



2024



INFORMATION  
PACKET



## 2023 RISE Winners

The Raising Innovative Sherman Entrepreneurs (RISE) Challenge is an initiative to identify, develop, and fund local entrepreneurs. The goal is to incentivize young, Type-A eligible companies that will be based in Sherman, Texas and have high potential to expand operations and positively impact the local economy.

The RISE Challenge is implemented through a partnership between the Sherman Economic Development Corporation (SEDCO), Austin College, the Grayson Small Business Development Center (SBDC), PQD Design & Manufacturing, LLC., and Lori Ann Cannon, CPA.

Austin College coordinates the RISE Challenge from the application process through the judging stage where candidates compete for award funding. Applicants who advance to the second round of judging will meet with the Grayson SBDC and Lori Ann Cannon, CPA to create a business plan, balance sheet, and cash flow.

SEDCO has allocated a total budget amount of \$250,000 for the 2024 RISE Challenge. Individual award amounts are determined by the judges and may not exceed \$100,000 per business but will not be less than \$25,000. If funds are awarded, applicants will be required to complete an Agreement for Financial Assistance (AFFA), a Promissory Note, and Personal Guaranty with SEDCO to ensure each business meets established post-award guidelines and support.

PQD Design & Manufacturing is a global manufacturing solution provider with engineering offices and manufacturing facilities in Sherman, Taiwan, China, and Vietnam. They have extensive experience and expertise in consumer products, Internet of Things (IoT), software & app developments, medical products, golf carts, and UTV designs. PQD product designers, engineers, and manufacturing experts can take a product from concept, through engineering and prototyping, to mass production of the final product. PQD will select a winner(s) of the RISE Challenge to assist with product research and development.

### Who is SEDCO?

Since 1996, the Sherman Economic Development Corporation has focused on a mission to grow and diversify the economy of Sherman and the surrounding area through the addition of new jobs and investment of primary employers. SEDCO is supported by a local 3/8 cent sales tax.

The funds provide the resources for SEDCO to market the community, provide cash incentives for new investments and jobs, develop industrial sites, and assist with workforce development initiatives.





A photograph of a large white water tower with the word "Sherman" written in red cursive script on its side. The tower is supported by a metal lattice structure. The background shows a clear blue sky with some light clouds and a glimpse of a residential area with houses and trees.

## **Applicants must meet all of the following qualifications to be eligible to participate in the RISE Challenge:**

- ☒ Company must have been in business 1 year but no more than 5 years as of October 25, 2023.
- ☒ Company must already be located within Sherman, TX or willing to relocate and secure a purchase or lease agreement by April 5, 2024.
- ☒ More than 51% of revenue must come from outside Grayson County within 3 years of winner announcements.
- ☒ Company must be Type A eligible and can classify the business with a qualifying NAICS Code. See page 6 for more details.
- ☒ A credit history report and criminal background report will be obtained for all owners and active spouses with 20% or more ownership. At SEDCO's discretion, the company may be required to submit these reports for any owner with less than 20% ownership.
- ☒ Company must not be a prior RISE winner.
- ☒ Company must not compete directly in terms of product, distribution, service, and/or promotion with a former RISE award recipient.
- ☒ Owners cannot be related by first degree of blood or marriage or have investors that are members of the SEDCO Board of Directors and staff, RISE Partners, or RISE Judges. See page 5 for more details.
- ☒ Company must submit their most recent federal tax return or documentation of a minimum of 1 year of sales with their RISE application.



# Award Recipient Requirements

## COMPANY MUST:

- Execute an Agreement for Financial Assistance (AFFA), Promissory Note, and Personal Guaranty with SEDCO which includes the claw back details should the terms in the AFFA not be fulfilled.
- Provide a record of business account bank statements showing proof of company funds before the AFFA is executed.
- Remain in operation within the city limits of Sherman, Texas over a 3 or 4-year period (based on the award amount).
- Participate in mandatory meetings with the Grayson SBDC to ensure it has the necessary tools and information to succeed.
- Submit business account bank statements to the Grayson SBDC for the first six months of the agreement.
- Submit a Balance Sheet, Profit and Loss Report, and an Employment Report to SEDCO each quarter during the duration of the agreement.
- The awarded RISE funds will be no more than 50% of the company's project financing. Existing business personal property and equipment may be counted toward company's 50% match.
- Use awarded RISE funds for equipment purchases or leases, a building lease, utility costs, and inventory. Employee wages may be taken into consideration. Owner salaries will not qualify.
- Submit an executed purchase or lease agreement securing a location in Sherman, TX to SEDCO by April 5, 2024.





