# Crowdfunding Training Material for Small and Medium Sized Enterprises

Crowd-Fund-Port www.crowdfundport.eu

# About the project "Crowd-Fund-Port"

Crowd-Fund-Port is a project funded by the Innovation and Knowledge Priority of the Interreg Central Europe Programme. The aim of the project is to support SMEs in Central Europe in accessing capital and strengthen Crowdfunding Ecosystems in Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia.



# Target groups

- SMEs
  - Without previous Crowdfunding experience
  - With previous Crowdfunding experience

Consultants

Incubators and Public Institutions supporting SMEs

# Outline of the Material

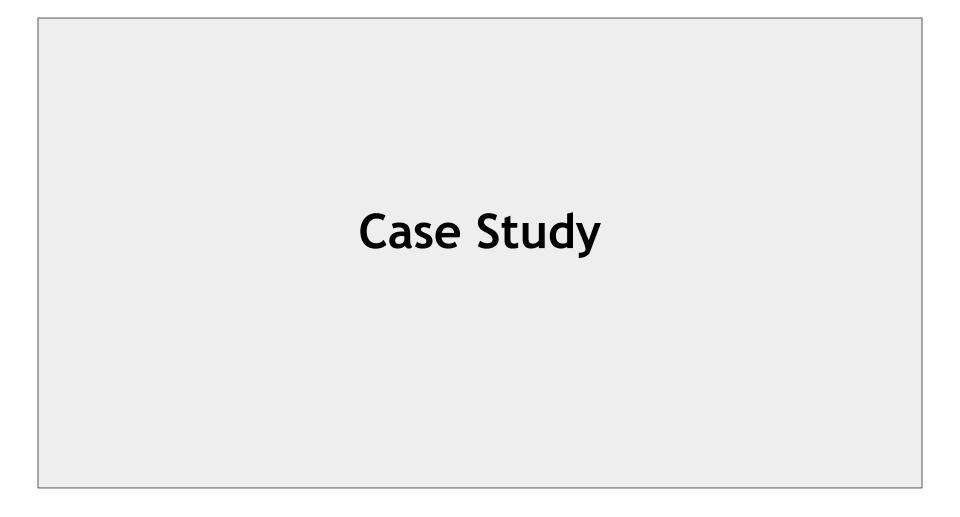
- Module 1: Crowdfunding basics
- Module 2: Pre-Campaigning
- Module 3: Campaigning
- Module 4: Post-Campaigning
- Module 5: Tools for Crowdfunding
- Module 6: Best Practices
- Module 7: Exercises and resources

# Crowdfunding-Basics

Module 1

# What is Crowdfunding?

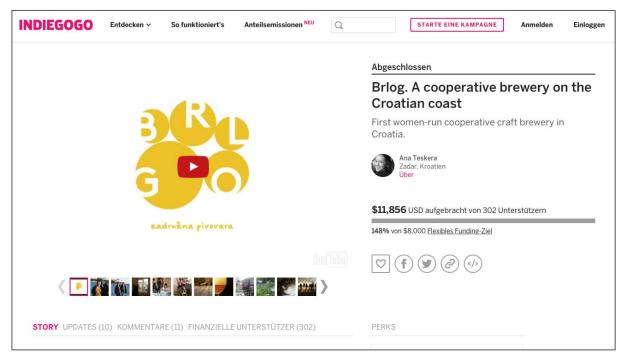
Crowdfunding is a form of online finance for innovative companies, projects and people. Crowdfunding comes in many different formats and purposes - but the overall similarity is the process of collaborative funding often on Crowdfunding platforms, which bring together the supporters with the recipients of funds.



# Case Study (1)

Brlog - a cooperative brewery from the Croatian coast - used Crowdfunding to finance brewery equipment.





# Case Study (2)

The main goal of Brlog was to finance brewery equipment: two fermenters for beer production, cases, bottles and labels.





# Case Study (3)

The campaign helped to visualize what the money was needed for.



# Crowdfunding is more than just finance!

Crowdfunding can be used for marketing, market research, community outreach and press activities.

# **Development of Crowdfunding**

# History of Crowdfunding

Crowdfunding is not a new concept: The Statue of Liberty is thought to be one of the first documented crowdfunding projects.



# History of Crowdfunding

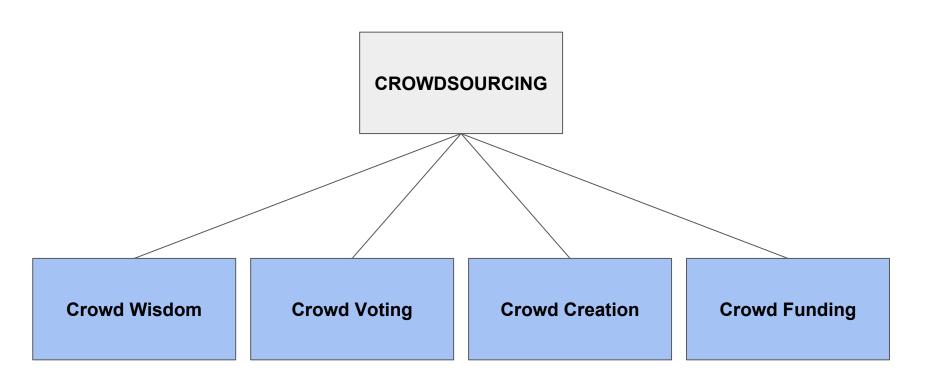
Through the Internet this alternative form of finance became an open and transparent financing tool.

2003 2006 2008 2009 Sellaband launches as artistShare starts as first a fan-funding platform Indiegogo launches in Kickstarter opens for US for bands in Europe; Crowdfunding platform the USA from creative projects in the USA for "Crowdsourcing" was and social projects musicians coined by Wired-author Jeff Howe 2010 2011 2012 2017 In Germany Startnext The first First studies were CrowdFundPort and in Austria Crowdfunding conducted, e.g. in taking Crowdfunding Respekt.net launch their Germany by ikosom or **Industry Report** to the next level Fraunhofer was published services

Source: own

# Crowdfunding and Crowdsourcing

Crowdfunding is often seen as a subset of the term Crowdsourcing, originally coined by Jeff Howe in 2006



Source: own

# History of Crowdfunding

Since the early days of Crowdfunding, the number of platforms worldwide rose to over thousand.

- More than 1250 Crowdfunding platforms online worldwide according to the Crowdfunding Industry Report (2015)
- More than 360 Crowdfunding platforms operate in Europe according to the 2ND EUROPEAN ALTERNATIVE FINANCE INDUSTRY REPORT (2016)
- More than 200 Crowdfunding platforms exist in Crowd-Fund-Port member countries (Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia, Slovenia) according to a mapping conducted within the project.

# Crowdfunding in Central Europe

Country	Number of platforms	
Germany	98	
taly	85	
Poland	28	
Austria	22	
Czech Republic	11	
ilovakia	10	
Croatia	4	
Hungary	3	
Slovenia	2	

#### Old EU members

(Austria, Germany & Italy)

Crowdfunding type	Number of platforms	Percentage
Donation-based	35	15.8%
Lending-based	15	6.8%
Reward-based	95	43.0%
Equity-based	76	34.4%

#### New EU members

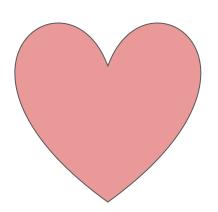
(Poland, Czech Republic, Slovakia, Croatia, Hungary, Slovenia)

Crowdfunding type	Number of platforms	Percentage
Donation-based	15	23.8%
Lending-based	3	4.8%
Reward-based	28	44.4%
Equity-based	17	27.0%

# Terminology and different types of Crowdfunding

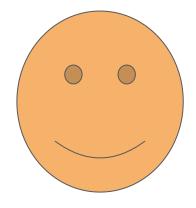
# **Definition of Crowdfunding**

There are four main Crowdfunding types, mainly defined by the type of remuneration for the supporters.



## donation-based Crowdfunding

Philanthropic donation or gift, no return expected



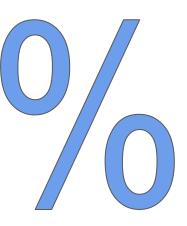
# reward-based Crowdfunding

Contribution in exchange for a perk or a pre-order of a product.



# equity-based Crowdfunding

Investment for an ownership stake in the business



# lending-based Crowdfunding

Capital repayment most often with interest

# Definition of Crowdfunding (2)

Other forms of differentiation between Crowdfunding platforms exist as well.

ALTERNATIVE FINANCE MODEL	DEFINITION	
Peer-to-Peer Consumer Lending	Individuals or institutional funders provide a loan to a consumer borrower.	
Peer-to-Peer Business Lending	Individuals or institutional funders provide a loan to a business borrower.	
Equity-based Crowdfunding	Individuals or institutional funders purchase equity issued by a company.	
Reward-based Crowdfunding	Backers provide finance to individuals, projects or companies in exchange for non-monetary rewards or products.	
Invoice Trading	Individuals or institutional funders purchase invoices or receivable notes from a business at a discount.	
Profit Sharing Crowdfunding	Individuals or institutions purchase securities from a company, such as shares or bonds, and share in the profits or royalties of the business.	
Real Estate Crowdfunding	Individuals or institutional funders provide equity or subordinated-debt financing for real estate.	
Donation-based Crowdfunding	Donors provide funding to individuals, projects or companies based on philanthropic or civic motivations with no expectation of monetary or material return.	
Debt-based Securities	Individuals or institutional funders purchase debt- based securities, typically a bond or debenture at a fixed interest rate.	
Balance Sheet Business Lending	The platform entity provides a loan directly to a business borrower.	

# Crowdfunding-Related Terms

- Crowdinvesting: in German speaking countries this term is used as a synonym for equity- (sometimes also lending-) based Crowdfunding
- Crowdlending/Peer-to-Peer-Lending: in German speaking countries this term is used as a synonym for lending-based Crowdfunding
- Alternative Finance: finance which is not intermediated by a bank
- Online Fundraising: using the internet and social media tools to generate funds for projects and companies

Source: own

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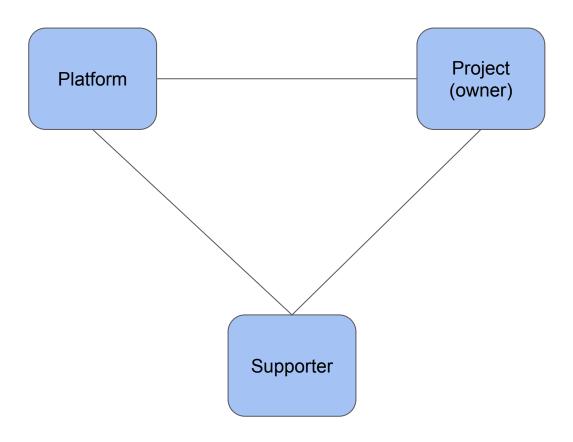
# Crowdfunding Terminology: Basic Terms

**Project** = Entity seeking money **Supporter** = Entity giving money **Platform** = Intermediary between project and supporter **Project Project Owner** = team or person behind a project, in equity- and lending-based CF (owner) often the owner of the company which seeks funds Platform Supporter

Source: Crowd-Fund-Port Terminology

# Crowdfunding Terminology: Crowdfunding Triangle

In general, Crowdfunding takes place on platforms which intermediate the payments from supporter to the project.



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Source: Crowd-Fund-Port Terminology

# Crowdfunding Terminology: Different Contributors

The different supporter types are sometimes referred to with specific names.

CONTRIBUTORS	ALTERNATIVE FINANCE MODEL	
Investors	Equity-based Crowdfunding	
Backers	Reward-based Crowdfunding	
Donors	Donation-based Crowdfunding	
Lender	Lending-based Crowdfunding	
Supporters	User of a platform who has participated in a crowdfunding campaign and funded the project. Could be referred to all types of crowdfunding.	

Source: Crowd-Fund-Port Terminology

# Crowdfunding Terminology: Campaign Terms

Before starting a Crowdfunding-campaign you should know the terminology and how Crowdfunding works in general.

- (Funding) campaign: all activities of the project to reach out to potential supporters
- (Funding) time: (often) specified time in which to reach the funding goal
- (Funding) goal: sum of money specified by the project owner
- (Funding) threshold: minimum funding goal (where applicable)
- (Funding) maximum: maximum funding goal (where applicable)
- Rewards: material or immaterial items given to the supporter during reward-based Crowdfunding

Source: Crowd-Fund-Port Terminology

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# The Crowdfunding Framework

# Crowdfunding Framework: Crowdfunding process

There are three phases: the pre-campaign phase, the campaign-phase itself and a post-campaigning-phase.

#### pre-campaigning

campaigning

post-campaigning

- Identify!
- Prepare!
- Build!

• Generate!

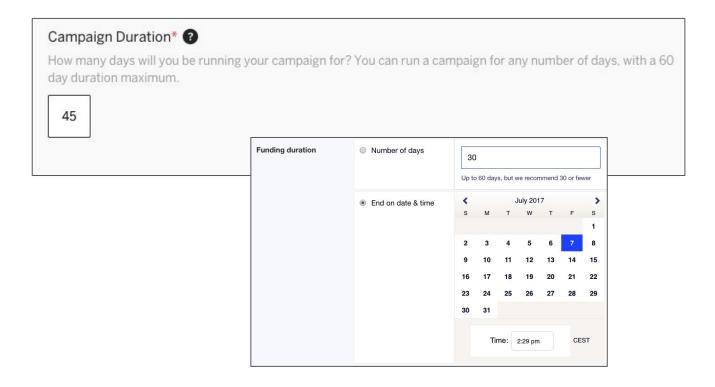
- Engage!
- Update!

- Thank!
- Fulfill!
- Grow!

Source: own

# Crowdfunding framework: Duration

In reward-based Crowdfunding, projects with shorter durations - the avarage is between 30 and 45 days - have higher success rates. In equity-based Crowdfunding campaigns tend to last longer, as investors need more time to get the full picture of the offered investment.



# Crowdfunding framework: KIA vs AON

Most Crowdfunding-platforms follow an "all or nothing"-approach, some also offer a non-binding funding goal.

KIA = Keep it all = The Funding Goal is not binding = Money will be transferred by the platform from the supporters to the project no matter what

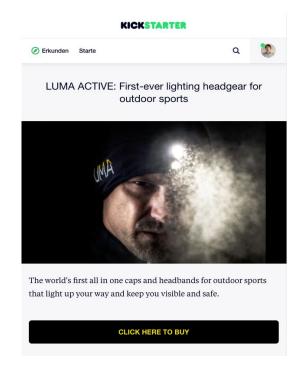
AON = All or nothing = The Funding Goal (often the Funding Threshold) is binding = Money will only be transferred by the platform from the supporters to the project if the project campaign reaches its funding goal

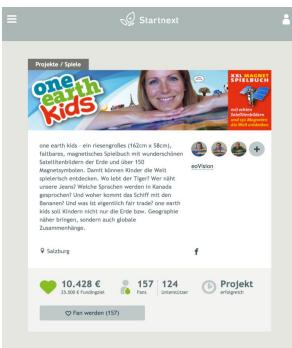




# Use of Crowdfunding: Examples

Crowdfunding can support companies for market research, marketing or customer-building.

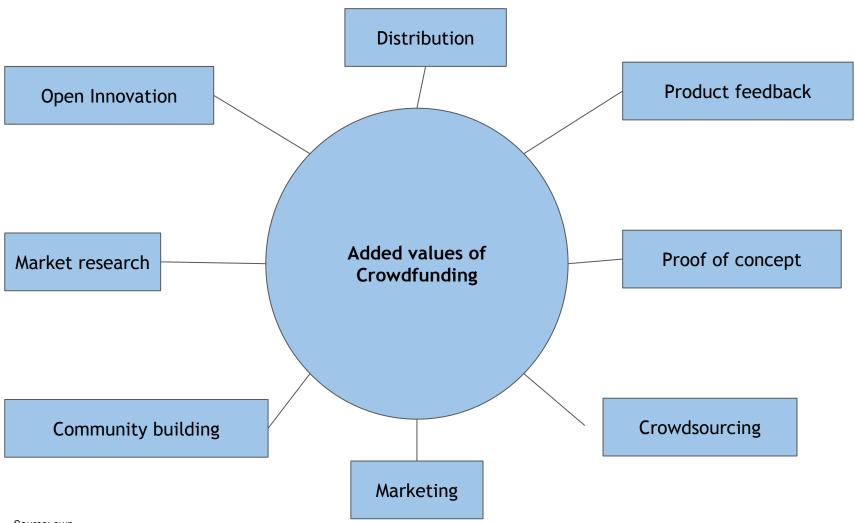






# Use of Crowdfunding: Additional functions

Crowdfunding is not only a financing tool, but also helps SMEs in many other ways.



