

## About the National Business Plan Competition

The VEI National Business Plan Competition, sponsored by HSBC, challenges VEI students from across the country to demonstrate their global business expertise through written business plans and oral presentations. The competition showcases best practices, rewards excellence, and trains high school students to apply sophisticated knowledge and skills attributed to business professionals and college students. Teams from across the country participate in state and regional competitions to qualify for this event. The winning teams from each of the state and regional competitions will compete in New York City, as part of the Youth Business Summit taking place in April 2016.

## About the VEI Simulation

The VEI program is a part of the world's largest simulated economy of student businesses. With over 500 student businesses operating in 380 US high schools, 12,000 VEI students (mostly seniors and juniors) spend their school day participating in this "virtual" marketplace, using a "virtual" currency to buy and sell products/services. US firms also participate in the international economy as one of 43 countries and over 7,500 simulated businesses worldwide.

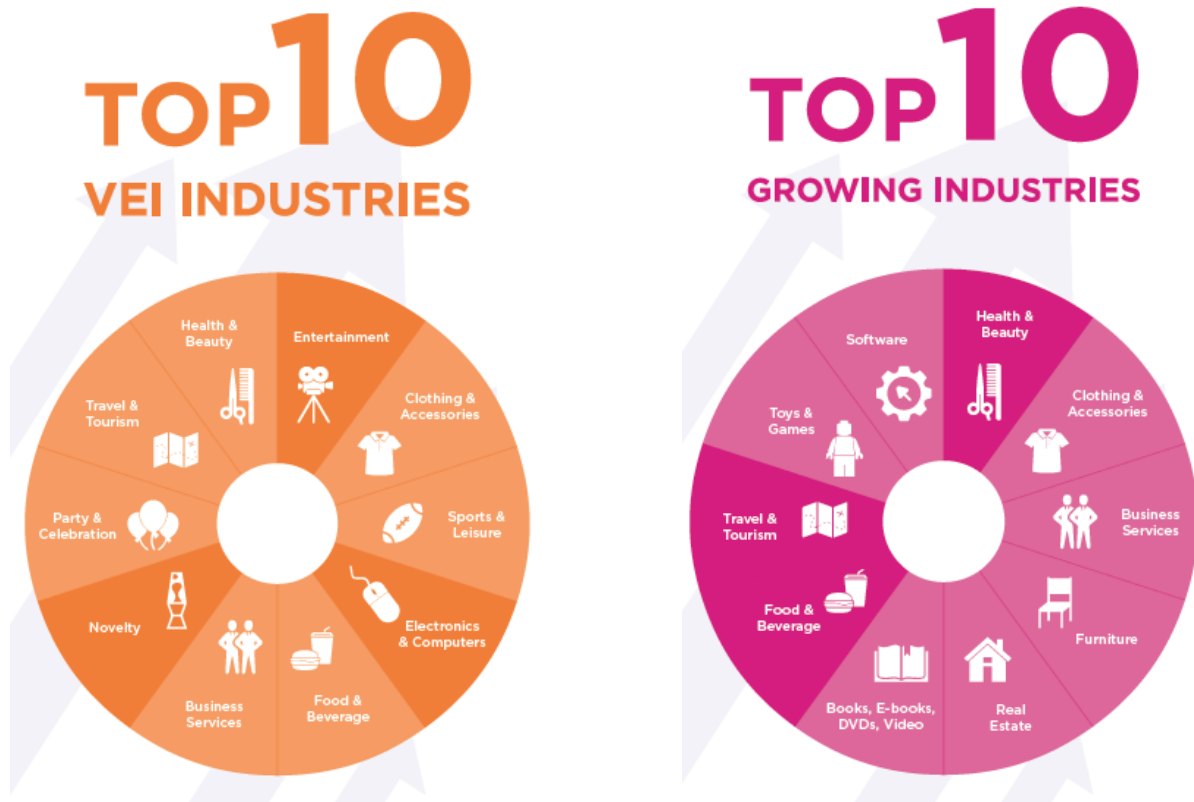


Students and businesses use a custom banking system (pictured below) for all transactional and financial needs during the simulation.

Date	Name/Description	Account no	Ref#	Amount	Balance
Feb. 14, 2015	Ballee Hansink (US021258), Vista, CA event with friend	630129584	1311003	\$150.00	\$372.04
Jan. 15, 2015	VEI-WEST GROCERIES, Bakersfield, CA	610119206	1203729	-\$7.99	\$222.04
Jan. 14, 2015	Dominio's Piza: Non-Thurs Large 3-Toppling Pizza	610119206	1198668	-\$7.99	\$230.03
Jan. 13, 2015	VEI-WEST GROCERIES, Bakersfield, CA	610119206	1198668	-\$7.99	\$230.03
Jan. 13, 2015	Dominio's Piza: Non-Thurs Large 3-Toppling Pizza	610119206	1198668	-\$7.99	\$230.03
Jan. 13, 2015	Crystal Restaurant (US02376), Huntington Beach, CA bill payment	630200483	1197202	\$75.00	\$238.02
Jan. 13, 2015	VEI-WEST GROCERIES, Bakersfield, CA	610119206	1196201	-\$44.75	\$163.02
Jan. 13, 2015	VEI-WEST CAR INSURANCE, Bakersfield, CA	610119125	1196191	-\$48.47	\$207.77
Jan. 13, 2015	VEI-WEST GAS, Bakersfield, CA	610119079	1196185	-\$21.00	\$236.24
Jan. 13, 2015	Gas	610119079	1196185	-\$21.00	\$236.24
Jan. 13, 2015	VEI-WEST HEALTH INSURANCE, Bakersfield, CA eHealthInsurance.com	610186027	1196071	-\$109.85	\$277.24
Jan. 13, 2015	VEI-WEST INTERNET SERVICE, Bakersfield, CA AT&T Erde	610119192	1196047	-\$34.05	\$387.09
Jan. 13, 2015	VEI-WEST CELL PHONE, Bakersfield, CA www.verizonwireless.com	610412884	1196043	-\$45.00	\$422.04