# Conflict of Interest Certification List

To meet the qualifications for the RISE Challenge, none of the individuals listed below may be related to you by first degree of blood or marriage or have invested any amount of money in your business.

## **Sherman Economic Development Corporation Board of Directors (*and successors*)**

- Janie Bates, Chair
- Scott Bandemir, Vice Chair
- Jason Brumm, Secretary
- Gail Utter, Board Member
- Dr. Al Hambrick, Board Member

## **Sherman Economic Development Corporation Staff**

- Kent Sharp, President
- Ashton Bellows, Chief Administrative Officer
- Shannon Blake, Economic Development Specialist
- April Day, Executive Assistant

## **RISE Partners**

- Cary Wacker, Director of Strategic Communications and Community Engagement at Austin College
- Dr. David Griffith, Professor of Business Administration at Austin College
- Dr. Karen Stidham, Executive Director of the Grayson SBDC
- Kenneth Mullins, Grayson SBDC Business Advisor
- Dr. Luis Rodriguez, Grayson SBDC Business Advisor
- Willie Wu, Owner of PQD Design & Manufacturing LLC
- Lori Cannon, Owner of Lori Ann Cannon, CPA
- AnnMarie Wilson, Accountant at Lori Ann Cannon, CPA

## **RISE Judges**

- Matt Brown, East Regional President of Legend Bank
- Brad Douglass, CEO of Douglass Distributing
- Dr. Al Hambrick, Owner of Triple H Investment Group
- Stacy Rake, Former Owner of Diamond Insurance Group
- Katiebeth Worrell, Associate Vice President - Investments at Benjamin F. Edwards & Co.
- Michelle Castle, Branch Manager of Guild Mortgage
- Hillary Lockett Clark, Attorney at Bill Kennedy Law

# NAICS Codes

Award funds from SEDCO are limited to businesses that “infuse new dollars” into the economy. These businesses are classified using a 6-digit code called the North American Industry Classification System (NAICS). Learn more at [census.gov/naics](https://census.gov/naics).

Still not sure if your business qualifies?

Call SEDCO  
903.868.2566

## Eligible NAICS Sectors

111	Crop Production
112	Animal Production & Aquaculture
113	Forestry & Logging
11411	Fishing
115	Support Activities for Agriculture & Forestry
211-213	Oil & Gas Extraction, Mining
221	Utilities
311-316, 321-327, 331-337, 339	Manufacturing
42	Wholesale Trade

48-49	Transportation & Warehousing
51	Information (excluding 51213 and 512132)
523-525	Securities, Commodity Centers & Other Financial Investments & Related Activities; Insurance Carriers & Related Activities; Funds, Trusts & Other Financial Vehicles
5413, 5415-5417, 5419	Professional, Scientific & Technical Services
551	Management of Companies & Enterprises
56142	Telephone Call Centers
922140	Correctional Institutions
928110	National Security

## Funding

SEDCO has allocated a total budget amount of \$250,000 for the 2024 RISE Challenge. Individual awards will be determined by the judges and may not exceed \$100,000 per business but will not be less than \$25,000.

If funds are awarded, companies will be required to complete an Agreement for Financial Assistance (AFFA) which includes the terms and expectations of each party (the company and SEDCO). The company will also be required to sign a Promissory Note and Personal Guaranty which includes the terms as well as any claw back details should the terms in the AFFA not be fulfilled.

If the amount awarded is \$75,000 or less, the term of the agreement will be three years. If the amount awarded is more than \$75,000, up to \$100,000, the term of the agreement will be four years.

For example, if a company is awarded \$100,000, the Promissory Note will be divided equally over a four-year period with 25% (\$25,000) forgiven at the end of each year that the AFFA terms are fulfilled. If the terms are not fulfilled, the company will be held liable for the funds awarded by SEDCO. **As these dollars are regulated by state law, the company will be required to pay all or a portion of their award back to SEDCO in the case of failure.**



## IMPORTANT INFORMATION !

- RISE funds can be no more than 50% of the financing for your project. Existing business personal property and equipment may be counted toward company's 50% match.
- RISE dollars can be used for equipment purchases/leases, building lease, utility costs, and inventory. Employee wages may be taken into consideration. Owner salaries will not qualify.
- By April 5, 2024, the company must provide either a signed purchase or lease agreement securing a location in Sherman, TX.
- RISE funds will not be distributed until the SEDCO Board approves the allocations on April 9, 2024 AND all agreements are fully executed (est. early May).