Source: own

# Use of Crowdfunding: Branch-Specific Usage

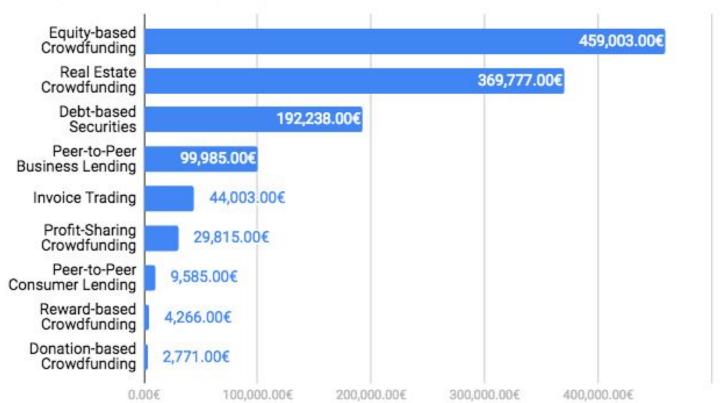
According to a study by the University of Cambridge, different branches use different types of Crowdfunding

Alternative Finance Model	1st	2nd	3rd
Peer-to-Peer Business Lending	Retail & Wholesale	Manufacturing & Engineering	Construction
Peer-to-Peer Consumer Lending*	Education & Research	Community & Social Enterprise	Health & Social Work
Equity-based Crowdfunding	Technology	Manufacturing & Engineering	Health & Social Work
Reward-based Crowdfunding	Arts, Music and Design	Film & Entertainment	Media & Publishing
Donation-based Crowdfunding	Charity & Philanthropy	Health & Social Work	Community & Social Enterprise
Real Estate Crowdfunding	Real Estate & Housing	Construction	
Invoice Trading	Retail & Wholesale	Business & Professional Services	Manufacturing & Engineering
Debt-based Securities	Retail & Wholesale	Energy & Mining	Agriculture
Balance Sheet Business Lending	Retail & Wholesale	Agriculture	Food & Drink
Profit Sharing Crowdfunding	Environment & Clean-Tech	Business & Professional Services	Health & Social Work

# Use of Crowdfunding: Volume-Specific Usage

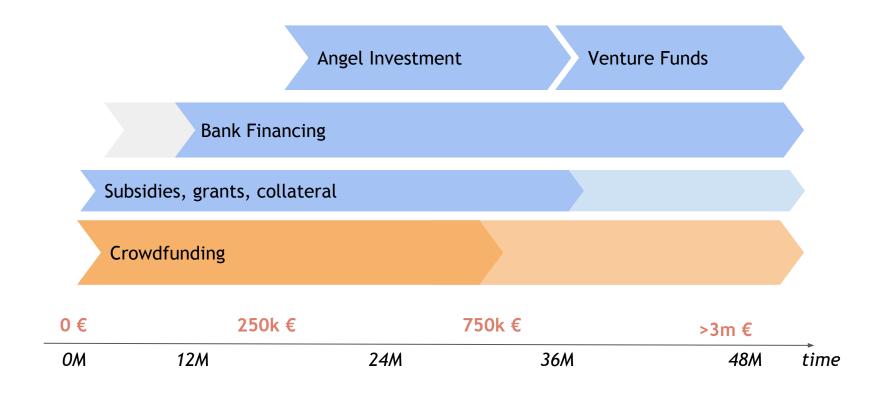
The average funding size depends on the type of Crowdfunding used.

### Average Crowdfunding project size



# Use of Crowdfunding: Age-Specific Usage

As an SME or Startup you can use Crowdfunding combined with traditional financing-sources.



Source: ISN - Innovation Service Network

# Taxes and Crowdfunding

Before starting a Crowdfunding campaign, for example ask a tax consultant how Crowdfunding affects your business regarding taxes. Many CFPs offer general information on this topic, e.g. a list of further resources.

- VAT on Sales for Reward-Based campaigns
- Income Tax for Donation- and Reward-Based campaigns
- Capital Tax for Equity- and Lending-Based campaigns

#### Why hire a Crowdfunding consultant?

Crowdfunding experts and consultants can help you in various ways, as they are experienced and can support you in saving time and avoiding to make common mistakes.

Approach a Crowdfunding consultant for supporting you in...

- ...choosing the right Crowdfunding-platform
- ... getting feedback on the pitch video and the project page
- ... building a community and networking with influencers
- ... creating a communication plan and implementing the campaign

#### Transition to the next module

At the end of this module, you should be able to...

- ...understand the different types of Crowdfunding
- ...understand that Crowdfunding has more value than just access to capital
- ...estimate if your company is ready for Crowdfunding

# Crowdfunding: Pre-campaigning

Module 2

#### Organise your Crowdfunding campaign

A successful Crowdfunding campaign needs more than just publishing your project on a Crowdfunding platform.

#### Identify!

- Define your goal
- Define your budget
- Define your milestones
- Define your brand
- Write a business plan\*
- Start a company\*
- Build your team
- Explore Crowdfunding
- Choose the model
- Choose the platform
- Imagine different scenarios

#### Prepare!

- Set up project & communication plan
- Assign tasks to team
- Start a pre-launch page
- Produce campaign video
- Produce graphics/pics
- Write campaign texts
- Write FAQs
- Clarify legal issues

#### **Build!**

- Open account & add profile
- Set up payment
- Add campaign title
- Add thumbnail & short text
- Add description texts
- Add graphics & pictures
- Add rewards
- Add your team
- Upload campaign video
- Upload businessplan\*
- Test your campaign & adjust it
- Publish your campaign



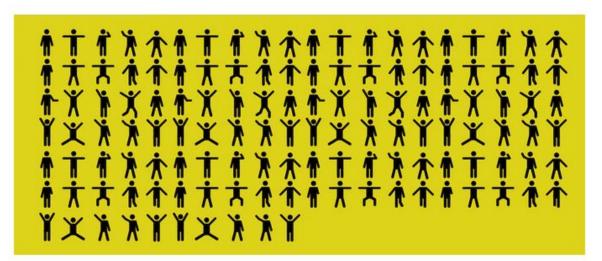
## Identify! Define your goal (1)

Make sure that your Crowdfunding goal aligns with the campaign - identify your goal first, then plan your campaign

#### **LUMA User Group**

Our LUMA user group consists of more than 130 people who offered their support during this project and had a huge impact on the final result. By taking part in several surveys and by testing LUMA ACTIVE prototypes and providing feedback, they were highly involved in the development process and the definition of product details such as colors and lighting modes.

THANKS FOR YOUR SUPPORT – You really made a difference!



## Identify! Define your goal (2)

If you have defined your goal well, then the Crowdfunding campaign will be a success independent from the funding goal.



Abgeschlossen

#### Mari Winter - Riesling-Mate-Drin Join the Lama!

Mari Winter - a natural Winecocktail with Riesl Mate-Tea and winter ingredients- crowd-produ



Kaiserslautern, Deutschland

€5,781 EUR aufgebracht von 80 Unterstützern

39% von €15,000 Flexibles Funding-Ziel









#### Our ideas for ingredients for Mari Winter

Here are some ideas for ingredients in the Mari Winter. We will keep you updated on the our production and experimentation and involve you in finding the best Mari Winter taste.

#### Vanilla



The flavor of vanilla reminds us of sweet Christmas cookies.

#### Cinnamon



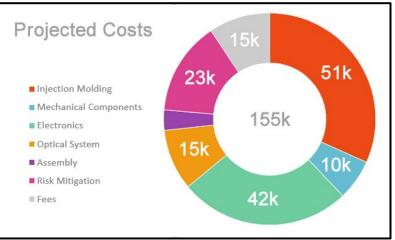
## Identify! Define your budget (1)

Consider the following costs when calculating your budget and project goal.

#### Possible expenses which determine or influence your project goal

- Consulting costs
  - Crowdfunding-consulting
  - Management consulting
  - Legal/Tax consulting
  - Communications consulting
- Project page
  - Production of video
  - Production of photos and graphics
  - Writing texts
  - Translation
- Communication
  - Content planning
  - Press agency
  - Social Media Management
  - Online/Social Advertising
  - Web-Development
  - Events, Fairs
- Rewards
  - Production of your product
  - Shipping
  - Fulfillment
- Platform
  - Fees
  - Transactions
  - Placement
- Taxes





## Identify! Define your budget (2)

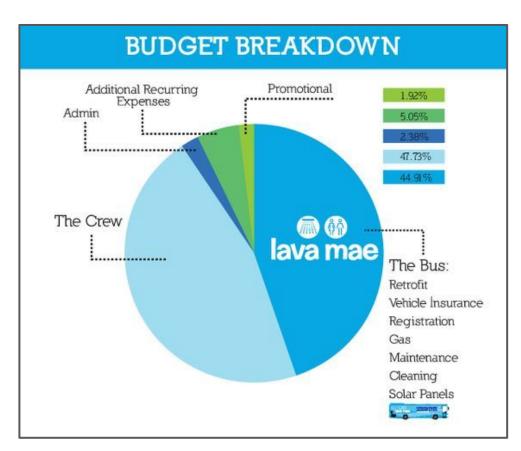
It is important to be transparent about the budget - the budget can really help the crowd to understand what the money is needed for.

#### Internal budget:

- Your own time
- Preparation costs

Sometimes your internal budget will be higher than the funding goal.





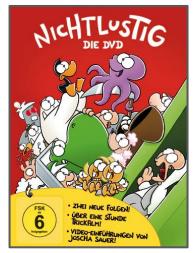
## Identify! Define your budget (3)

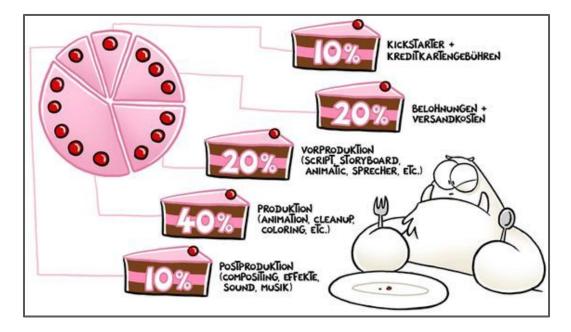
The funding goal does not need to cover all costs associated with the project.

# Additional sources of income after the campaign:

- Regular customers
- Reselling of products
- Other forms of distribution



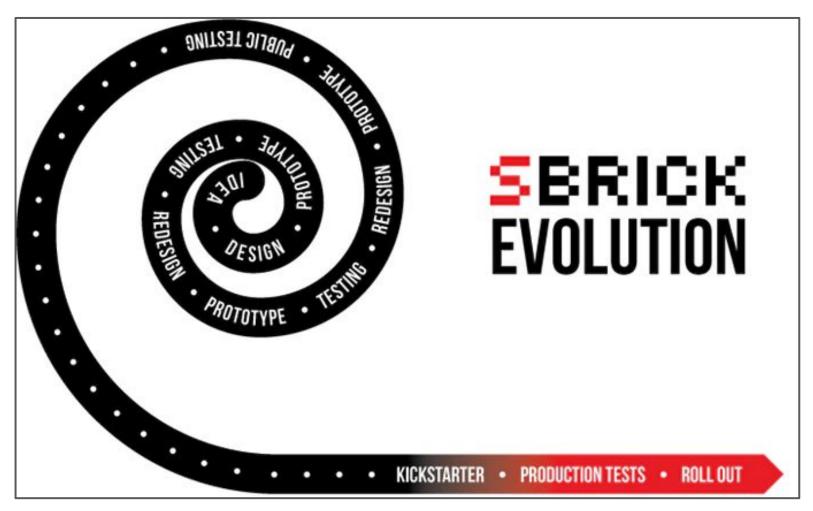






#### Identify! Define your milestones (1)

A rough timetable is useful to successfully finish a Crowdfunding campaign, but also to create a sustainable business.



Source: SBrick on Kickstarter, https://www.kickstarter.com/projects/sbrick/sbrick-smart-way-to-control-all-your-lego-creation;

## Identify! Define your milestones (2)

There are different approaches on how to visualize a timetable for your project.



## Identify! Define your brand (1)

A professionally conducted Crowdfunding campaign comes with a uniform style and branding.

#### Branding components:

- (extra) project title
- (extra) logo
- core message
- story
- thumbnail
- photos, videos





## Identify! Define your brand (2)

If possible, create an extra project-title or claim and use a special logo for your Crowdfunding campaign.



## Identify! Write a business plan

In Equity-based Crowdfunding, a business plan is needed to by most platforms.



#### Identify! Check your public company information.

If you run an equity-based Crowdfunding campaign, then make sure that all public information about your company is positive.



Source: http://www.allstreet.org/

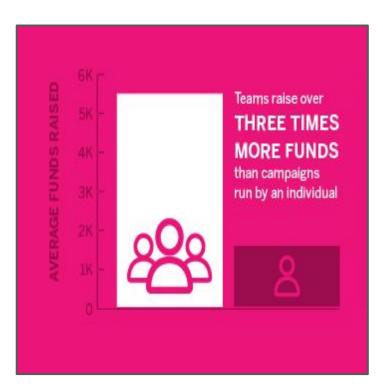
## Identify! Found a company

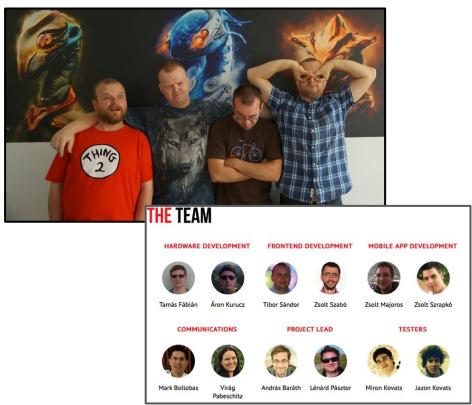
Setting up your business framework is important for starting a campaign, especially in equity- and lending-based Crowdfunding.



## Identify! Build your team

Starting a Crowdfunding campaign as a team increases the chance of success.





## Identify! Explore Crowdfunding (1)

Ask as many people as possible about Crowdfunding and learn as much as possible about Crowdfunding before starting your campaign.

- read tutorials on crowdfunding platforms
- + talk to other project-owners
- + support at least one project
- + go to specific events
- + listen to interviews











## Identify! Explore Crowdfunding (2)

Talking to an experienced Crowdfunding expert or consultant can help you to save time, avoid mistakes and plan your campaign.

#### **INFORMATION**

- Basic and advanced know-how transfer
- Providing platformrelated insights
- Financial consulting
- Businessplanoptimization

#### **CONCEPTION**

- Choosing a platform
- Producing pictures and videos for the campaign
- Networking with influencers
- Networking with external service providers

#### COMMUNICATION

- Support in creating a Contentplan
- Identification of relevant communication channels
- Support in public relations
- Support with Social Media

#### **IMPLEMENTATION**

- Support in creating the projectpage
- Support in launching and running the campaign
- Support in terms of communication
- Support in choosing relevant events

## Identify! Choose the Crowdfunding model (1)

There are four different Crowdfunding models (three of them also fit for SME's)...

	Reward	Lending	Equity
Types of Project: purpose	Non-governmental and non-profit initiatives, small and medium sized enterprises, commercial pre-sales of products and services, creative and cultural projects: initial funding	Small business loans, project finance: increasing working capital, small acquisitions, purchasing equipment	Small and medium sized enterprises: expansion, production or marketing
Offer	Pre-orders, tangible rewards	Repayment with or without interest	Ownership stake in the company
Average Funding Amount Sought	€ 10,000 - 20,000	€ 0.3 - 1 mill.	€ 0.5 - 2 mill.
Funders	Anyone, Mostly individuals	Individuals, institutional investors	Mostly individuals, high net worth investors and increasingly professional investors

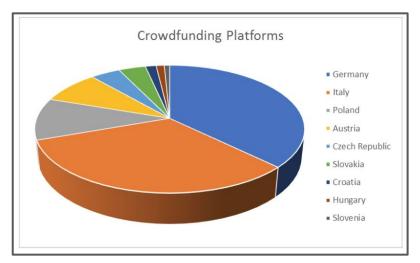
## Identify! Choose the Crowdfunding model (2)

...and each Crowdfunding model follows a slightly different approach.

	Reward	Lending	Equity
Average Duration	Campaign: around 30 days; timeframe for delivery of reward: up to 1 year	Campaign: depending of platform; Loans: will run for months to years (varies according to loan structure and platform)	Campaign: usually up to 30 days, Investment: until sale of business
Fees	+/- 3-5% plus payment fees via third party operators	+/- 3-5% (plus interest)	+/- 5% listing fees, +/- 3-5% transaction fees, due diligence fees
Success Rate	+/- 50% for raising funds	+/- 50%	+/- 40%
Financial Consequence	Booked as revenue in Profit and Loss account	Debt on balance sheet	Asset on balance sheet

## Identify! Choose the Crowdfunding platform (1)

There are more than 600 platforms operating in Europe, more than 250 platforms in the Central Europe Countries.



Crowdfunding type	Number of platforms	Percentage
Donation-based	50	17.6%
Lending-based	18	6.4%
Reward-based	123	43.3%
Equity-based	93	32.7%

## Identify! Choose the Crowdfunding platform (2)

There are many variables to consider when choosing the Crowdfunding platform that fits your purpose.

Which
CROWDFUNDING MODEL
fits best?

Which
INVESTMENT MODEL
fits best?

What about CONTRACTS for using the CFP?

How is the **SERVICE QUALITY** of the platform?

Are there any **LIMITATIONS** when using a specific platform?

Which PAYMENT SYSTEM is offered by the CFP?

## Identify! Choose the Crowdfunding platform (3)

Try to answer most of these questions to find the best CFP for your project.

What **FEATURES** does the platform offer?

Does the platform offer MULTILINGUAL INTERFACES?

How is the **USABILITY/DESIGN** of the platform?

How much are the PLATFORM FEES AND COSTS?

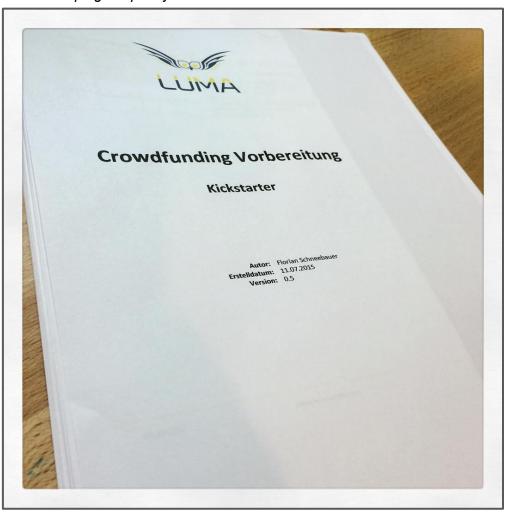
Are there
SIMILAR PROJECTS
on the CFP?

What is the SIZE OF THE PLATFORM-COMMUNITY?



