



The HSBC Young Enterprise
Innovation Awards 2011

Company Judging Guidelines and Criteria

Young Enterprise UK National Patrons & Supporters 2010

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In addition to these national supporters another 3000+ companies and organisations support our activity across the UK.

Young Enterprise is proud to have the support of so many organisations, but further funding is needed in order to inspire and equip even more young people to learn and succeed through enterprise. If your organisation is not already involved but would like to be, we would be very pleased to talk to you.

www.young-enterprise.org.uk



HSBC Young Enterprise Innovation Awards

HSBC is proud to have supported Young Enterprise for 29 years. There are many Young Enterprise programmes but all focus on helping young people understand more about business and enterprise - over 300,000 young people took part in them last year.

As a business leader, it is very encouraging to work with students who want to gain experience of business and enterprise. You will be the employers and employees of the future and the skills you gain running your YE company - such as teamwork, communication, confidence - will give you a head start in your career.

Company Programme is Young Enterprise's longest running and most popular programme. Last year over 35,000 students formed more than 2,500 companies under both Company and Team Programme. They were helped by more than 5,000 business people from over 2,000 organisations, who gave up their time to be business advisers, and of course, their link teachers.

I hope that your company will decide to take part in the competition. Challenging yourselves through local and then, if you are successful, regional competitions, and presenting your company and achievements to a judging panel, will give another dimension to your learning. It may seem nerve-racking but you will learn an enormous amount.

The competition allows you to highlight the innovative approaches you have adopted to overcome problems and the key lessons learnt by team members. Your company does not necessarily need to have been financially successful to succeed against the Young Enterprise judging criteria - innovation, a sound understanding of business and the development of business knowledge are just as important.

The UK winners of the HSBC Young Enterprise Innovation Awards go on to represent the UK in the JA-YE Europe Company of the Year competition - a fantastic experience and a great honour. This year's winner was 'Thirteen' from Colchester. The company created a place mat to encourage children to eat more fruit and vegetables and went on to take second place in the European company of the year competition.

Good luck running your company. I hope you will enjoy the experience and I look forward to meeting some of you at the national finals next July.



Peter Bull
Head of HSBC in the Community
HSBC Bank Plc

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The HSBC Young Enterprise Innovation Awards. Introduction to the judging guidelines and criteria

The HSBC Young Enterprise Innovation Awards are our annual celebration of the achievements of our students and their companies. It is a tremendous achievement for each group of students who complete their Young Enterprise year and proudly present the results of their company and their learning.

Through the competition process, Young Enterprise enables Young Enterprise companies to appear before independent judges who will take a view as to how well they have performed against the Young Enterprise criteria, compared to the other companies at each stage.

The Young Enterprise competition is not simply a business competition for young people. We are attempting to balance a view of the business achievements of each team as a whole with their individual personal development.

Therefore, to win an award it is not sufficient just to run a financially successful company or to have created an exciting product. Company members must also demonstrate that they understand how and why the company performed as it did.

Young Enterprise and the HSBC Group believe that innovation is so fundamentally important to business success that we have reviewed the awards and developed the criteria to emphasise this. Judges will be looking for evidence of innovation, the successful exploitation of new ideas in all aspects of the running of the company and an understanding that continuous improvement through innovation is essential to the success of a business.

Eligibility for the Competition

Area Boards should follow the guidelines set out in this brochure to select their winning company. This will ensure that all companies competing at regional level have been selected using the same criteria and no company will be disadvantaged.

To be eligible, all companies must have:

- a. registered and paid the registration fee
- b. submitted a report in accordance with the requirements set out on page 6
- c. not exceeded the authorised share capital limit of £500 unless permission of the Area Board has been granted (the Company report should highlight why this was necessary)
- d. not traded in prohibited products (see the insurance cover and legal responsibilities section of the programme web site especially regulations relating to food)
- e. kept strictly to the rules laid down by Young Enterprise regarding financial and other support, grants and donations.