- These student-run companies and their employees (the students) make up the players in the marketplace with obligations to buy and act as any entity in the real world.
- Firms provide B-to-B and B-to-C goods and services.
  - B-to-B examples: leases, utilities, insurance, office furniture and equipment, advertising, design services, professional services.
- Students model entry-level young adults with all responsibilities of maintaining a personal budget, purchasing those goods and services through the virtual marketplace.
  - Food, clothing, automobile leasing, apartment leasing, entertainment, personal utilities and services, travel, etc.

## Product/Service Categories of VEI Firms (from 2014-2015)



## VEI Market Insights

Funded by



### CATEGORIES OVERVIEW

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CATEGORY	FIRMS	INCOMING ▼	INCOMING AMT
Entertainment	87	21,082	\$ 43,850,961
Sports & Leisure	85	18,650	\$ 43,301,770
Clothing & Accessories	102	16,116	\$ 41,687,915
Electronics & Computers	79	13,331	\$ 29,670,747
Travel & tourism	57	12,124	\$ 22,225,080
Unconventional	70	11,002	\$ 34,643,797
Business Services	62	9,710	\$ 32,962,918
Food & Beverages	68	9,501	\$ 35,083,497
Party & Celebration	48	8,834	\$ 19,454,695
Novelty	53	7,489	\$ 18,880,116
Health & Beauty	39	6,636	\$ 26,480,799
Office Equipment & Supplies	30	6,451	\$ 15,069,826
Toys & Games	20	5,406	\$ 5,980,897
Furniture	19	4,878	\$ 11,462,625
Animals & Pet Supplies	11	4,780	\$ 7,099,793
Hobbies & Creative Arts	31	4,412	\$ 9,482,587
Real Estate	17	4,364	\$ 7,233,662
Advertising & Marketing	44	4,189	\$ 30,795,951
Home & Garden	20	3,935	\$ 5,349,637
Finance & Insurance	13	3,918	\$ 14,928,893
Vehicles & Parts	17	3,699	\$ 7,866,728
Music & movies	17	3,283	\$ 9,795,391
Hardware & Tools	13	1,978	\$ 5,882,415
Software	14	1,685	\$ 6,892,044
Cameras & Optics	8	1,369	\$ 3,889,039
Books, E-books, DVDs & Videos	6	1,358	\$ 1,348,418
Luggage & Bags	12	532	\$ 2,391,529

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Snapshot of the VEI Simulated Economy (by Product/Service Category)

[insights.veinternational.org](http://insights.veinternational.org)

## Judging the Competition

### **The Business Plan**

How well does the business plan demonstrate an understanding of, and provide goals and strategies to address, the VEI marketplace?

- Introductory Components including the Executive Summary and introduction to the presentation
  - How well does it summarize the business and plan? Is it compelling?
- About the Business
  - Is the description of the business and mission statement clearly articulated? Are they relevant?
  - Management Functions: What are the goals of the firm and how is the firm organized and structured to meet those goals?
- External Environment
  - How well does their economic analysis summarize current conditions? Does the firm contextualize how this impacts their business?
  - How well does the firm demonstrate an understanding of the real world industry to which they belong?
  - How well does the firm explain and define the **Virtual** Market including a Competitive Analysis of other VE firms?
- Marketing Plan
  - Does the firm clearly define their Target Market and customer segments?
  - How well does their plan and strategies address the VEI market?
- Financials (Break Even Analysis, Income Statement, Balance Sheet, Cash Budget)
  - Three Quick Tests:
    1. Does it make sense?
      1. Does the balance sheet balance?
      2. Look at the income statement, examine projected and actual revenues and projected and actual expenses. Are they projecting a profit or loss? How big?
      3. Does the projected balance on the cash budget match the cash reported on the balance sheet?
    2. Do the projections seem reasonable? Were they explained or defended?
    3. Are there footnotes available to help you understand the figures and assumptions used?

### **Limitations of the simulation**

- Firms do not have the ability to control their factors of production
  - They do not have the ability to decide where their factories are located or where they source their raw materials
- No actual products are exchanged, a product will be “virtually” delivered to customers
- Accounts Receivable have been an issue in the marketplace
- Firms may enter contracts with “Non-VE” entities to subsidize employee payroll expense
  - Revenues from these contracts should be broken out on the financial statements