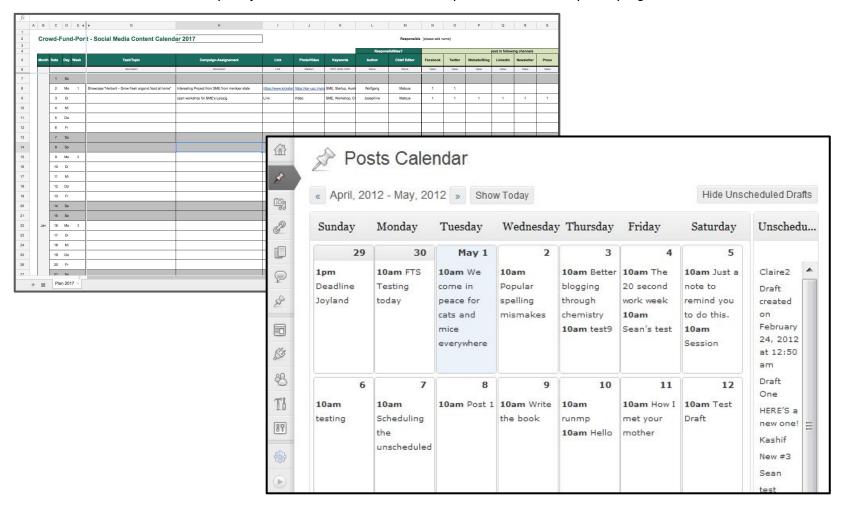
## Prepare! Set up project and communication plan

It is crucial for the success of a campaign to plan your communication in advance.



#### Prepare! Set up project and communication plan

You can use different tools to plan your communication, such as Spreadsheets, Wordpress plugins etc.



#### Prepare! Set up project and communication plan

According to your story, define what you tell to whom and where to tell it and write it down.

#### What?

- Project details
- Team introduction
- Reward presentation
- Crowdfunding status
- Referral contest
- Press coverage
- etc.

#### Who?

- Family
- Friends
- Colleagues
- Journalists
- Influencers
- Other stakeholder
- etc.

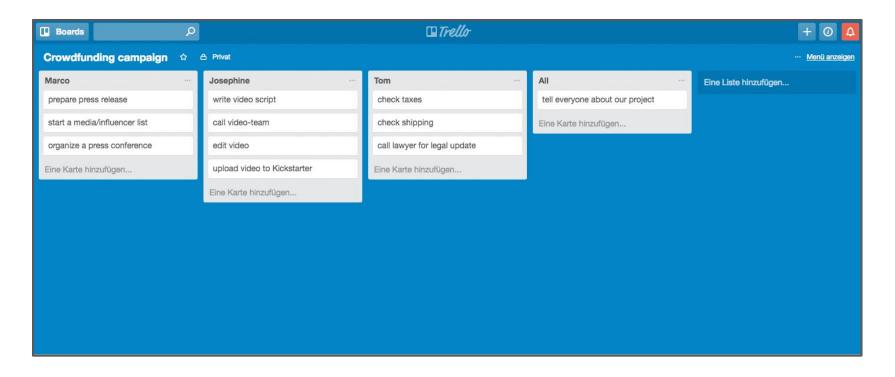
#### Where?

- Email-Newsletter
- Personal emails
- (Kickoff)-Events
- Updates on CFP
- Direct Messages
- Social Media updates
- etc.

Source: own

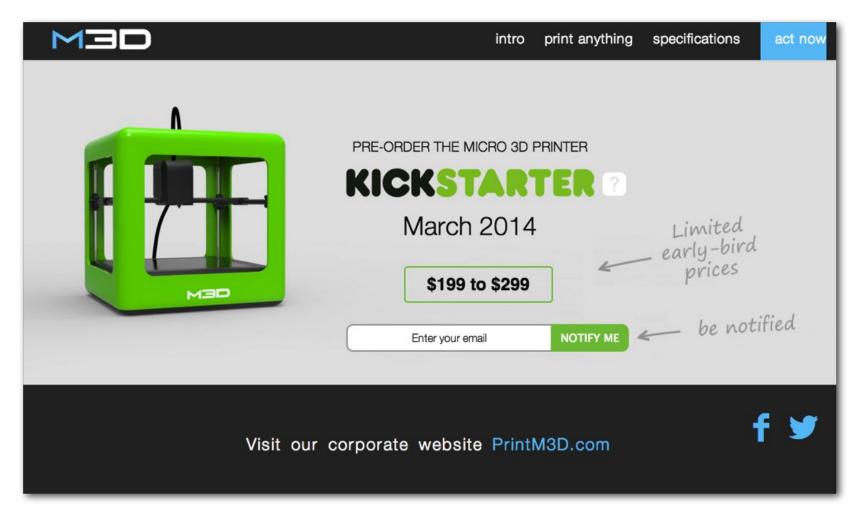
#### Prepare! Assign tasks to team

You should also clearly define the responsibilities within your team and assign certain tasks to each team member



#### Prepare! Start a pre-launch page

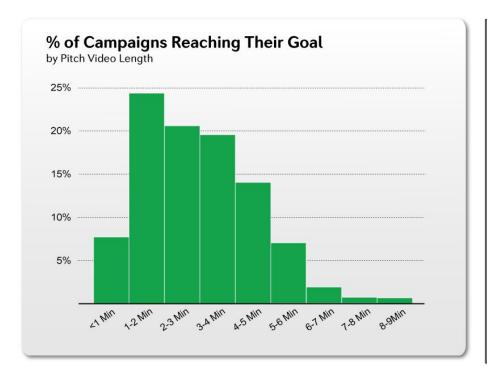
A pre-launch page draws attention to your project before you start and aims to collect as many email-addresses as possible.

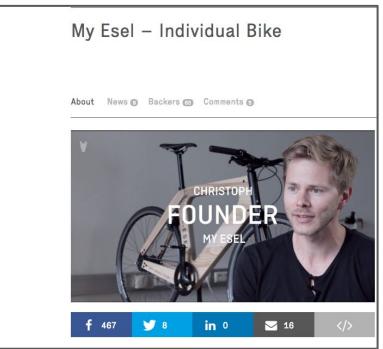


Source: The Micro 3D printer, https://printm3d.com/

#### Prepare! Produce a campaign video

When scripting and producing a pitch video, keep in mind that the attention span online is really short!





#### Prepare! Write campaign texts

In your campaign text you should answer important questions about the project and the team.

- Who are you?
- What's your product?
- Where does the idea come from?
- When do you plan to realize the project?
- What is your budget/goal?
- Why do you care?
- What do you expect from supporters?

Source: own

#### Prepare! Write campaign texts

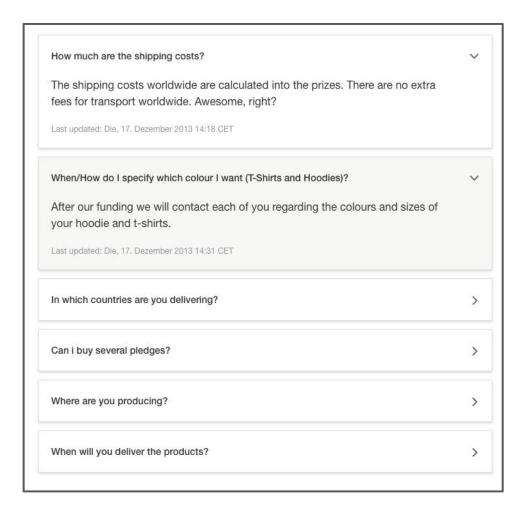
Try to make sub-headlines and short blocks to improve the readability of your texts.

#### Why did we develop a compact smart plant watering system?

Growing plants is a very pleasant experience. It is nice to watch a seed grow into a plant that delights us with blossoms and gives us delicious fruits. But our pace of life gives us little chance to keep the exact rhythm of watering the plants according to their needs. There are a lot of different irrigation systems on the market, but they all have some sort of deficiency. Some continuously water the roots, some timer systems water even when it is not necessary, some rely on the water supply network. Since we did not find a product that would fully satisfy us on the market, we developed our own. While we were developing it, we were thinking about the ideal way for a plant to be watered, about the way a conscientious gardener does it if only the time permits it. That is why our plant watering device continuously measures the soil moisture content, and when the soil is too dry the Daisy.si waters it from a container which has water at an appropriate room temperature, is not hard and can even be enriched with a fertilizer.

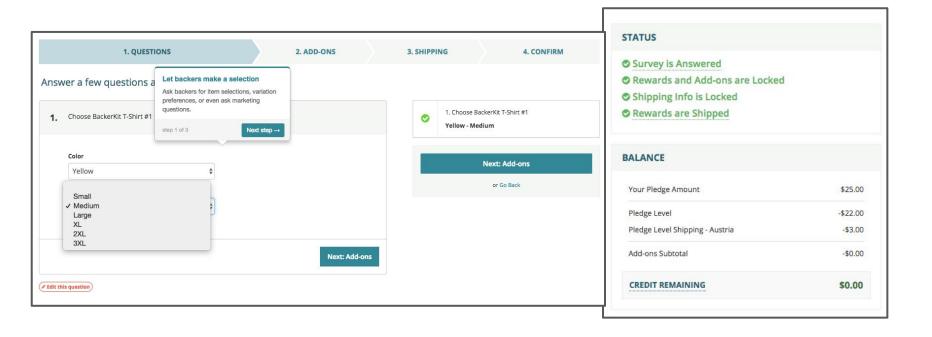
#### Prepare! Write FAQs

Most Crowdfunding platforms recommend to answer FAQs, for some CFPs (especially lending-based) this is even mandatory!



## Prepare! Plan fulfillment process

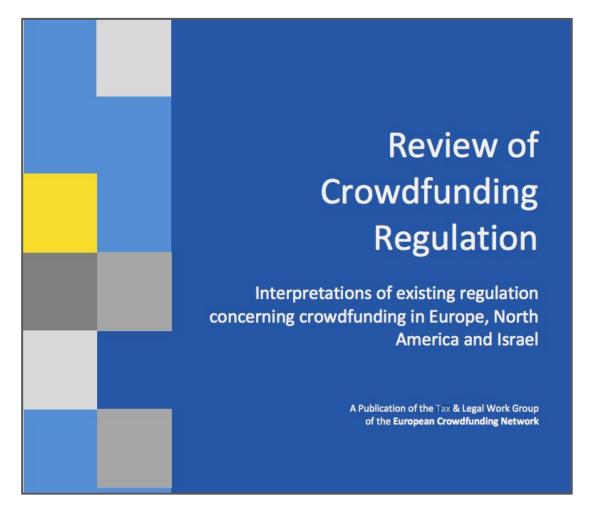
Make sure to pre-check logistics for shipping your product before launching your campaign.



Source: Backerkit Dashboard 34

## Prepare! Clarify legal issues

Also make sure you check legal issues with your lawyer and tax consultant in advance.



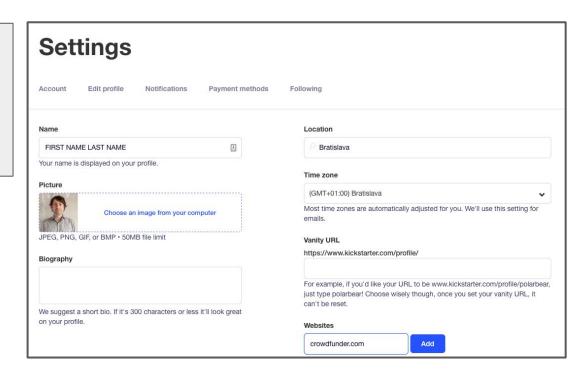


## Build! Open account on platform & add profile

To launch a project on a specific platform you need to register first and some basic information about you/your company.

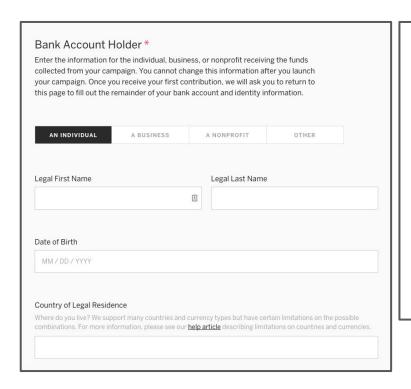
- add profile name
- add profile pic
- add profile description





## Build! Set up payment profile

Before you launch your project, make sure that your payment is set up correctly to not lose time.



#### Setting up your Business PayPal account

If you have a Business PayPal account located in a country that can send and receive payments through PayPal, you may be able to offer PayPal as a payment option for your contributors. For a complete list of PayPal-supported countries, see PayPal's list of localized sites.

To accept contributions made via PayPal on your Indiegogo campaign, you'll need to have a PayPal account that meets the following six criteria:

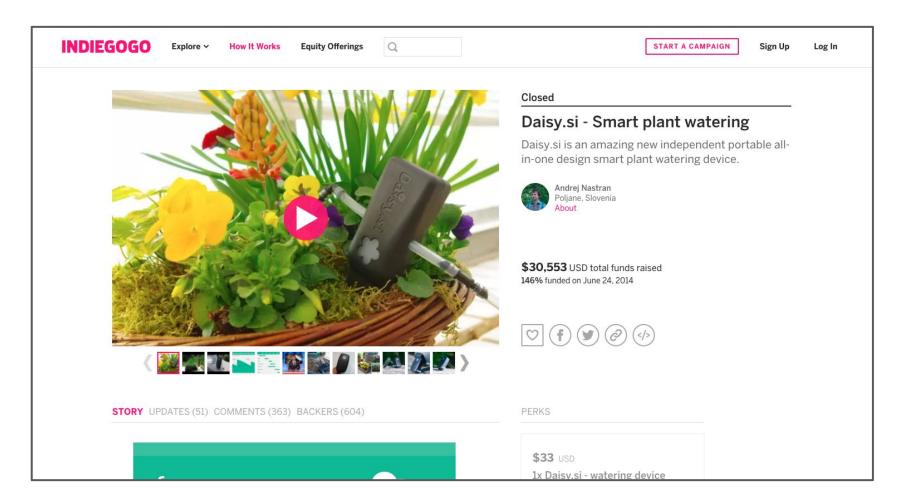
- Your PayPal account needs to be Verified, which means that PayPal will verify the bank account you
  added to your PayPal account. We recommend letting your bank know in advance that you linked your
  bank account to your PayPal account.
- 2. Your email address must be Confirmed.
- 3. Your account must be capable of accepting AUD (A\$).
- 4. Your Payment Receiving Preferences should be set to allow payments in a currency that you do not hold.
- 5. Your account must be capable of receiving the amount raised on your campaign.
- Your PayPal account balance must not be negative.

Because PayPal navigation may vary depending on your account status and location, we recommend searching PayPal's Help Center for instructions on how to enable each element above.

For most PayPal accounts, you'll be able to follow the instructions below:

## Build! Add a campaign title

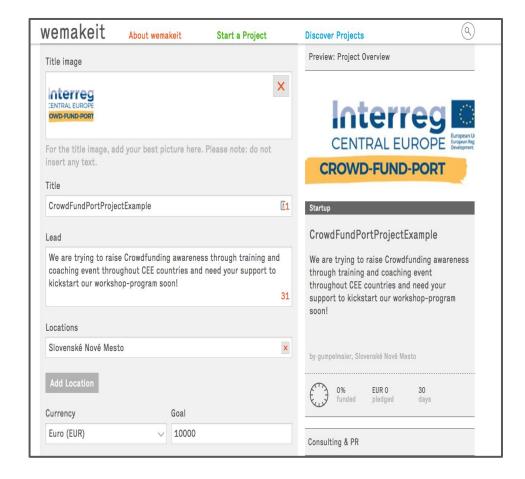
A short and noteworthy title is important to help platform-visitors remember your project and/or topic.



## Build! Add a thumbnail and short description

Choose a meaningful thumbnail picture and a short description (lead-text) that gets your project to the point.



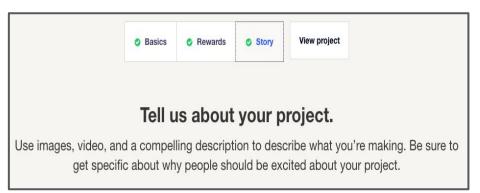


Source: own (Test-Campaign) 40

## Build! Add description texts

Describe your idea and your story as detailed and emotional as possible to convince potential supporters.





#### Prepare your campaign A

- Describe your product or service as well as your business model in a short, thrilling way, which is easy to understand.
- Create a short introductory video.
- Provide expressive photos and video-footage of high quality.
- Prepare infographics and diagrams to give your project description an interesting aspect.

## Build! Add graphics, pictures & videos

Use videos, infographics, photographs and other multimedia material to improve your written presentation.





# Build! Add rewards (1)

Add at least five rewards to your project and make sure to offer a few for small, some for medium and one or two for bigger purses.

	COFFE PLEDGE	STICKER PLEDGE	EARLY BIRD PLEDGE	SBRICK PLEDGE	COLOUR SBRICK	CRANE SET	F1 SET	VOLVO SET	TRANS Edition	PROTOTYPE TESTER
	5	15	29	40	55	70	120	180	280	300
FOF Bricks			1 SBrick	1 SBrick	1 SBrick	2 SBricks	3 SBricks	1 SBrick	8 SBricks	3 SBricks
PECIAL Lements	Thank you	Sticker	Special Discount	The real deal	Collectors edition	MOC Instruction	MOC Instruction	Full set of 42030	Instructions for our track switch and semaphore designs	(one is a prototype out of the 3 SBricks)
ALUE Actor		*	***	*	*	**	*	***	***	**
IELP ACTOR	**	**	*	**	**	**	***	**	**	***

# Build! Add rewards (2)

Personalized rewards can help to make it more attractive to join a Crowdfunding campaign.





## Build! Add rewards (3)

Awards can also be used to attract retail partners.