Young Enterprise companies may only accept support, grants or donations from supporters, schools or colleges to cover all or part of the cost of registration (£80.00) or the qualification fees. Companies may and are encouraged to seek support to cover the cost of taking part in special events such as national or international trade fairs. Such support must be fully detailed in the Company Report.

It is against the basic principles of Young Enterprise for groups to take over and run businesses passed on to them by previous Young Enterprise companies or other concerns. Company Programme students or companies found to be participating for a second year will not be allowed to take part in the competition.

March/April

Young Enterprise companies prepare their reports.

April/May

All Young Enterprise companies attend and take part in Area Board and/or County Board presentation events.

By end May

County Boards submit the best Company Report to regional office for the Regional Finals.

June

Regional Finals are held in each of the regions. The winning company in each region is invited to take part in the national final.

July

National Final. The winning company receives the HSBC award. Second and third prizes are also awarded. The winning company will represent the UK in the JA-YE Europe Company of the Year competition.

July/August

JA-YE Europe Company of the Year competition.



How will Young Enterprise Companies be judged?

Locally

At local level, there is some variation in the judging process. However the indicators for assessing the performance of each company should always be the same and should remain constant throughout the competition. The indicators are listed on the score sheet and indicator guide pages.

Many local competitions include a range of awards for elements of company performance in addition to the top company award. Look out for details of those awards from your local board.

Regional Competitions

At regional level, judges focus on three stages and apply the same criteria to each.

The Three Stages are:

- **Company Report** – the report must comply with the guidelines and rules set out on page 6, a maximum of 10 sides of A4 is permitted (excluding the cover), with no additional appendices.
- **Trade stand and interview** – arrangements for interviews and space for trade stands will vary from event to event; look out for the instructions from your local board.
- **Presentation** – a maximum five minute presentation; see guidance on page 7.

At local level, these stages may not take place in the order indicated.

At each stage, the judges make an assessment of the aspects of the company revealed at that stage and score company performance. Scoring will be amended at each stage as the judges learn more about the company.

It is not expected that all indicators will be covered at every stage. Companies should consider how best to communicate their performance in each indicator across the different judging stages.

For example, the members of one company might give prominence to the company's financial performance during their presentation to strengthen their response to that indicator. The members of another company may choose to emphasise the research and development of their product range as a key element of their presentation.

There is no winning formula. Each Young Enterprise company is different and must use its judgement to decide how best to convey the strengths of its members' experience to the judges, telling appropriate elements of their unique story through the competition stages. After the final stage, the judges have the complete picture and can give final scores to each indicator.

In scoring each indicator, judges examine how well the company performed and to what extent company members have shown that they understand their performance and the business principles involved.

50% of the marks will be given for company performance and 50% for understanding.

UK Final

At the UK final, judging includes a panel interview and a five-minute presentation.

All UK finalists receive a comprehensive briefing in advance of the national competition event.

Note: At all stages of the competition, the judging panels are made up of members of the business and education communities. In each instance of judging, the decision of the panel is final and Young Enterprise will not enter into debate about the result.



Company Report

The Company Report is the opportunity to summarise your team's year in business. It is an important record of what you have achieved. Each company member should keep a copy with their Achievement Record.

To help the competition judging process and give you some guidance on what is expected, below is a list of the rules you must follow and some guidelines on content.

Rules

The report must be written by the company members and must be original and innovative in approach, not based on a template from previous years.

- **Cover – the cover is in addition to the permitted 10 pages. It must include:**
 - Company name
 - School/college and link teacher
 - Advisers and companies
 - Young Enterprise Area Board
 - whether interim or final accounts.
- **Maximum 10 sides of A4, easily separated for photocopying (no additional appendices allowed)**
- **Body copy size to be 12 point minimum**
- **Page 1 must begin with a contents list and also contain an executive summary to include:**
 - Company name
 - Mission statement
 - Product/service
 - Summary of financial results
 - Summary statement of company performance
- **The company accounts must be prepared to the company liquidation date, showing Young Enterprise VAT and Young Enterprise Corporation Tax paid, balance sheet, profit and loss account and liquidation report.**

Or:

An interim report which must show provision for Young Enterprise VAT and Young Enterprise Corporation Tax. Also to include balance sheet, profit and loss account to date.

