markhamspacerace.ca.

All applications received will be acknowledged by email within 3 days of receipt. It is the responsibility of the applicant to verify that their application was acknowledged, and if necessary to contact the competition organizers to resubmit. All applications must be emailed to markhamspacepace@gmail.com.

The deadline for on-line application is midnight on October 19, 2008.

Please Note: Competition staff reserve the right to disqualify applicants based on submission of improper, illegible and/or incomplete applications on a without notice basis.

2.3 Judging

Judges will be composed of members from the Entrepreneurs Organization.

2.4 Primary Judging Guidelines

The judges will review the Growth Plans and, based on their independent business judgment, evaluate applications based on the following primary guidelines:

- 1) Does the business add significant value that can be scaled and marketed globally?
- 2) Does the Growth Plan have potential for the business to eventually grow to over 25 employees?
- 3) Will the Growth Plan likely lead to significant revenue growth by December 31, 2009?
- 4) Does the company have the resources and ability to execute their Growth Plan?
- 5) How will the office space help achieve sales growth?

Based on these primary guidelines, the judges will evaluate each application to learn:

1. Does the Growth Plan illustrate an attractive and realistic market opportunity for the company, based on the following?
 - Does the Growth Plan include credible information on market size, timing, and growth rate?
 - Does the company offer sufficient differentiation to attract new companies or customers and to change the behavior of existing customers? Is it possible for the company to take a leadership position in the market? If so, is the company pursuing this objective, and do they know what it will take to achieve the objective?
 - Does the Growth Plan adequately summarize the competitive landscape and convey a strong competitive strategy? Does the company have a patent or license or other proprietary advantage that limits direct competition?
 - Does the Growth Plan describe a profitable and scalable business model? Can the company make money in this business? Can it grow to a mid-sized company in time?
 - Does the company's revenue come from reselling products?
 - i. Does the company generate at least 50% of its revenue from its own added value?
 - ii. Is the company free to export product to all foreign markets?

2. Is the product (or service) ready for market?
 - How long has the product (or service) been on the market?
 - Has the product (or service) been extensively used by customers already?
3. Are the revenue projections in line with the market opportunity?
 - Does the Plan describe how the company will generate sales?
 - Are adoption rates, sales cycles, and selling costs realistic?
4. Are the financial projections in line with the business opportunity?
 - Is there a clear financial plan?
 - Is the business adequately financed?
 - Does the company have sufficient cash (debt, equity, and expected cash-flow), to fund operations through the end of 2008?
5. Does the history of the company support the plan's claims?
6. Does the management team have sufficient breadth, balance, and quality to execute their plan?
 - Is there a management team in place or being built? Do members have relevant experience and track records?
 - Will any current gaps limit the company?
7. What business risks' does the business face and what preparations are in place?

Please Note: All decisions of the judging panel are final and binding on all applicants. The judging panel reserves the right to disqualify any applicant that, in its sole judgment, fails to adhere to any competition rules or guidelines or otherwise engages in any unethical or other inappropriate conduct. Applicants acknowledge that the judging process involves a high degree of personal judgment and subjectivity on the part of the event judges in applying the above general guidelines.

2.5 Information Accuracy Release

Applicants will be required to authorize an Information Accuracy Release, in the form below, as part of submitting their Application form.

By submitting this application, I hereby confirm that the information provided in this form and any other materials or information provided to the Markham Space Race Competition is true, accurate and complete to the best of my knowledge and belief.

I understand that the information I provide on this application will be used by the sponsors and the independent panels of judges in selecting award recipients and I consent to the use of such information for that purpose. I further consent to the use of such information for research, educational, or any purpose as long as such use does not divulge my identity, or the identity of my company, to any person other than the sponsors, the judges and their related entities.

I also understand that the information in the on-line application will be provided to the sponsors of this program and their related entities. The sponsors may use this information to identify products or services which may be of interest to me or my company.

If I am selected as an awards finalist and/or awards recipient, I hereby agree to participate in follow-up press and promotional activities and authorize the release, reproduction and/or other use, in connection with the Markham Space Race Competition, of my name, my company's (or organization's) name, non-financial information, photographs, video, audio, Internet or other recordings of myself in any form or kind of media, from whatever source whatsoever. I agree that no compensation shall be due me or my company for such release, reproduction and/or usage.

The Markham Space Race Competition reserves the right to do further background investigations of applications and their companies which may include media searches, credit history or record of offence searches and the I hereby consent to the collection and use of such information in the evaluation and judging process.

3.0 Competition Awards - Special Considerations

Due to the personal nature of the awards, a number of special commercial terms will apply.

For example:

- Awards can only be used by the businesses referenced in the application and are strictly non-assignable and non-transferable to any other persons without exception. For example, the 1st place award winner is required to use the office space for the specific business referenced in its particular growth plan;
- The lease and use of furniture is for the period of January 1 to December 31, 2009 only;
- To receive the First Place Award, the applicant must execute a lease agreement, provide proof of fire and liability insurance for the lease term, and cover the costs for: insurance, moving in and out of the premises, and telephone and internet services beyond those provided in the award.
- Judges (at their sole discretion) may preclude an applicant from receiving the First Place Award if the applicant lacks the financial or management resources to handle the double relocation associated with this award. In such case, the applicant will receive a lesser award.

4.0 Legal Considerations

All Markham Space Race Competition judges and organizers having access to application information agree to respect the confidential information of competition participants and use such information within the scope of the competition and its rules and guidelines. All Markham Space Race Competition judges and organizers have signed a Space Race non-disclosure form.

Any taxes connected with any awards and any reporting of any such taxes are the sole and exclusive responsibility of the award recipient.

As a condition of receiving any competition awards, winners may be required to sign and return a further legal declaration and release in favor of the competition's organizers and sponsors.

Applicants are advised to minimize the disclosure of sensitive and/or personal information (especially information that does **not need to be disclosed** to satisfy the primary judging guidelines outlined above) such as:

- Technical disclosure of unprotected inventions or trade secrets,
- Detailed disclosure of major bids or pending contracts,
- Detailed customer lists,
- Any information covered under a non-disclosure agreement.

As noted above, non-financial information provided in the on-line application may be made publicly available by the event organizer as part of their public communications activities to promote the competition.

All Markham Space Race Competition judges and organizers with access to application information will be asked to identify any conflicts or potential conflicts of interest and, in the case of judges, to remove themselves from participating where any such conflict or potential conflicts arise.

Competition organizers and sponsors are not responsible for any inability of an applicant or potential applicant to participate in this event due to force majeure or other events beyond their control.

Every competition award is provided on an "as is" basis without warranty of any kind, either express or implied, and the event organizers and sponsors expressly disclaim all implied statutory or common law warranties of merchantability, fitness for a particular purpose or otherwise.

All issues and questions concerning the construction, validity, interpretation and enforceability of these event rules and guidelines or the rights and obligations of event participants or event sponsors shall be determined under, governed by and construed in accordance with the laws of the Province of Ontario.

The competition organizers reserve the right to change any rules of the competition at any time. The current rules will be posted on the website www.markhamspacepace.ca. It is the responsibility of the participant to check the rules for any changes.

Only finalists and winners will be contacted by the competition organizers.

5.0 Contact Information

Any questions about the Markham Space Race Competition should be directed to:

Brigitte Sharpe

Bus: 416-738-4878

Email: markhamspacepace@gmail.com