## Build! Add team members

Some CFPs offer a direct assignment of team-members to your project. Adding them shows that you are not alone and helps building trust.

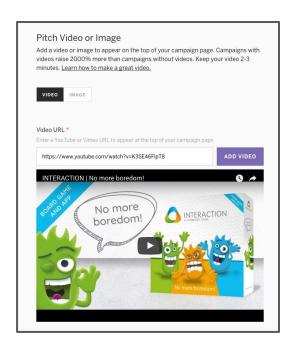


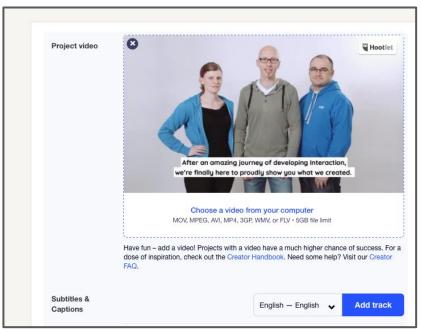




## Build! Upload your campaign video

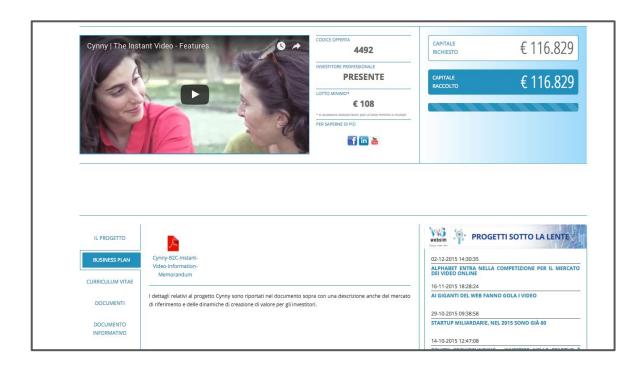
You can link your YouTube or Vimeo-URL to integrate your pitch video into the campaign-page, although some platforms want you to upload it from your computer.





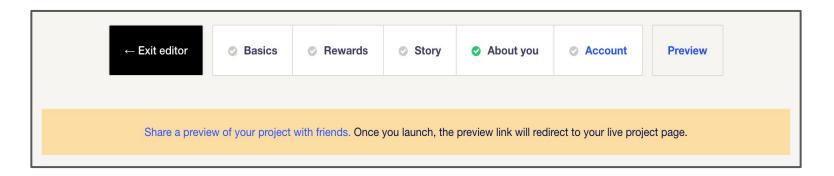
## Build! Upload businessplan and other documents

Most equity- and lending-based CFPs offer a simple PDF upload to make your business plan and other financial documents accessible to investors.



## Build! Test your campaign and adjust it

Send a preview of your campaign page to friends and colleagues to get feedback. If necessary, adjust your campaign.

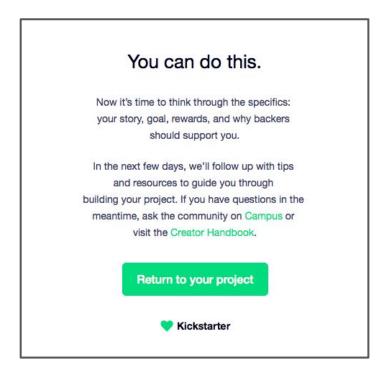


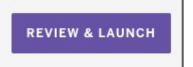
Share your campaign with as many people as possible using the Kickstarter preview link to gain feedback to make sure your campaign is clear. Be prepared to make your video more than once if feedback says to make it again. I received advice to remake the video halfway through my campaign but didn't have access to the friend who helped make the first video. :)



## Build! Publish your campaign

Once everything is set up and you passed the CFP's review process, you can launch your campaign by one simple click!





## Transition to the next module

At the end of this module, you should be able to...

- ...understand the different steps necessary to prepare a campaign
- ...select a platform which is suitable for you.
- ...build up the internal structures for your team.

# Crowdfunding: campaigning

Modul 3

## Run your Crowdfunding campaign

After publishing your campaign there's a lot of work to do, to create buzz and keep your project going.

#### Generate!

- Send personal (e)mails
- Publish press release
- Send direct messages
- Update your community
- Advertise in Social Media
- Use buzz-creation tools
- Organise a kickoff event

### Engage!

- Answer emails & FAQs
- Plan a live Q&A session
- Start a referral contest
- Visit offline events
- Ask for feedback
- Socialize on established channels
- BEWARE: the valley of tears

## **Update!**

- Inform about project status
- Post interviews & articles
- Send out email-newsletter
- Send reminder to close contacts
- Use news/update-area on CFP
- Communicate new rewards & stretch goals
- Present testimonials



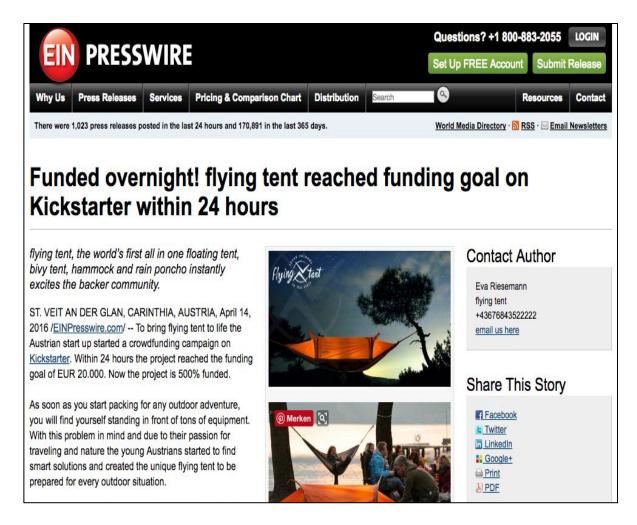
# Generate! Send personal (e)mails

Inform your family & friends about the campaign launch by sending personalised (e)mails.



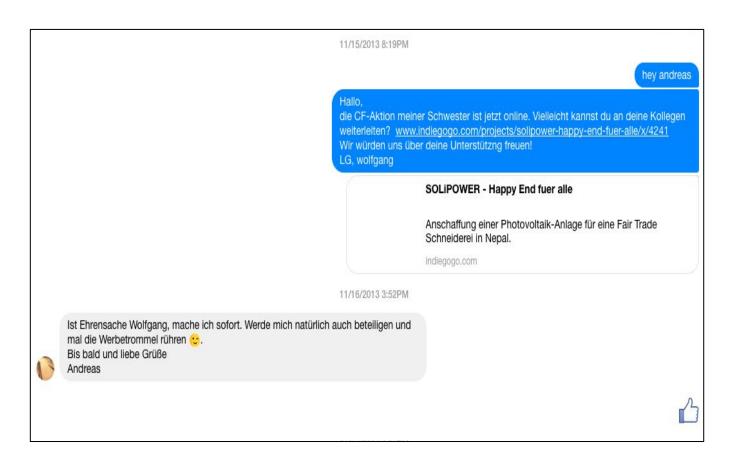
## Generate! Publish a press release

Provide a press release and send it out to as many journalists as possible to get some coverage at campaign-start.



## Generate! Send direct messages

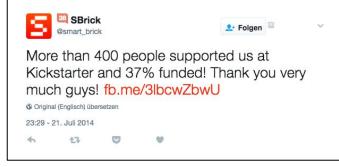
Use Facebook, WhatsApp and other messengers to tell your friends about your campaign-start.



## Generate! Update your community

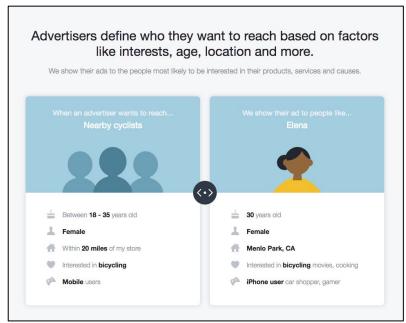
Whenever something happens worth knowing, tell your friends & fans about it on every channel possible.





## Generate! Advertise in Social Media

Use e.g. Facebook-Ads to navigate potential customers to your project-page or website or grow your community.

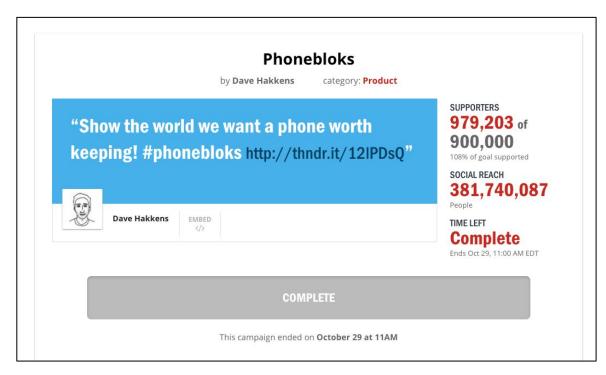






## Generate! Use buzz-creation tools

Work with trustworthy online tools to spread the word about your campaign and get some social reach.





## Generate! Organise a kick-off-event

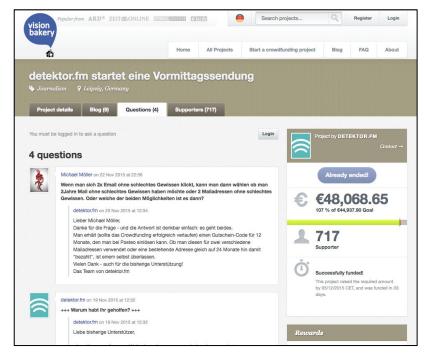
Invite family & friends to a special event to celebrate your Crowdfunding launch and also share it online.

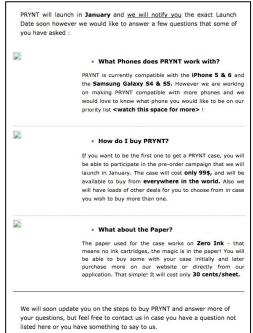




## Engage! Answer emails & FAQs

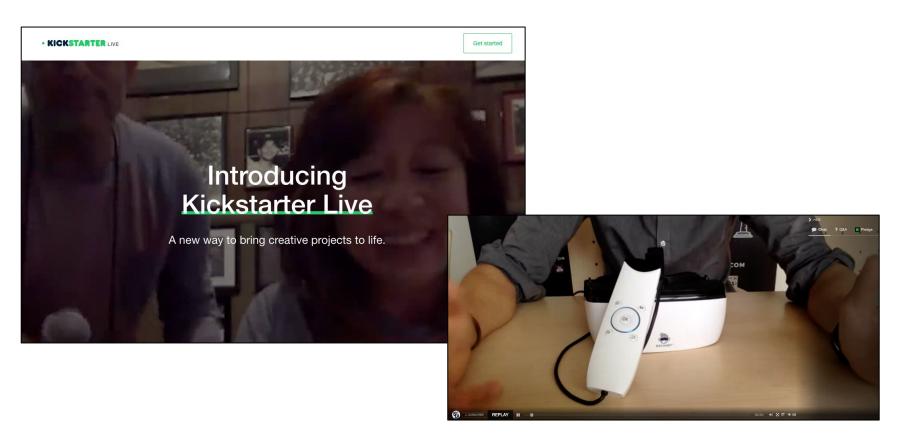
Be prepared that potential supporters will have questions about your product, company or Crowdfunding-related issues and try to answer it as soon as possible.





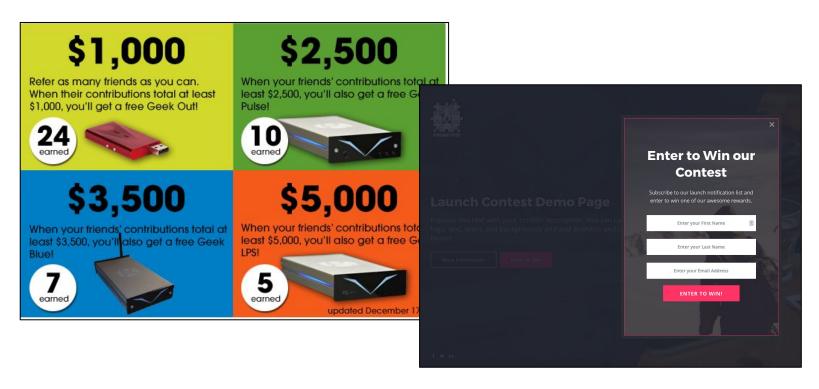
# Engage! Plan a live Q&A session

Give the crowd a possibility to ask questions live by using video-streaming portals or integrated tools on the CFP.



## Engage! Start a referral/launch contest

CFPs often offer unique URLs to track which supporter/user shared the campaign. This feature can be used for a referral contest: Let people help you spreading the word and offer something in return for e.g. the 3 most active supporters.



# Engage! Visit offline events

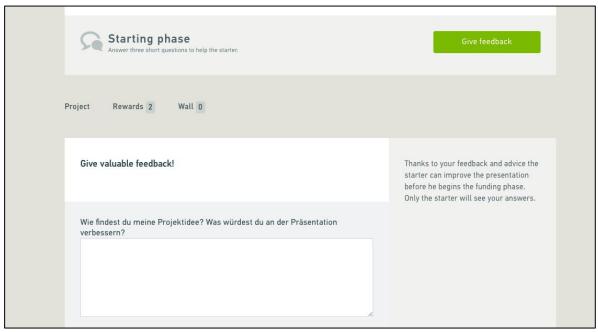
Be present at special industry & Crowdfunding events and tell attendees about your product/project.



## Engage! Ask for feedback

You can either use your own channels (like closed Facebook groups, email etc.) or the built-in features on CFPs to get valuable feedback from your family & friends before you launch your campaign.





## Engage! Socialize on established channels

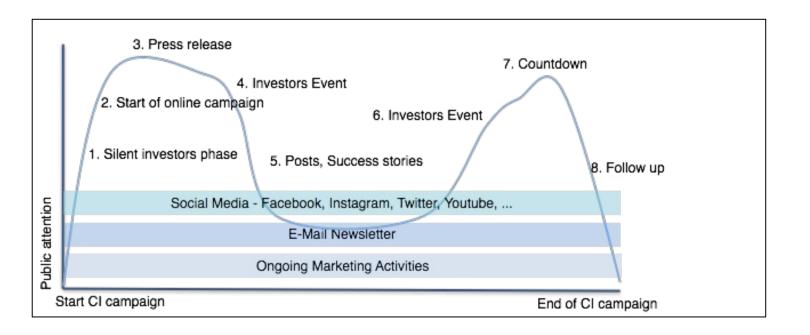
Use your preferred channels to talk and chat with your community and get them to support your project/cause.





# Engage! The valley of tears

Although you communicate about your project all the time, be prepared that there will be some days without any interaction.

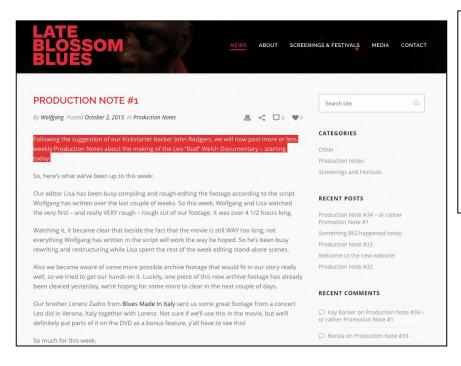


Source: CONDA 18



### Update! Inform your contacts about project status

Keep your fans & supporters in the loop about the project itself, but also update them about the Crowdfunding-status.







### Update! Post interviews & articles

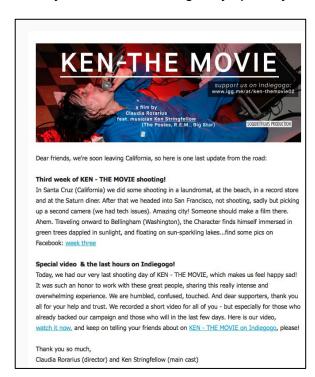
As soon as you get press coverage, share these articles and interviews with your community to provide additional insights on you and your projects.

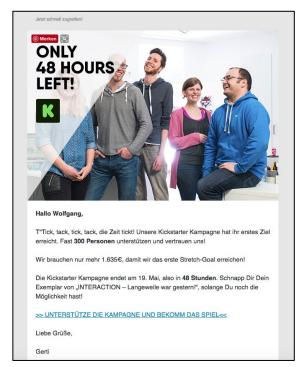




### Update! Send out email-newsletters

Use your email-lists to regularly update your community about Crowdfunding-successes, but also the process of the main project.

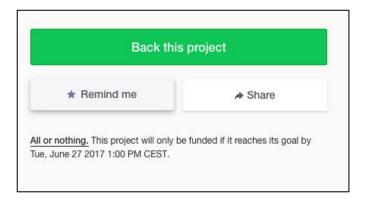




### Update! Send reminder to close contacts

Supporters sometimes use the integrated reminder-feature of the CFP, but it is more efficient and convincing to send out personal reminders (email, direct messages etc.).



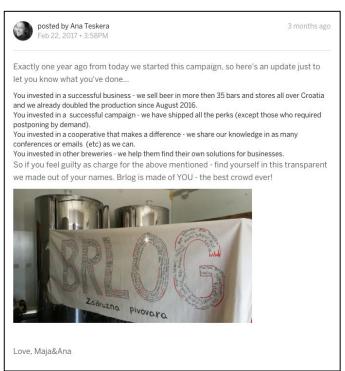


Source: Kickstarter reminder-feature;

# Update! Use news/update-area on CFP

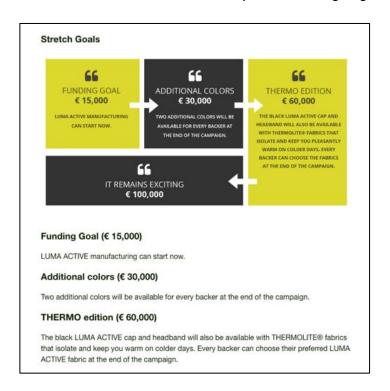
Every CFP has a news/blog/update-area you can use for providing breaking or important news about your project. Use it!