Note: Whether accounts are final or interim, they must be verified and signed by your adviser.

Guidance

The rest of the report should cover all aspects of the company performance but should read as one businesslike document, not as a series of repetitive directors' reports. The report should demonstrate the company's development through problem solving and innovation and should highlight the company's achievements.

A recommended approach is to ask each director to write a brief report of his/her activities and then for one director to draw the information together into one readable document.

- There should be a review of the students' development as individuals and as a team. Company membership and structure should be illustrated.
- Any special activities such as exporting, attending European trade fairs or visiting companies for training should also be included.
- Companies are encouraged to include photographs of their product or service.
- The use of word processing to produce the report is expected.



Trade Stand and Interviews

The stand contents (excluding any provided shell system) must have been produced and funded by the company.

At the stand, the judges will examine the display and interview the company members. Judges may visit the stand as a team or individually.

Stands should show the following:

- Name of the company
- Name of school/college
- Advisers and their companies
- Young Enterprise Board
- Product/service presented, as if at a trade fair
- Highlights of sales and financial performance.



Company Presentation

- Maximum presentation time – five minutes (this may differ at earlier stages).
- Style – businesslike but not necessarily to exclude the use of humour.
- The presentation team must not exceed five company members (including any visual aids operator).
- The presentation should summarise the key experiences and achievements of the company. Try to bring the highs and lows of your year to life for the audience. How you have learned from your mistakes is as important as your achievements
- Visual aids must be produced and paid for by the Young Enterprise company itself and be identifiable in the company accounts. Audio tapes are not permitted other than for minimal complementary music.
- The use of computer software, in particular PowerPoint, to create visual aids is encouraged and a single video clip or animation of no more than fifteen seconds duration, used only once, may be incorporated into a PowerPoint presentation. However, the limitations of venues and availability of the necessary hardware/expertise means that computer-supported presentations cannot always be accommodated at every level of the competition (even if Young Enterprise companies are prepared to bring their own equipment). In preparing your presentation you must not make any assumptions about what computer facilities will be available at each final but must check with the relevant Young Enterprise organisers to identify what can be accommodated. No additional credit during the judging process will be given for the use of video.
- UK finalists receive a full briefing on the facilities available at the National Finals.



Indicator Guide

To be read together with the score sheet on pages 10 and 11.



1. Communications

- How did the company communicate and how effective were communications?
- Did the company change/improve communications?
- Do company members understand that effective lines of communication travel up from the 'workforce' as well as down from 'management'?
- Did company members keep their shareholders informed?

2. Company administration

- How did company members allocate people to roles? Did this process change over the life of the company?
- Did the company consider remuneration, disciplinary procedures, training and health and safety issues?
- How did company members keep everyone motivated and do they convey a strong sense of team spirit?
- How was the company structured and was the structure changed in response to difficulties encountered?
- What personnel problems were encountered and how were they resolved?
- Did the company have an effective system to manage and record its activities?
- Was IT used appropriately to support company administration?
- Do company members understand the importance of effective administration?
- Did they have to tackle any legal issues relating to their activities, e.g. copyright, insurance on import/export?
- How was the company's financial performance reported to company members?

3. Customer focus, marketing and sales

- Is the company customer-focused?
- Did the company carry out market research, understand what it told them and respond appropriately to the information gathered?
- What elements did the company consider in developing its marketing plan?
- How did the company respond to the customers' reaction to their product/service?
- Did the company serve a market outside the immediate school/family environments?
- Do company members understand why their product/service was a success?
- What sales and promotional techniques were employed and how effective were they in maximising sales?
- Do company members convey the qualities of their product and an enthusiastic approach to promotion via their trade stand and presentation?

