



2017 Competition Process and Criteria

NACO's Most Promising Startup of the Year

NACO's annual Entrepreneur's Showcase celebrates dynamic early-stage companies that have demonstrated successful growth and whose outstanding achievements have made them some of Canada's most promising startups. The 2016 Showcase will take place in Vancouver, during the 2017 World Angel Investment Summit (October 2-5).

Following the application period, a minimum of 15 Canadian and 15 international (up to a maximum of 50 total) finalists will be invited to attend the 2016 National Angel Summit and will vie for the attention of investors to be crowned the Most Promising Startup of the Year. This year, both a Canadian and an international company will be presented with this award. Companies will have the opportunity to present and meet with some of the Angel investors, venture capitalists and industry leaders in attendance. Each finalist will receive one complimentary registration to the Summit.

The winners will be selected by National Angel Summit attendees and be crowned as *NACO's Most Promising Startup of the Year*.

Eligibility Criteria

The companies submitted must meet the following criteria:

- Be a promising, growth-oriented, young company in existence for less than 5 years
- Be follow-on investment ready and looking to raise a follow-on round
- Be submitted to the competition by a NACO member or industry partner in good standing (the "Sponsor") who has invested and is investing in the company
- Have a committed team that has validated the market opportunity with customers and is poised for rapid growth
- Have demonstrated a business innovation that represents a breakthrough from conventional ideas or methods in its industry

NACO will be inviting a minimum of 15 Canada and 15 International companies to participate – up to a maximum of 50 companies, in total, will participate.



Rules

- All applications must be submitted by a NACO member or industry partner portal **by Friday September 8th, 2017 (11:59pm EST)** in order to be considered as part of this competition
- Evaluation of the application will be done using the [F6S Link](#) profile. No other documentation will be considered
- If selected as a semi-finalist, both the CEO and the referring NACO Angel member or industry partner must be able to travel to the 2016 National Angel Summit at their own cost and attend between October 2nd and 5th (conference fees will be covered)
- One representative from each company will have their conference fees covered by NACO, other members are welcome to attend and will receive a discount on their pass

Responsibilities of the Sponsor

The Sponsor is responsible for

- Recommending the company for evaluation through the NACO portal
- Co-hosting roundtables with investors and facilitating a meaningful dialogue
- Support the entrepreneur in attracting investors to the roundtable sessions such that the company qualifies for the award (15 evaluations minimum)
- Facilitate other investor meetings throughout the conference

(Companies will be invited to report how many investor meetings they had)

Awards, Recognition and Benefits

The two winners of the 2016 Competition will be recognized as *NACO's Most Promising Start-up of the Year* and will receive an award, during the Gala Awards Ceremony on October 4th.

Finalists (up to 50 start-ups, minimum of 15 Canadian and 15 International):

- Will receive one complementary registration to attend the 2016 National Angel Summit in Montreal Quebec, October 2-5 2016 (CEO must attend)
- Will meet with a minimum of 10 investors with experience specific to their sector in a "speed-dating" format after the workshop



Selection Process

Companies submitted will be considered and voted on by NACO's Award Selection Committee members through GUST until August 31st. Companies will be selected by the committee based on the strength of their submissions.

During the Summit, the 50 or less finalist companies will be evaluated by participating investors from across Canada and around the world.

Two Award winners, one Canadian and one International company, will be chosen by investors who meet with the companies at the Summit.

Judging Criteria

Evaluation criteria are based on the **NACO Academy Module #103 – Adding Value through Due Diligence.**

The focus is on insight and not hygiene or pre-money valuation (we are interested in the quality of the company and the opportunity. 'Hygiene issues', discussions of valuation and deal structure may come later in conversations with interested investors however are not factors considered in evaluation).

Insight Investors are seeking - What is the 'Wow' factor for this investment?

- Management team has relevant experience for the market opportunity
- Market validation - the diligence of validation of market pain and understanding of the 'sweet spot' for market entry
- Market opportunity - the size of the opportunity and company's readiness to address the market
- Competitive advantage of the product/service offering and expected sustainability of that advantage
- Valuation growth - understanding of the drivers of valuation growth (why and how the company will become more valuable)
- Social impact – how will the company have a significant positive impact on society or the environment?

Investors will score the company on a scale of 1-10 for each of the above factors. Company must be scored by a minimum of 15 investors to be considered for the award.

Scores will be normalized.



Selection Process Timelines

- August 8th – August 24th– Submissions accepted from NACO Angel group members and individual investors through the NACO online investor portal
- August 24th – August 30th – Companies evaluated and selected by an independent committee of expert judges
- August 31st – finalists notified (recipients only)
- Oct 2nd 12:00pm – Companies will be required to be on-site at the conference.

Questions

For more questions on the showcase and selection process, please contact Adam Anshan by email at aanshan@nacocanada.com