### Update! Communicate new rewards & stretch goals

As soon as you reach your (minimum) funding goal, inform your supporters about your next goal and - if available - about new rewards to motivate them and keep the traction going.





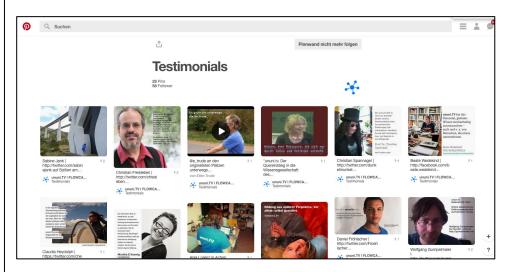
### **Update!** Present testimonials

Ask influencers to support you during your campaign with quotes, pics or recommendations to leverage your reach!

With courage and passion, we have already succeeded in convincing the most successful Austrian business angels Hansi Hansmann, Michael Altrichter and Stefan Kalteis. With your support as our Crowdinvestor, we will be one of the country's leading technology companies in the coming years.



Johann "Hansi" Hansmann, Damian Izdebski, Stefan Kalteis, Michael Altrichter



### Transition to the next module

At the end of this module, you should be able to...

- ...run a campaign
- ...have ideas about online and offline events during the campaign
- ... have ideas on how to overcome obstacles in your campaign.

# Crowdfunding: post-campaigning

Module 4

# Finish your Crowdfunding campaign

After a successfully finished Crowdfunding campaign, founders often focus on their main businesses. Do not forget your Crowd!

#### Thank!

- Communicate your success
- Special thank your supporters
- Update your campaign-page
- Follow-up journalists and influencers
- Party with your team

#### Fulfill!

- Send out backer-surveys
- Produce your product
- Invite supporter to events
- Prepare bills for everyone
- Check your taxes/account
- Reward supporters as promised
- Write quarterly reports\*
- Communicate milestones

#### **Grow!**

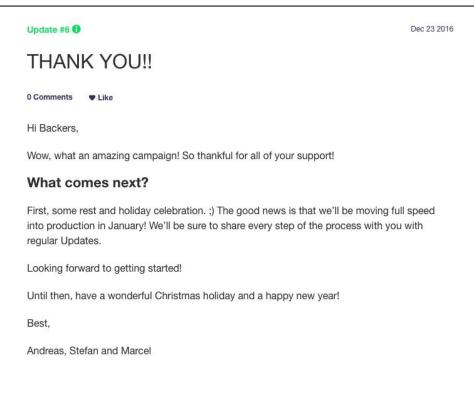
- Redirect to your online shop
- Document learnings from your campaign
- Identify "true" believers amongst your supporters
- Work with your success
- Prepare another campaign
- Establish a Crowd-business
- Turn Crowdfunding into eCommerce



### Thank! Communicate your success

The moment your campaign ends successfully is the moment to tell everyone about this fact. Spread the word!



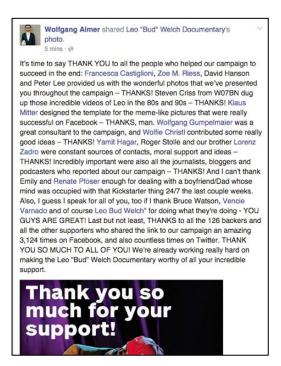


### Thank! Special thank your supporters

Include personalized thank you notes in Facebook, where you can tag the supporters.

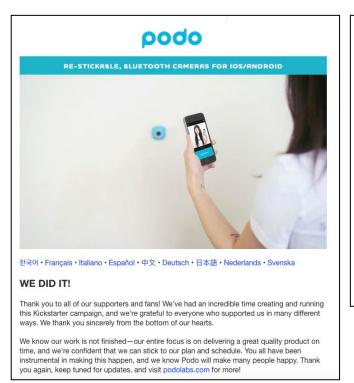


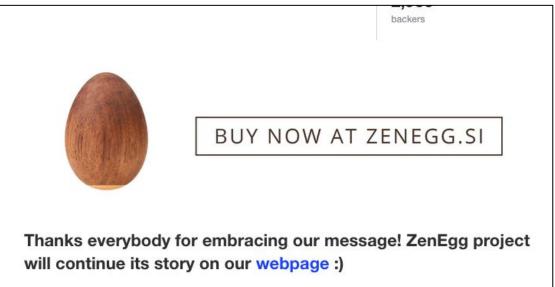




### Thank! Update your campaign-page

Add an additional text block to inform visitors about the successfully funded project and redirect them.





### Thank! Reflect your Crowdfunding experience

Use the post-campaign strategy to write about what the Crowdfunding campaign achieved, but also what went wrong

### What we learnt about crowdfunding, from our own crowdfunding campaign.





Read it

In case you haven't heard, we recently finished a very successful Kickstarter campaign. According to Kickstarter we were the 6th most...

Published November 17, 2015 Written by Luuv

### Thank! Follow up journalists & influencers

Do not forget to update journalists after you finished your campaign. You will need so more press-coverage for your product-launch in the future.

### Most Successful European Crowdfunding Campaign

04/04/2014

The new press release is available here.

Read more

### **Bragi goes Kickstarter**

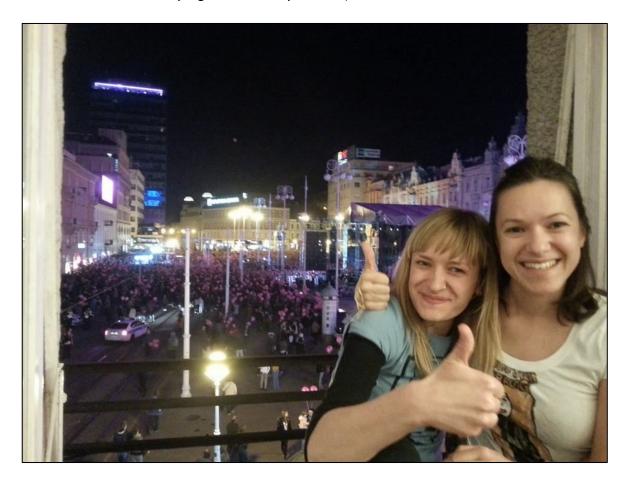
31/03/2014

The high resolution press kit is available here.

Read more

# Thank! Party with your team

Sometimes a Crowdfunding campaign seems like a 24/7 job. After you reached your goal, take a moment, breathe and celebrate. But do not forget to take a picture:)





### Fulfill! Send out supporter surveys

Make sure all your supporter-data is correct before sending out rewards.





posted by Team Nimuno - Division of Chrome Cherry Design Studio May 9, 2017 • 8:47PM

vor 9 Tage

#### Backerkit Surveys - Within the next 48 Hours

Dear Backers thank you for making our project a reality and for being patient while we set up the BackerKit Surveys! You will receive an email with a special link to your BackerKit surveys within the next 48 hours. It is important to respond to your survey as quickly as you can since we need this information for fulfilling your rewards.

You do not need to create a BackerKit account to fill out your survey, just click on the survey link, fill it out, and you're all good to go! You will be able to choose colors and tape types, provide shipping information, and pledge for more "add-ons" if you'd like. You do not have access to this survey link yet, but it will be available soon via email!

If you decide later that you want to edit your survey response, you can go back to your survey and change it any time before we lock down the surveys for processing.

If you need to review your information or pledge status, you will be able to recover your survey here: nimunoloops.backerkit.com.

If you used your Facebook login for your Indiegogo account, the BackerKit survey will be sent to the email you used for your Facebook account. If you have another email address that you would prefer to use, please contact support at nimunoloops.backerkit.com/faq and we'll get you sorted out!

Regards,

Team Nimuno

# Fulfill! Produce your product

After you finished your campaign, you have to make sure to start with producing your product properly.

- Finish prototyping
- Find a manufacturer
- Find a retailer
- Open a webshop
- Organise shipping
- Manage packaging

• ...

Source:

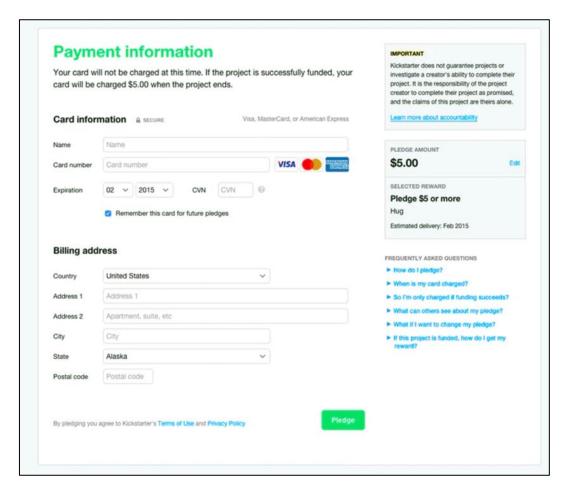
### Fulfill! Invite supporters to events

Organise a supporters/investors party to show your product and give away your rewards, if promised.



### Fulfill! Prepare bills for everyone

After the campaign, you have to provide a bill to all supporters. Platforms will let you download all information necessary to correctly create those bills.



# Fulfill! Check your taxes/account

Talking to your tax consultant is important - especially afterwards to avoid unexpected payments.

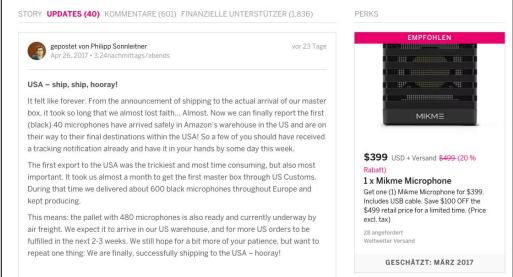
- VAT on Sales for Reward-Based
- Income Tax for Donation- and Reward-Based
- Capital Tax for Equity- and Lending-Based

Source: own

### Fulfill! Reward supporters as promised

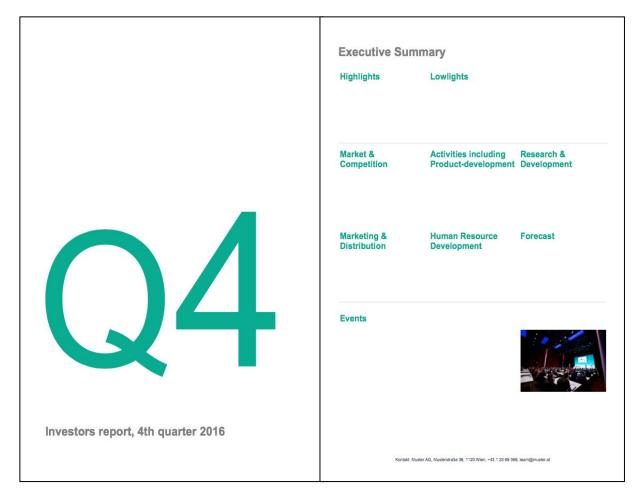
No matter if you promised a reward or regular updates, do not forget to fulfill them as soon as possible.





### Fulfill! Write quarterly reports

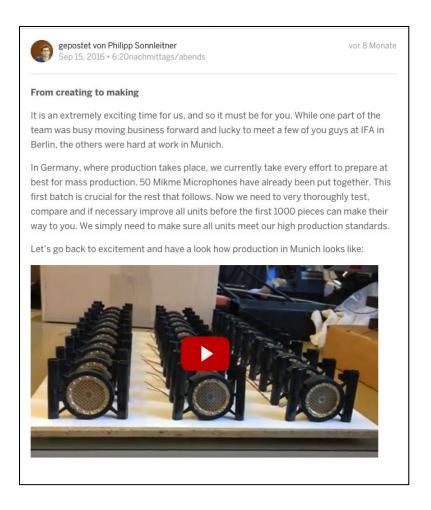
Investors of equity-based Crowdfunding-campaigns receive regular updates of the project.



Source: Conda

### Fulfill! Communicate milestones

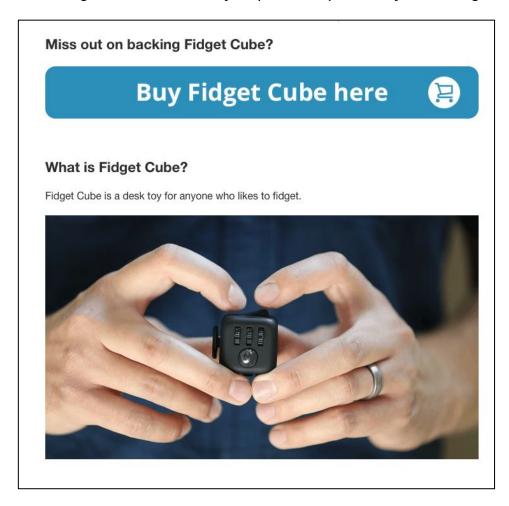
Update your fans and supporters and share news about important milestones, the good and the bad ones.





### Grow! Redirect to your online shop

Let people know that you are running a business and that your product is finished by redirecting them to your online shop.



### Grow! Write down learnings from your campaign

Even if you fail, try to document your learnings and take your business to the next level.

### Many, many thanks - Help us to better understand!

#### Many, many thanks!

Many thanks for all your lovely support of the Mikme Kickstarter campaign. We were able to collect \$85.000 and 410 backers and more importantly a lot of feedback. Unfortunately we missed our goal of \$217.000, so we were not funded successfully.

This was our first Kickstarter campaign and we already got lot's of feedback from you our backers

Don't stop here!

'Where can i get one outside Kickstarter'

'I love your product'

'This is what i looked for several years'

'Please relaunch'

'Make your goal lower, reorganize your pledges, restart and i back again'

'Mikme can be so much more than just a mic for musicians'

'Open Mikme for other users such as video, bloggers, skippers...'

'Relaunch and i will back again'

These are just some comments we got. We take your feedback seriously and will incorporate it in our next Kickstarter campaign. As we got a lot of positive feedback we have decided to go ahead and not stop here.

#### Help us to understand?

Please help us and fill out our small survey





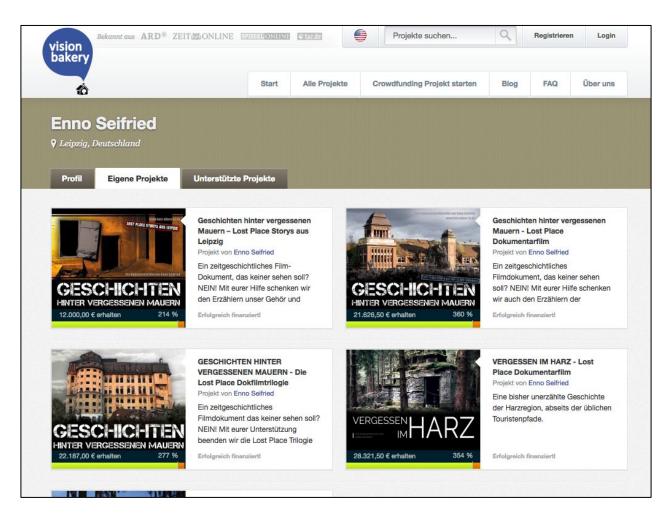
# Grow! Identify "true" believers amongst supporters

There are a few supporters who stand out of the Crowd. Contact them and make them to friends or team.



### Grow! Work with your success

Sometimes the success of your Crowdfunding campaign leads to another project. Embrace this opportunity!



### Grow! Work with your success

A successfully funded Crowdfunding campaign helps you reaching your further goals, e.g. more press coverage, new investors etc.



April 4°, 2014

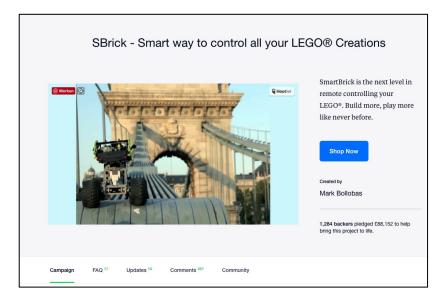
PRESS RELEASE

THE WORLD'S FIRST SMART WIRELESS
HEADPHONES – THE DASH – RAISED MORE
THAN USD 3.3 MIO. ON KICKSTARTER.
NOW AVAILABLE ONLINE FOR PRE-ORDER

Source: own

# Grow! Prepare another Crowdfunding campaign

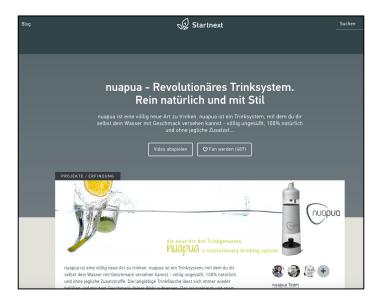
You can use Crowdfunding several times, e.g. for getting initial funding and later finance another product or part of your project.

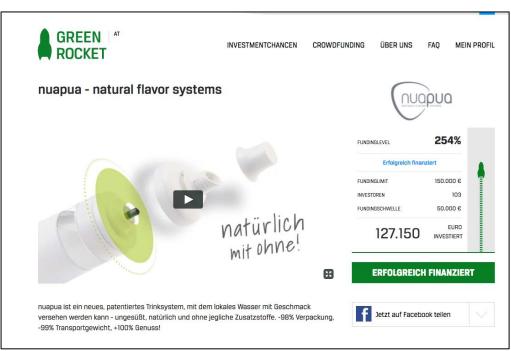




# Grow! Prepare another Crowdfunding campaign

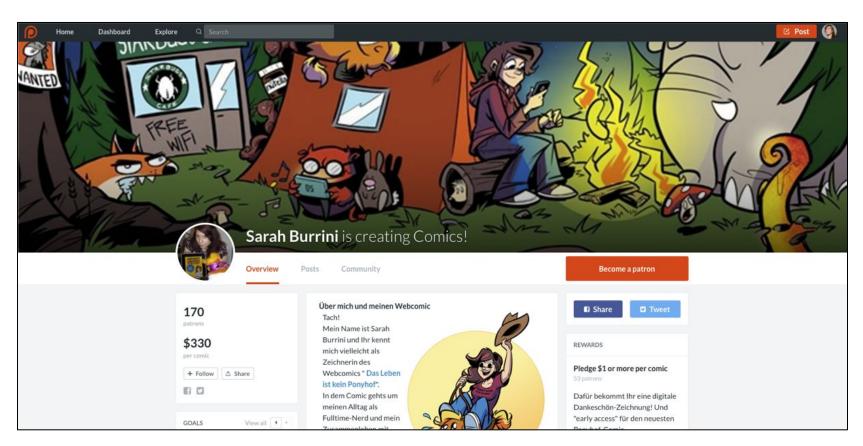
Companies also grow with the Crowd and first start with reward-based and later switch to lending-/equity-based Crowdfunding.