# Judging

Rounds 2 & 3 of the RISE Challenge include pitches to the RISE Judges. As the competition progresses, more scrutiny will be given to your product or service, and the judges will closely evaluate your business model and your ability to successfully bring your product/service to market. In order to prepare for these pitches, we recommend you consider the following:

## **Know Your Numbers**

- Understand your business model
- Understand the market
  - How large is the market and how fast is it growing?
  - Is there a clear market entry strategy?
  - How are you positioned against your competition?
- Understand your company structure
  - How many jobs will this business create within 1 year, 2 years, 3 years, etc.?
  - In what roles will the current employees serve?
- Understand the challenges your business faces and how to measure those challenges with numbers

## **Know Your Sales**

- What are your current sales (if applicable)?
- What are your projected sales each year for the next 5 years?

## **Know Your Product**

- Explain how your product helps your customers.
- Is your product/service innovative? Have you come up with a new/better way to do something?
- How much does it cost to produce your product?
- How much does the product retail for?

## **Know Your Needs**

- What is the total budget needed to complete your project?
- How much are you contributing?
- Have you secured a bank loan? Outside investors?
- How much are you asking from the RISE Challenge?
- How will all these funds be used (i.e. building lease, utilities, equipment)?

**Does SEDCO only work with large businesses?**

No, SEDCO works with businesses of all sizes including those with only one or two employees. The SEDCO team is happy to serve as a Sherman information resource for all business types; however, SEDCO funding is statutorily limited to Type A eligible companies only.

**What is a Type A eligible company?**

Type A eligible companies are those that create and retain primary jobs. The economic development sales tax statute defines a primary job as a job: (1) available at a company for which a majority of the products or services (>51%) are ultimately exported outside the local region, infusing new dollars into the local economy; and (2) included in one of the eligible sectors of the North America Industry Classification System (NAICS). See page 6 for more details.

**Is the award a grant?**

No, funds awarded by SEDCO require winners be accountable for how funds are used pursuant to state law. See page 6 for more details.

**Will I need to pay the money back if my business fails?**

Yes, if your company is not able to fulfill the AFFA terms, you will be held liable for the funds you were awarded by SEDCO. As these dollars are regulated by state law, winners are required to pay all or a portion of their award back in the case of failure. These terms will be defined by the Promissory Note. See page 6 for more details.

**Can I enter the RISE Challenge more than once?**

Yes, if you did NOT win a prior challenge, you are still eligible to apply.

**Does my business have to be located in Sherman, Texas?**

Yes, to participate in the RISE Challenge, your business must be located in Sherman, Texas. Companies that are willing to relocate to Sherman must secure a location and submit a purchase or lease agreement by April 5, 2024.

**Does my business need to currently exist?**

The RISE Challenge requires your company to have been in existence for a minimum of one year. Therefore, your company must have been fully, legally organized (i.e. sole proprietorship, partnership, limited liability corporation, corporation, etc.) as of October 25, 2022 in order to qualify.

**Is there a requirement regarding the age of my business?**

Yes, the company must have been in business 1 year but no more than 5 years as of October 25, 2023 (application deadline).

**Do I have to complete my online application at one time?**

No, you may complete the application at your convenience with respect to the deadline on October 25, 2023 at 12:00 p.m. CDT.

**What terms will be included in the AFFA?**

See pages 4 and 6 for more information.



**Send us your  
questions to  
[info@RiseInSherman.com](mailto:info@RiseInSherman.com)**





### What should I include in my elevator pitch video?

The initial application is used to ensure your business qualifies for the RISE Challenge. You will be required to accept that your business meets each of the qualifications listed on page 3. Then, you will upload your organizational documents and a 2-minute elevator pitch video. The video must:

- Be no longer than 2 minutes.
- **SHOW** and tell us about your product or service.
- Tell us about how the company started and the current status.
- Explain how much funding you are seeking.
- Describe how those funds will be used.

The video does not have to be highly-produced (cell phone videos accepted); however, it should be professional and clearly define your business needs.



## RISE Information Packet Acknowledgement Form

I hereby acknowledge and agree that:

- \_\_\_\_\_ I have read and understand all of the details included in the 2024 RISE Information Packet.
- \_\_\_\_\_ My company meets all of the qualifications listed on page 3.
- \_\_\_\_\_ My company will follow all of the award recipient requirements listed on page 4.
- \_\_\_\_\_ I understand that the awarded RISE funds will be no more than 50% of my company's project financing and that existing business personal property and equipment may be counted toward my company's 50% match.
- \_\_\_\_\_ I will provide all requested documentation including but not limited to financial records, employment reports, business plans, and organizational documents.
- \_\_\_\_\_ I will not receive funding until the SEDCO Board approves the allocation on April 9, 2024 and all agreements are fully executed.
- \_\_\_\_\_ I release SEDCO to use any and all pictures and videos taken related to the RISE Challenge. If there is a proprietary conflict, I will notify SEDCO before pictures and/or videos are taken.