4. Financial Systems and Results

- Did the company make an acceptable profit against the background of the company's product/service and circumstances?
- Has the company paid or made provision for the payment of Young Enterprise VAT and Young Enterprise Corporation Tax?
- Do all company members understand their financial performance and concepts such as cash flow, profit and loss, balance sheet etc?
- Were any activities taken to control/improve financial performance; was there good financial control?
- Do company members understand their responsibility to shareholders?

In all indicators, judges will be looking for innovative approaches to meeting the challenges of running a company. They will also be looking for flair, creativity and enthusiasm at each stage of the judging process.

5. Innovation and entrepreneurship

- To what extent is innovation built into the company's ethos?
- In what ways did the company encourage the practice of continuously innovating new ideas ie suggestions, recommendations which add value to the company's operations?
- Did the company demonstrate entrepreneurship and innovation?
- Is the product innovative in any respect?
- Has the product or service been developed in any innovative ways?

6. Objective setting/planning/review

- Did the company have a clear business plan with documented mission and objectives?
- Were objectives regularly reviewed and updated?
- Do company members understand why clear objectives are important?
- Is there ownership of the mission, are there shared values?

7. Problem solving

- What was the greatest problem company members encountered in producing their product/delivering their service and how did they tackle the problem?
- How did company members apply and check the effectiveness of their solutions?
- Did company members learn from their problems?

8. Product development

- How did company members choose their products/services?
- To what extent did and at what stage were customer needs assessed?

- How was the product/service designed and were there any technical or manufacturing challenges to be overcome?
- What consideration was given to pricing and profit margin(s)?
- How were quality standards maintained?
- Was IT used appropriately to support product development?

9. Skills and understanding

- How well did all members of the company build their understanding and knowledge of business systems and how the functions interact, e.g. finance, sales, administration, etc?
- Do individual function directors and team members demonstrate a good knowledge of their sphere of activity and do they convey understanding, enthusiasm and commitment?
- Were any technical processes involved in product manufacture or service operations and to what extent did company members have to develop new technical skills to meet the company's objectives?

10. Team work

- How well did the company work as a team?
- Was there clear leadership? Did company members understand their roles and the inter-relationships between roles?
- How were leadership skills developed?

IMPORTANT

This list is designed to give everyone involved guidance on what is meant by each indicator. It is NOT an exhaustive list of judging questions.



Judges' Score Sheet

Young Enterprise Company Assessment Table



Company Name: _____

Indicators (see pages 8-9)	Max. Points 50% Performance 50% Understanding	STAGE 1		STAGE 2		STAGE 3		Max.
	Max. 100	Comment	Score	Comment	Score	Comment	Score	Max. 100
1. Communications	10							10
2. Company Administration	10							10
3. Customer focus marketing and sales	10							10
4. Financial systems and results	10							10
5. Innovation and entrepreneurship	10							10
6. Objective setting/ planning/review	10							10
7. Problem Solving	10							10
8. Product Development	10							10
9. Skills and understanding	10							10
10. Team Work	10							10
Total	Max. 100	Initial Score		Amended Score		Final Score		Max. 100

NB: Scores are not added together across each stage. The initial score of each indicator is reviewed and amended up or down in the light of the additional information provided at stage 2 and again at stage 3, to settle on a final score.

In considering the score for each indicator, 50 per cent should be awarded for the company's performance and 50 per cent for the understanding of that indicator, demonstrated by the company members.

Scores are for judges' use only, to record their impressions and guide their decision-making. It is not intended that simple scoring should be used to make the judging decision. Scoring enables the judging panel to settle quickly on a shortlist of potential winning companies. The final decision on award winners should be made by judges in discussion, to reach consensus and agreement. Scores should never be revealed to participants or anyone outside the judging panel.