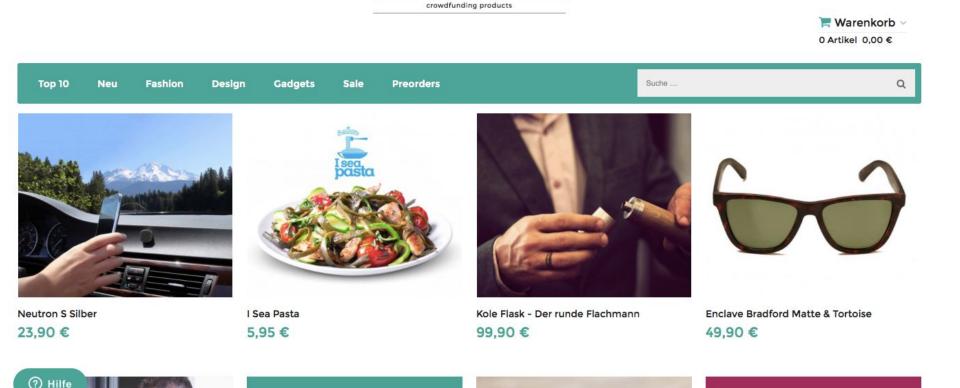
### Grow! Establish a Crowd-business

Some artists, but also creative entrepreneurs or journalists integrate Crowdfunding in their business models and follow new approaches.



# Grow! Turn Crowdfunding into eCommerce (1)

For successful Crowdfunding campaigns, several options are available when finishing the campaign successfully



STARTERSTORE

Source: www.starterstore.de

# Grow! Turn Crowdfunding into eCommerce (2)

With Indiegogo Indemand, succesful campaigns can continue selling their products through the website.

#### Raise Even More with Indiegogo InDemand

After your crowdfunding campaign is over, continue raising money and building your community for as long as you'd like. No fundraising target, no deadline limits.

#### **Success Stories**



#### LUUP Takes in An Additional \$1.8M in Funds

After raising over \$800k from their initial campaign, the LUUP three sifting tray litter system brings in an additional \$1.8M in InDemand.

See InDemand page



#### Prep'd Offers New Product Add-On's

This intelligently designed, beautifully crafted lunchbox and smart lunch recipe app quickly collected more than \$1.4M, doubling their funds raised to a total of \$2.8M, allowing them to give their backers more product add-on's.

See InDemand page



#### Meater Doubles Their Community

This Wire-Free Smart Meat Thermometer brought in more than \$1.2M in InDemand and grew their community by more than doubling their number of backers.

See InDemand page

#### Transition to the next module

At the end of this module, you should be able to...

- ...plan the activities after a successful Crowdfunding campaign
- ...understand the steps that are necessary to create several campaigns or use Crowdfunding as an ongoing source of finance.

# Crowdfunding-Tools & Resources

Module 5

#### Tools, tools, tools ... and resources!

There are many helpful resources and tools out there, which you can use to improve your campaign.

- Online Resources: helpful for getting a better understanding of how Crowdfunding works
- Communication-tools: helpful for organizing the communication process with supporters and team
- Pre-Launch-tools: helpful for building a community of supporters
- Press & promotion-tools: helpful to generate media awareness
- Fulfillment-tools & investor relations: helpful to manage the process of delivering the rewards and managing the relations with your investors

Source: own



# Resources on Crowdfunding: www.crowd-fund-port.eu

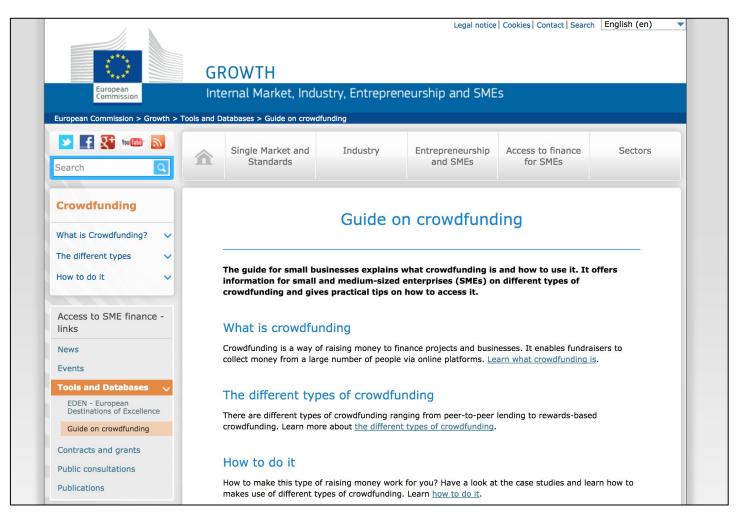
- List of platforms
- List of Crowdfunding events
- List of local partners
- Code of Conduct for Platforms
- Legal Information
- Best Practices
- Training Material



Source: www.CrowdFundPort.eu

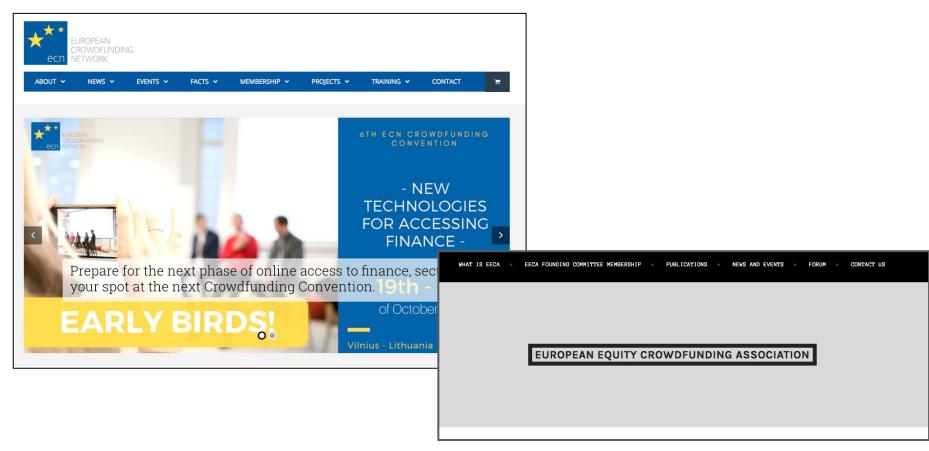
# Resources on Crowdfunding: Guidebook by the European Union

The guide for small businesses conducted by the European Commission explains what crowdfunding is and how to use it.



#### Resources on Crowdfunding: EU-wide initiatives

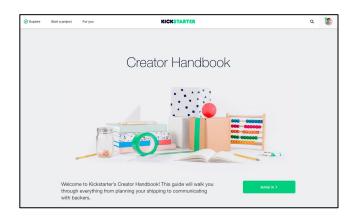
The European Crowdfunding Network AISBL (ECN) and the European Equity Crowdfunding Assocation (EECA) are professional networks promoting Crowdfunding at different levels.

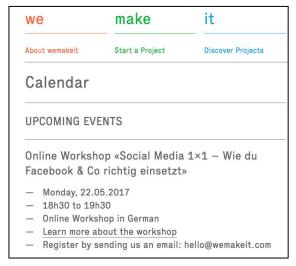


#### Resources on Crowdfunding: Platforms

Most Platforms offer detailed advice (tutorials, webinars, blog-posts etc.) on how to create a Crowdfunding campaign.



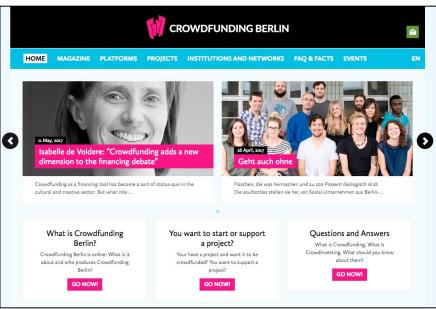




#### Resources on Crowdfunding: Regional Portals

A number of regional portals are helping Crowdfunding projects to receive a first orientation or even detailed consulting.





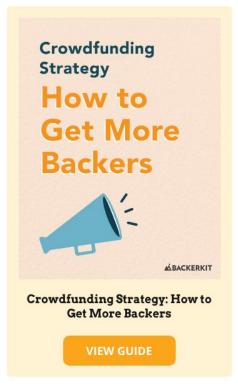
#### Resources on Crowdfunding: Commercial Guides

Free and commercial guides can be found everywhere on the Internet. A good one is the BackerKit Guide

#### **BackerKit Guides**

Best practices from successful crowdfunding creators.





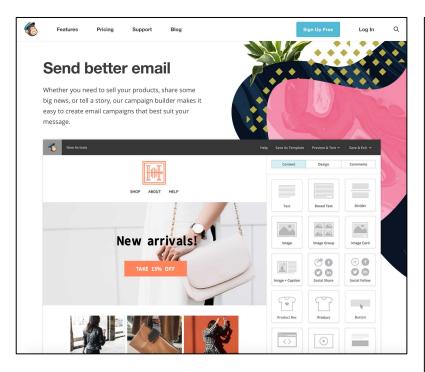


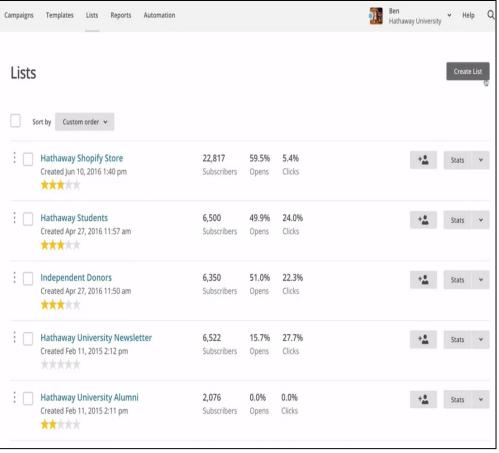
Source: https://www.backerkit.com/blog/guides/



#### Communication: Email-newsletters

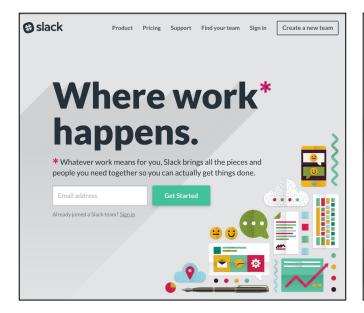
Newsletter-tools like Mailchimp or CleverReach are necessary to build and organize your email-lists.





### Communication: Team-/Project-Management

Tools like Slack or Trello help you to assign and follow-up on tasks and communicate/chat with other team-members.

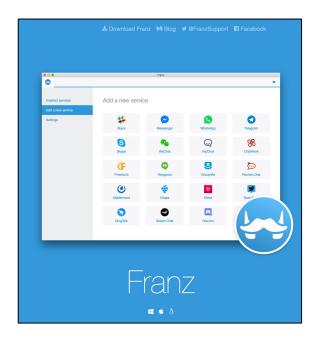


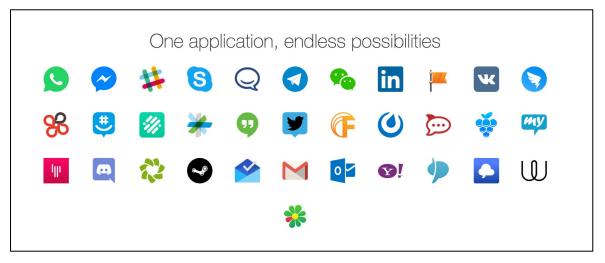


Source: <a href="https://slack.com/">https://slack.com/</a>; <a href="https://slack.c

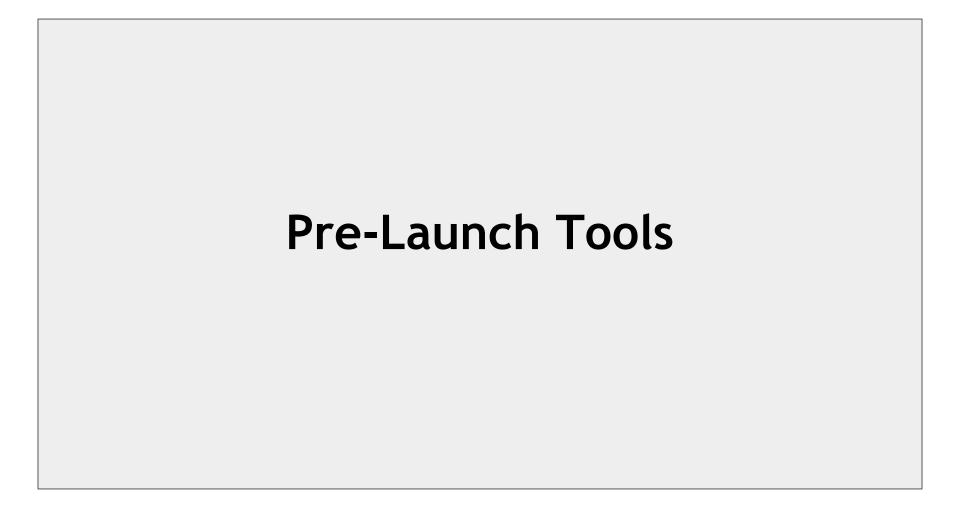
### Communication: Team-/Project-Management

FRANZ is a multi-messenger that combines all your channels in one place, like Facebook Messenger, WhatsApp and Slack.



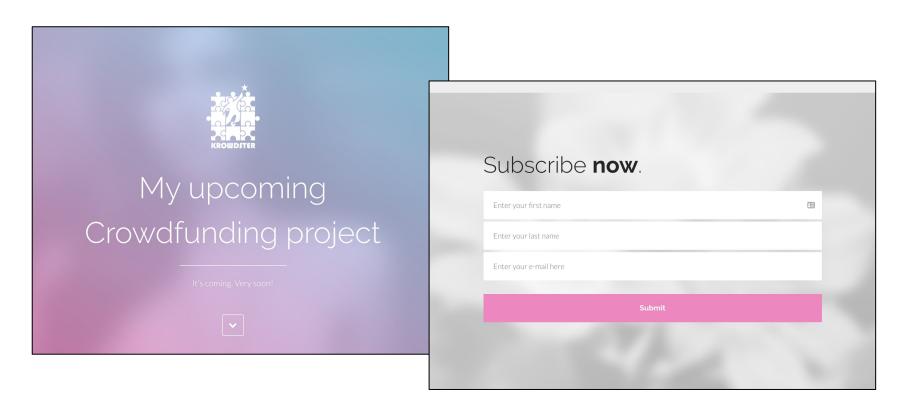


Source: <a href="http://meetfranz.com/">http://meetfranz.com/</a>;



### Pre-Launch: Landing-Pages

With Krowdster you can build landing-pages within minutes to collect email-addresses and pre-inform about your project.



15

Source: https://www.krowdster.co/l/dadc

#### Pre-Launch: Landing-Pages

You can also use Launchrock for building your pre-launch pages, including your own pictures, logos and texts.



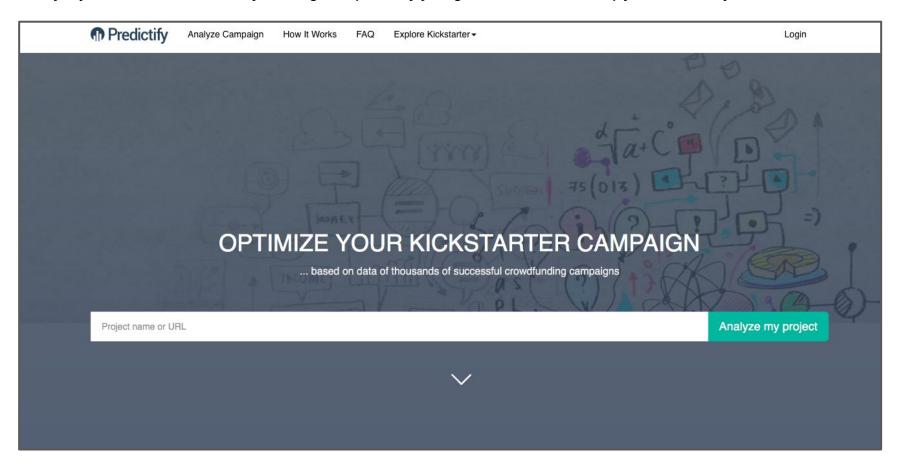
#### Pre-Launch: Contest-Pages

In order to build a community, contests can be used for motivating people to register or spread the word.



### Pre-Launch: Analysing & Predicting (1)

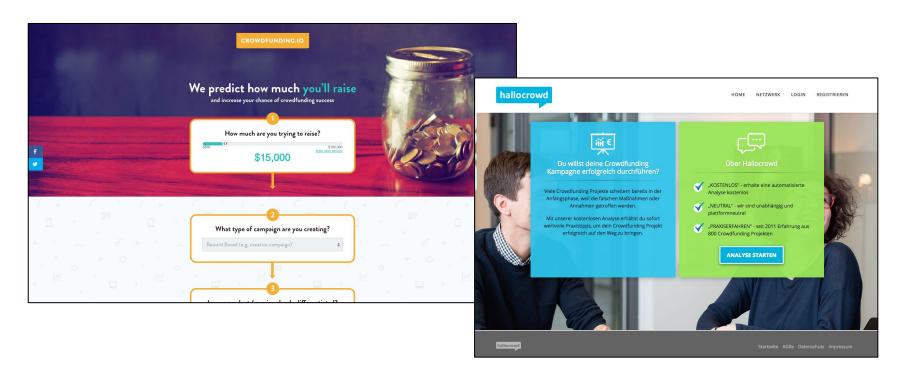
Analyse your Crowd and calculate your budget respectively your goal based on the size of your community.