\_\_\_\_\_  
Company Representative (Print Name)

\_\_\_\_\_  
Company Representative (Sign Name)

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

# 2024 RISE Challenge Schedule

*The dates, times, and locations of this schedule are subject to change.*

Program/Event	Date/Time/Location	Details
*Application Portal Opens	September 25, 2023 12:00pm (noon) CDT RiseInSherman.com	Online application available at RiseInSherman.com. The initial application is used to ensure your business qualifies for the RISE Challenge. You will be required to accept that your business meets each of the qualifications listed on page 3. Then, you will upload your organizational documents and a 2-minute elevator pitch video. The video must: <ul style="list-style-type: none"> <li>• Be no longer than 2 minutes.</li> <li>• <b>SHOW</b> and tell us about your product/service.</li> <li>• Tell us about how the company started and the current status.</li> <li>• Explain how much funding you are seeking.</li> <li>• Describe how those funds will be used.</li> </ul> The video does not have to be a highly produced product (cell phone videos accepted); however, it should be professional and clearly define your product/service. Videos must be uploaded to YouTube or Vimeo and submitted for review. Please review the privacy setting in the video service to ensure the judges can view the video and the applicant's privacy concerns are also addressed.
*Required One-on-One Information Sessions with SEDCO <b>Must attend only one</b>	October 2, 9, 16, 23 Monday afternoons SEDCO Board Room 307 W. Washington St., Ste. 102, Sherman, TX	Interested applicants must schedule a one-on-one meeting with SEDCO staff to learn about the application, qualifications, and challenge requirements.  Call 903.868.2566 or email Shannon Blake at shannonb@sedco.org to schedule an appointment.
*Application Portal Closes	October 25 12:00pm (noon) CDT	Applicants must submit their online application and video submission no later than 12:00pm on October 25, 2023.
Round 2 Applicants Notified	October 26	Applicants advancing to Round 2 will be notified by email and non-advancing applicants will be provided notice with feedback from the RISE Partners.
*Introduction Meeting with SBDC	November 1 - 7	Round 2 applicants must set up an introductory meeting with the Grayson SBDC to complete new client paperwork.
*RISE Workshop 1	November 7 3:00-5:00 p.m. SEDCO Board Room	The Grayson SBDC and Lori Ann Cannon, CPA will present Round 2 applicants with information and resources on the following topics: Business Plan Fundamentals and Cash Flow Overview. Applicants will have an opportunity to ask questions.
*RISE Workshop 2	November 14 3:00-5:00 p.m. SEDCO Board Room	The Grayson SBDC and Lori Ann Cannon, CPA will present Round 2 applicants with information and resources on the following topics: Financials/Cash Flow Details and Executive Summary. Applicants will have an opportunity to ask questions.
*Grayson SBDC Meetings	November 15 - December 15	Applicants must continue working with the Grayson SBDC to complete the business plan, financials, and additional documentation. <i>*Same day appointments are not typical.</i>
*1 <sup>st</sup> Draft of Business Plan, Cash Flow, Balance Sheet & Company Snapshot Due	January 2, 2024	Round 2 applicants will upload the first draft of their business plan, two years of cash flow projections, a balance sheet, and the company snapshot in Reviewr.
*Follow up with the Grayson SBDC	January 2 - 12	The Grayson SBDC will reach out to each applicant to set up a follow-up meeting after reviewing documents.
*Initial Pitch to Judging Panel	January 16 Time TBA SEDCO Board Room	Round 2 applicants will participate in an initial pitch to the judging panel. The judges will have reviewed the initial application and the first draft documents. Applicants will have 30 minutes to present their product/service and business goals. There will be a 15-minute Q&A following the presentation. Timeslots will be scheduled at RISE Workshop 2 on November 14. It is encouraged but not required to include handouts, slideshows, videos, etc. during your presentation. If you need A/V accommodation, contact SEDCO by January 15, 2024.  Watch “Shark Tank's Best Pitches Explained by the Cast” for helpful tips in preparing for your presentation to the judging panel: <a href="https://www.youtube.com/watch?v=zq3fwHwgB9g">https://www.youtube.com/watch?v=zq3fwHwgB9g</a>