Source: https://predictify.co/#!/

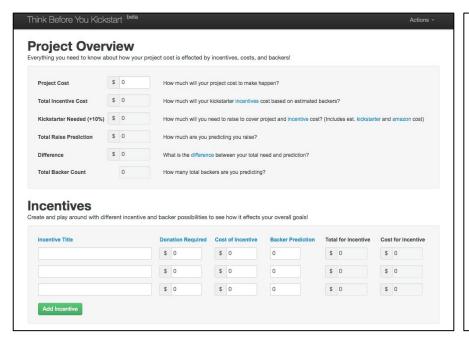
# Pre-Launch: Analysing & Predicting (2)

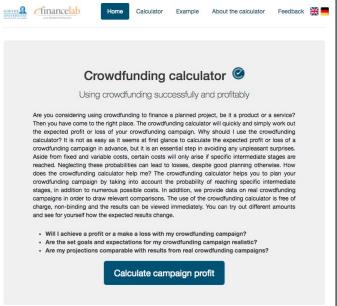
Analse your communication channels and your reach.



# Pre-Launch: Analysing & Predicting (3)

There are tools to calculate a good budget for your Crowdfunding-campaign.





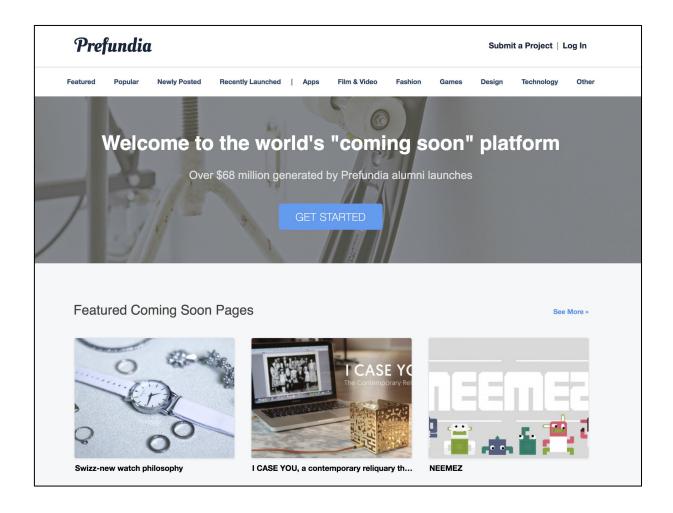
# Pre-Launch: Analysing & Predicting

Dutch Fundipal uses a pre-check-tool for SMEs to find out if Crowdfunding is the right financing tool.



# Pre-Launch: Present & presell

On websites like Prefundia you can present your product in advance and notify people of the uocoming campaign.

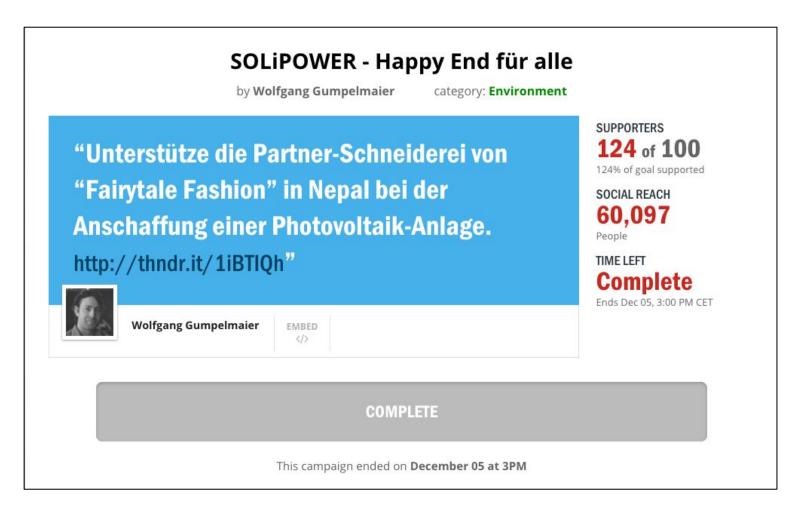


Source: Prefundia, <a href="http://prefundia.com/">http://prefundia.com/</a>



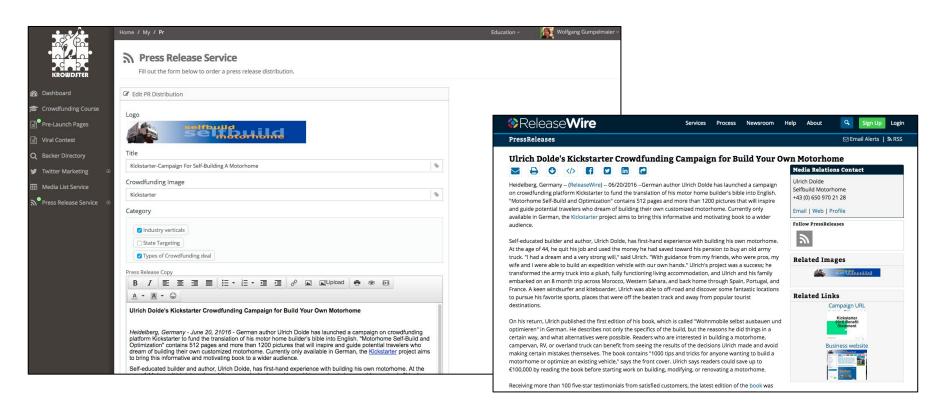
#### Press & Promotion: Spread the word in Social Media

On Thunderclap.it you need to synchronize the social media accounts (Twitter, Facebook and Tumblr) of at least 100 people. Once the social media accounts are all on board, your message is posted on all the accounts at the same time.



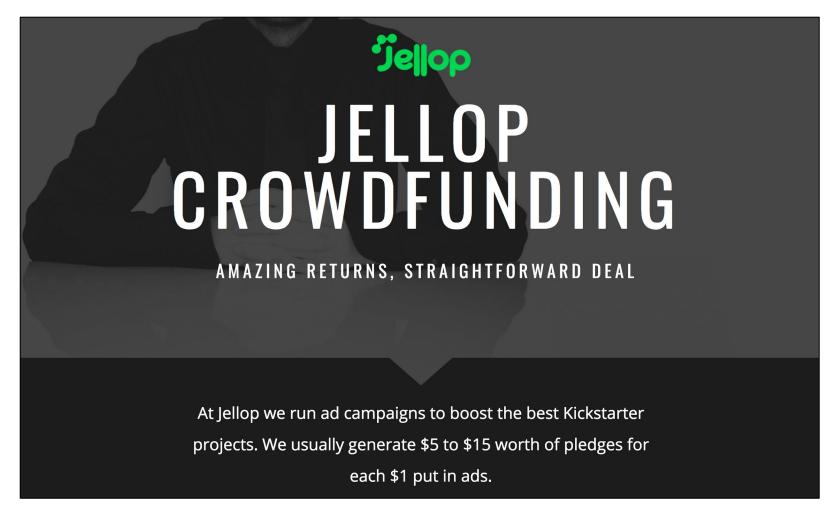
#### Press & Promotion: Deliver press releases

Krowdster offers an international press service that improves and delivers your press release to hundreds of media outlets.



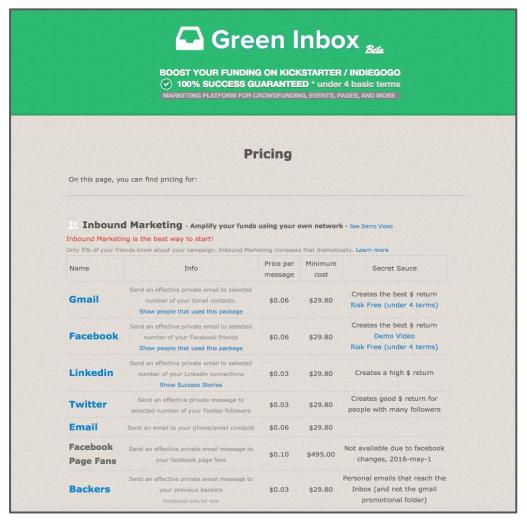
#### Press & Promotion: Advertise on Social Media

Jellop Crowdfunding is an online marketing agency to leverage an already successful campaign through advertising on Facebook.



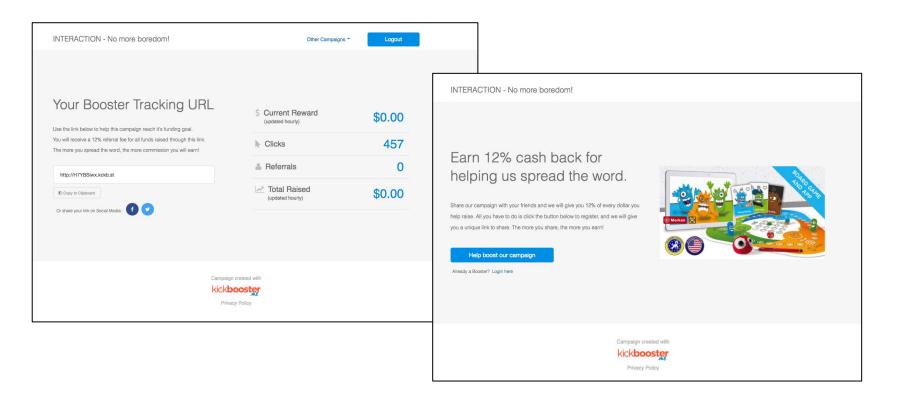
#### Press & Promotion: Advertise via Email

GreenInbox allows you to send direct links to your contacts on Social Media.



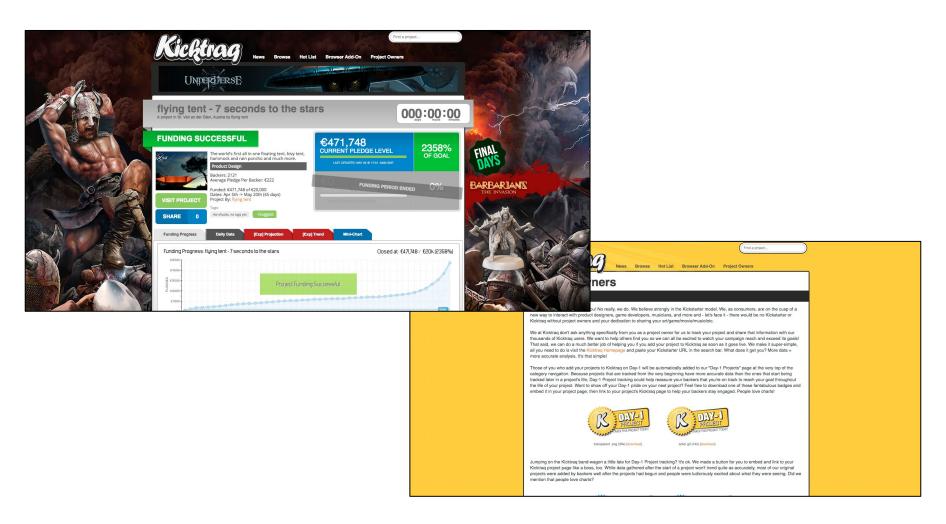
#### Press & Promotion: Motivate supporters with cash

Through affiliate tools like Kickbooster, supporters (of reward-based campaigns) can earn money by sharing the link online.



#### Press & Promotion: Paid recommendation

Kicktraq is an analytics tool for Kickstarter campaigns, but they also offer outreach tools for project owners.



#### Press & Promotion: Agencies

A number of agencies exist that will offer campaign managment and communication services.

#### Project partners:

- Brodoto.com
- Crowdfunding-Service.com
- ikosom.de

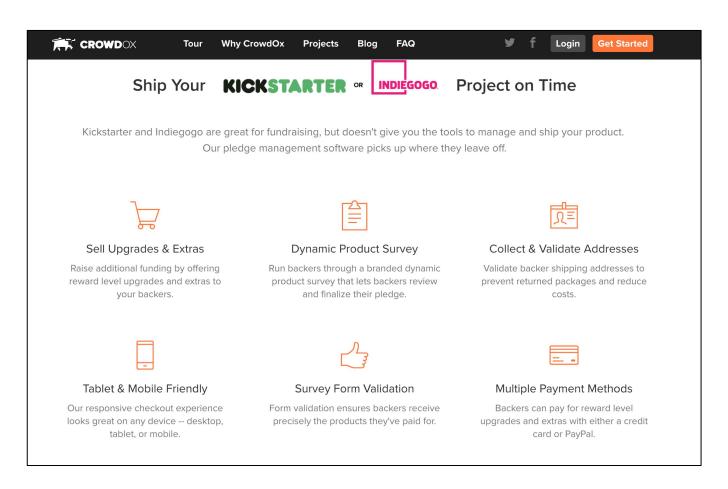
#### Other agencies (not complete list):

- Douw&Koren
- DynamoPR
- EventysPartner



#### Fulfillment: Manage your campaign

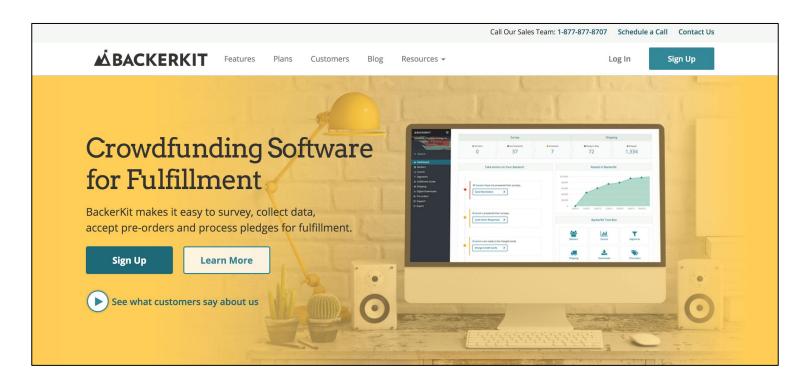
Crowdox lets you send beautiful, dynamic product surveys and identify supporters' further needs.



Source: Crowdox, http://crowdox.com/

#### Fulfillment: Manage your pledges

You can use Backerkit in order to manage the process of creating and delivering the promised rewards.



#### Fulfillment: Manage your campaign

Crowdpilot is a German company in beta that not only provides surveys, but also sends out the rewards etc.



#### CROWDPILOT

# **STARTS SOON!**

Crowdpilot is a management & fulfillment software for successful funded Crowdfunding campaigns.

Currently we're in a closed beta, but if you're interested in our services and located in the European Union, please contact us.





+49 3632 828233

AIMPLIFY Distribution Inc.,

Talstr. 12, 99706 Sondershausen, Deutschland Amtsgericht Jena HRB 511615, UST-ID: DE302126291

Geschäftsführer: Matthias Vogel

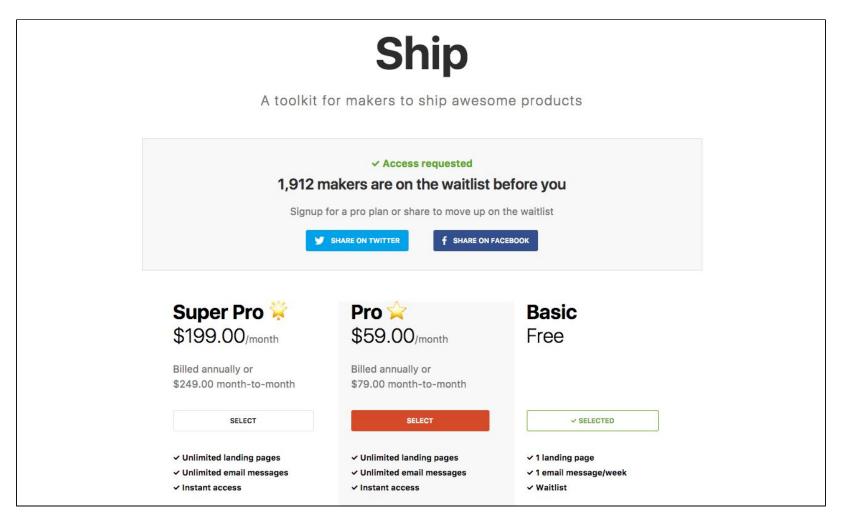


info@crowdpilot.com

Source: Crowdpilot.com

### Fulfillment: Shipping your rewards

There are also various offers online for shipping-services, such as Product Hunt's "Ship".

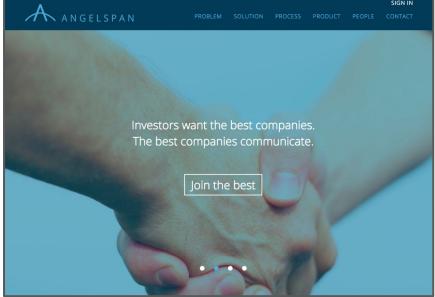


Source: https://www.producthunt.com/ship

### Investor-Relations: Communication Management

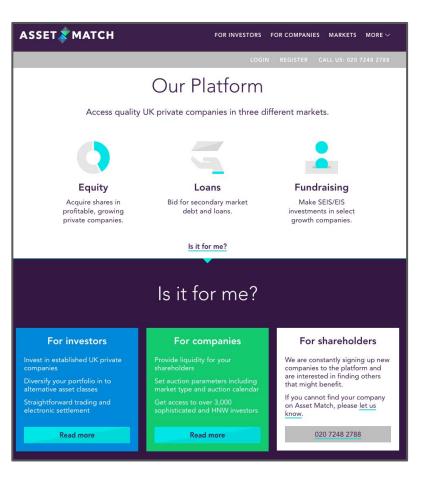
With KoreConX and AngelSpan you can keep your investors informed.