Program/Event	Date/Time/Location	Details
Round 3 Applicants Notified	January 17	Applicants advancing to Round 3 will be notified by email on next steps. Non-advancing applicants will receive notice with feedback from the judges.
*Final Draft of Business Plan, Cash Flow, Balance Sheet & Company Snapshot	January 24	Round 3 applicants will upload the final draft of the documents to Reviewr.
*Cost Breakdown & Bank Statements Due	January 31	Round 3 Applicants will upload an itemized bid/cost breakdown for use of RISE funding and a copy of their most recent business account bank statements to Reviewr.
*Site Visits for Judging Panel	February 5 - 16	The judges will visit each place of business for the Round 3 applicants. If you are not able to do an on-site visit because you have not yet secured a space in Sherman or you currently have a home-based business, you may hold your site visit at the SEDCO Office. However, you must show pictures and video of your location and plans for the space in your presentation. If you are an applicant with a business location established outside of Sherman, depending on the distance, the judges may request a site visit.
Applicants Provided with Site Visit Feedback	February 20	Round 3 applicants will be provided with the judges feedback from the site visits.
*Final Presentations	March 7 Starting at 8am CDT Austin College 900 N Grand Ave, Sherman, TX 75090	Round 3 applicants will enter the final stage of judging with a presentation to the judging panel. Judges will have reviewed the final business documents, and they will have visited your business site. It is critical that you can answer all of the questions on page 7 of this packet.
Finalists Notified	March 8	Finalists will be notified by email. The Round 3 applicants that are not selected will be provided notice with feedback from the judges. <i>The amount of each award <u>will not</u> be disclosed until the Awards Ceremony.</i>
Awards Ceremony  *Finalists are required to attend.	March 21 11:30 a.m. – 1:00 p.m. Mabee Hall, Austin College	Finalists must attend the RISE Challenge Awards Ceremony. <i>Reminder: Funds <u>will not</u> be disbursed at the Awards Ceremony. Allocations will need to be approved by the SEDCO Board on April 9 and all agreements fully executed before funds are distributed (early May).</i>
*SEDCO Application for Financial Assistance Due	April 1	RISE Winners must complete the SEDCO Application for Financial Assistance. This is a standard form SEDCO must have on file for each company before performance agreements are drafted.
Business Location Documents Due  *Mandatory for winners relocating a business to Sherman.	April 5	Winners who are relocating a business to Sherman must submit a signed purchase or lease agreement for the Sherman location to SEDCO.  *Not required if business is already located in Sherman.
SEDCO Board Meeting	April 9 11:30 a.m. SEDCO Board Room	At this meeting, the Board will discuss and consider approval of the Resolutions authorizing the allocations awarded by the judging panel.
*AFFA, Promissory Note & Personal Guaranty Execution; W-9 Submission Due	April 19	SEDCO staff and attorney will draft the agreements and send to the winners for review and signature. Please submit a copy of your W-9 to SEDCO.
*Check Presentations & Facility Walk-Thru	Early May	SEDCO staff will contact the winners to schedule a check presentation and facility walk-thru. <i>Be prepared to have your picture taken!</i>
*1 <sup>st</sup> Meeting with Grayson SBDC	One month from check presentation	Winners must schedule their first meeting with the Grayson SBDC within the first month following the date of the check presentation. These meetings are required every month for the first 6 months of the AFFA to ensure the company has the necessary tools and information to succeed. The meetings will then be required once per quarter for months 7-12 of the AFFA. At the one-year mark, the Grayson SBDC will determine if follow-up meetings are required. Please refer to your AFFA for more details.
*1 <sup>st</sup> Quarterly Report to SEDCO	October 15	Winners must submit a Balance Sheet, Profit and Loss Report, and an Employment Report to SEDCO each quarter. Please refer to your AFFA for more details.

\*Mandatory participation required.

## PROGRAM PARTNER CONTACTS

Cary Wacker, Austin College, [cwacker@austincollege.edu](mailto:cwacker@austincollege.edu), 903.813.2042  
Dr. David Griffith, Austin College, [dgriffith@austincollege.edu](mailto:dgriffith@austincollege.edu), 903.813.2587  
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## ADDRESSES

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307 W. Washington St., Ste. 102  
Sherman, TX 75090

Austin College  
900 N. Grand Ave.  
Sherman, TX 75090

Grayson Small Business Development Center  
*(Inside the Center for Workplace Learning - CWL)*  
Grayson College  
6101 Grayson Dr.  
Denison, TX 75020

**Questions?**  
Email us at  
**[info@RiseInSherman.com](mailto:info@RiseInSherman.com)**