### Investor-Relations: Trading Shares

Trading shares of companies in equity-based Crowdfunding is difficult - few providers are working on finding a solution.







### Link-list of tools and resources (international)

### Online Resources:

- o <u>Crowd-Fund-Port</u>
- o Guidebook by the European Union
- o European Crowdfunding Network
- <u>European Equity Crowdfunding Association</u>
- Kickstarter Creator Handbook
- o Kickstarter Campus
- o <u>wemakeit Calender</u>
- o <u>Indiegogo's The Essential Guide to Crowdfunding</u>
- o wirbewegen.eu
- o Crowdfunding-Berlin
- BackerKit Guides

### Communication-tools:

- o <u>Mailchimp</u>
- o <u>Slack</u>
- o <u>Trello</u>
- o <u>FRANZ</u>

### Link-list of tools and resources (international)

### Pre-Launch-tools:

- Krowdster
- Launchrock
- Viral contests with Krowdster
- o <u>Viral contests on Indiegogo</u>
- o <u>Predictify</u>
- o Crowdfunding.io
- o <u>HalloCrowd Analyse</u>
- Think Before You Kickstart
- o <u>Crowdfunding calculator</u>
- Fundipal
- Prefundia

### Press & promotion-tools:

- Thunderclap
- Press with Krowdster
- Jellop Crowdfunding
- o **Greeninbox**
- Kickbooster

### Link-list of tools and resources (international)

- Fulfillment-tools & investor relations:
  - o <u>Crowdox</u>
  - o <u>Backerkit</u>
  - o <u>crowdpilot</u>
  - o Ship
  - KoreConX
  - AngelSpan
  - Assetmatch
  - o <u>cadia</u>
  - o <u>Seedrs</u>

### Transition to the next module

At the end of this module, you should be able to...

- ...have knowledge about the various tools which can help your campaign.
- ...understand the pros and cons of using each tool.

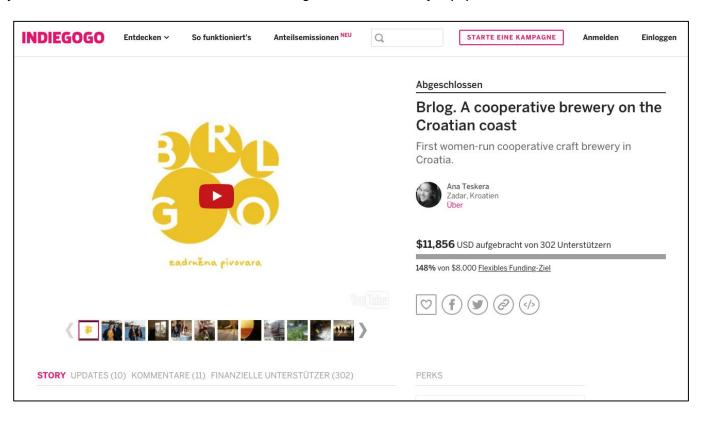
# Crowdfunding Best Practices

Module 6



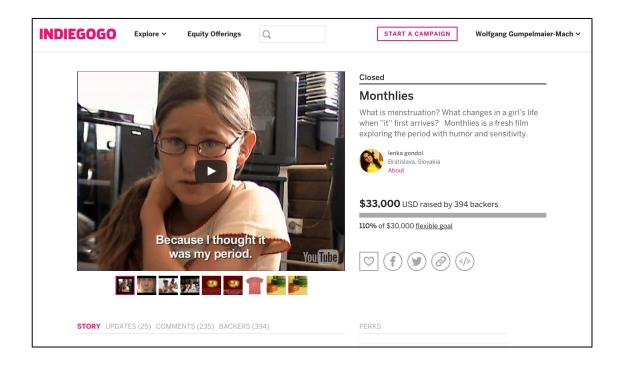
Brlog - a cooperative brewery from the Croatian coast - used Crowdfunding to finance brewery equipment.





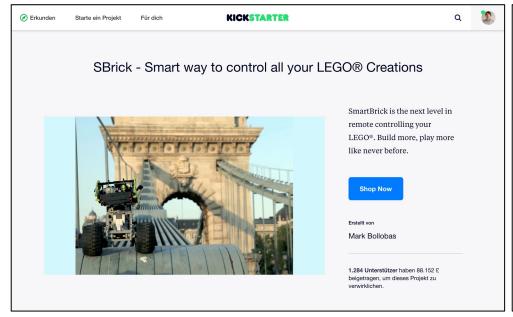


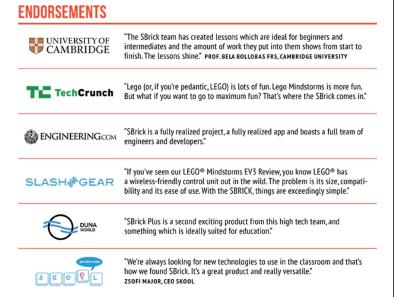
Monthlies is a documentary movie about taboo subject of menstruation. The filmmakers used Crowdfunding for financing, but also for raising awareness. The campaign also helped to bring the film to schools in Slovakia and other countries as an educational tool.





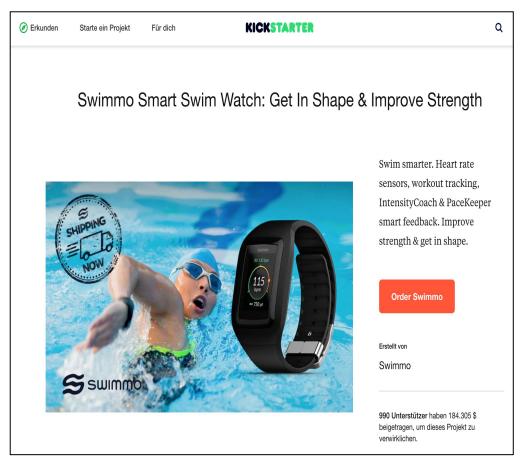
Kickstarter was used by SBrick twice to generate international media awareness and a network of international distributors.

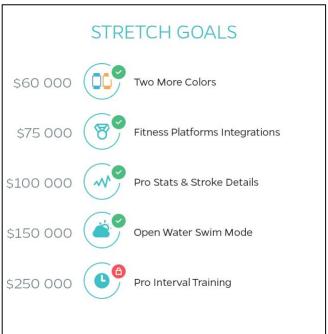






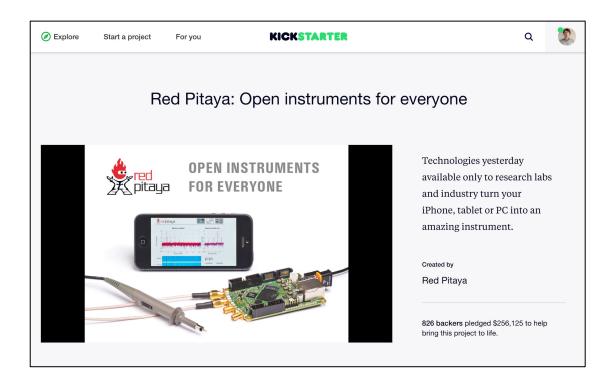
Swimmo is a smart watch for swimmers created by four designers and engineers from Poland, who are also passionate swimmers. The campaign is a good example of how to use infographics for explaining the benefits of the product.





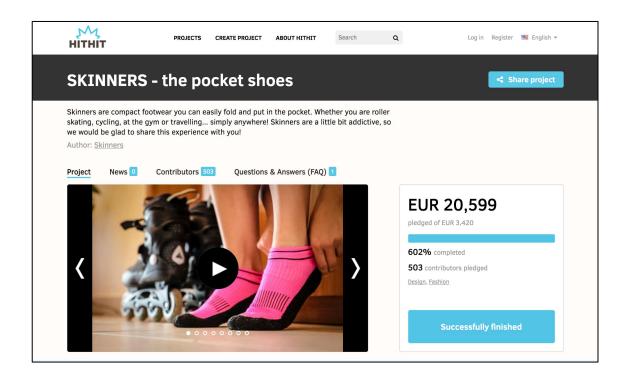


The Red Pitaya is an open source measurement and control tool that is plugged into the smart phone/computer and eliminates many expensive measuring instruments. The product is a result of a long-term process. One reason they used Crowdfunding was the money to start the production and on the other hand, they wanted to test the market.





The aim of the campaign was to create portable shoes-socks. The successful campaign was innovative and reached 602% of goal volume gathered. The project is still alive and seems thriving, expanding abroad. Later campaigned on Kickstarter as well, showing that reward-based CF on a local platform can also help build the community for a larger international campaign.



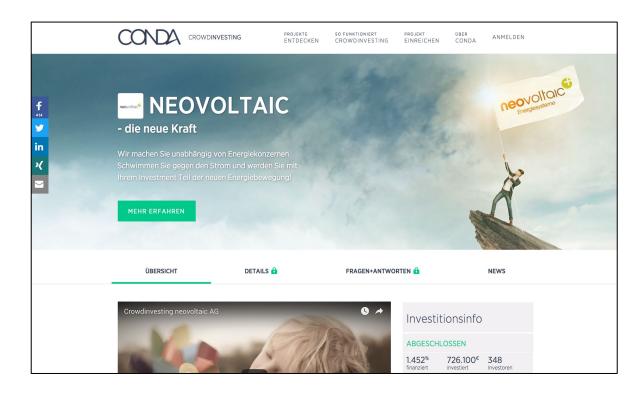


The project expanded the portfolio of an existing online only radio station, and add a morning news section. The company behind detektor.fm had already run a crowdfunding campaign on the same platform and built on the previous community. But more importantly, it has used co-partnerships to offer funders additional perks. It shows how SMEs can use partnerships to boost their campaign.





Neovoltaic is innovative energy supplier in the future market of Green Energy proved that profitability and sustainability are not a contradiction: media awareness not only for Crowdfunding, but in the same time for challenges of energy market.





La Synbiotec S.r.l. is a spin-off of Camerino's University, born in 2004. It deals with probiotics, dedicating its research, development and production. Symbiotec is a best practice, in the frame of SME Crowdfunding, because demonstrates to have and to be capable to use its strategic capacity.



# Crowdfunding Exercises

Module 7

# **Exercises for Module 1**

### Your Crowdfunding Past

Each team member explains...

- a) ...which Crowdfunding Platform he/she knows.
- b) ...which projects he/she has heard of before.
- c) ...which projects he/she has supported before.

### The second best outcome

The team imagines that the Crowdfunding was successful and all the goals were fulfilled.

What was the second-best outcome? Each team member notes the outcome and then presents it front of the group.

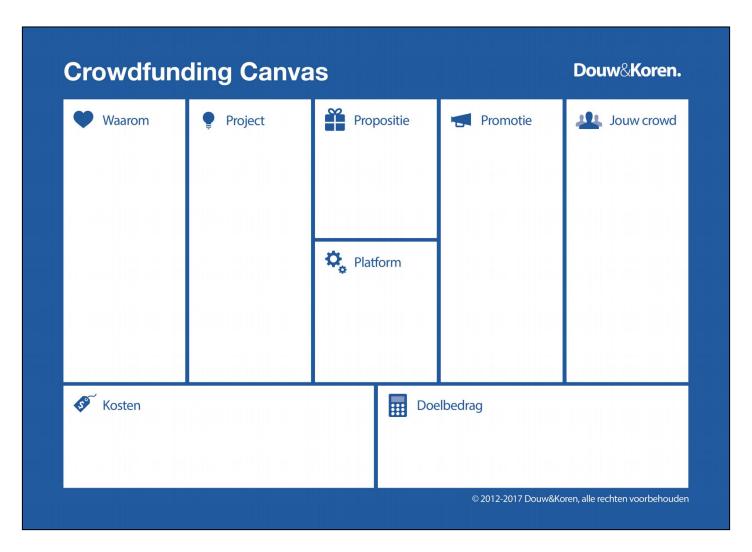
Together, a ranking of second-best outcomes is developed.

# **Exercises for Module 2**

### Pitch Practice

Each team member presents the Project Idea in 30 seconds, 1 slide, or 3-4 sentences to the rest of the team.

# Explore the Crowdfunding Canvas!



### Research Similar Projects

- Research a list of platforms suitable for your project.
- Each team member then has to identify projects with similarities to your own project:
  - Project Idea
  - Target Group
  - Funding Goal
  - Location
  - Branch
- Afterwards, the team members present their most-liked and least-liked project to the whole team.

### Three Scenarios

What happens if...

- ... the project reaches its funding goal before the end of the funding time?
- ... the project receives much more than the required funding goal?
- ... the project receives significantly less than the required funding goal?

### **Reward Simulation**

Create virtual rewards for your project

Each team member receives virtual coupons to be spent on the rewards.

The team then discusses why certain rewards were more attractive.

# **Exercises for Module 3**

# Create a video script

Team Members form groups of three.

Together they develop a short 30 seconds pitch video including the pitch texts.

Each pitch video is performed in front of the group.

# Facebook Experiment

- Create a closed, secret Facebook group for all workshop participants
- Let the participants create facebook posts for different events in the campaign:
  - 10 days before the campaign
  - 1 day before the campaign
  - Launch Day
  - You have reached 70% of your funding goal.
  - You have reached 100% of your funding goal.
  - You are starting the shipping of your rewards.

### Create a media timetable

Each team member creates three documents:

- Press release
- List of five media sources where the target group can be found
- Three ideas to gather the attention of the media

Together all the members create a media timetable.

# **Exercises for Module 4**

# Several campaigns or Crowdsustaining?

Each team member visits a Crowdsustaining platform (such as Patreon) and identifies interesting projects.

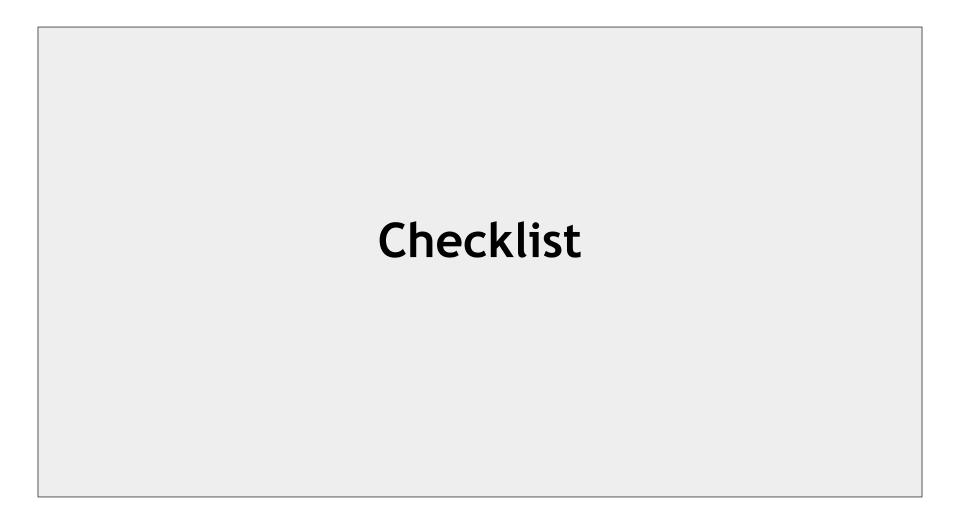
### The team discusses:

- Can we split our budget on several campaigns?
- Would we prefer ongoing support through the Crowd?

# The ideal Crowd Supporter (Post-Campaign)

Describe how the ideal Crowd Supporter behaves after the campaign:

- Does he/she visit any additional websites?
- Does he/she create a profile outside of the platform page?
- Does he/she interact with the SME team in a special way?



# Checklist (1): Is Crowdfunding right for your SME?

### Does Crowdfunding make sense for this project?

- Is it possible to summarize the project in three sentences?
- Is the project intended for consumers or for business?
- Which intention is achieved beyond the funding (marketing, market research, public relations)?
- Has the team had previous experiences with Crowdfunding?
- Does the team know the difference between donation-based, reward-based, equity-based and lending-based Crowdfunding?
- Is the time frame and the funding goal already determined?
- In which stage is the project (Ideation Phase, Prototyping, Production)?
- Are there similar projects on existing Crowdfunding platforms?
   What can be learned from these projects, what can be done differently?
- What is the budget for the Crowdfunding campaign?
   Is the team willing to spend money before the Crowdfunding project?

# Checklist (2): Is your team ready?

### Team

- Who are the team members and which roles do they have?
- Does the team have any time constraints in the next few weeks to prepare the campaign (other jobs, vacation)?
- Who is the person in charge of the Crowdfunding campaign?
- Who is the natural or legal person receiving the money at the end?
- Who decides about which material is published?
- Does the project work together with a tax consultancy?
- Is everybody comfortable in the team to use their own private names when advertising the project?

# Checklist (3): Is your product ready?

### **Product**

- Is the product name already fixed? Is the brand secured?
- Is the development of the product already financed?
   With the financing, how long will the development of the product take?
- How much are the production costs per unit?
- How much are the shipping costs per unit?
- Should pre-selling via Crowdfunding yield a return?
- Is it possible to make different packages of the product, for instance as special edition or luxury version?
- Can the product be combined with other products or services?

# Checklist (4): Who is in your target group?

### Target Group

- What do you know about the audience and potential customers?
- Were there already contacts to the target group, for instance through earlier sales?
- Can we use the feedback from earlier sales for the Crowdfunding campaign, for instance through testimonials?
- Is the target group regional, national or international?
- Has the product been certified or received awards?

# Checklist (5): Is your marketing ready?

### **Marketing**

- Is there marketing material which already exists?
- Is there a website with a landing page? Who is responsible for the website?
- Which texts are already ready for the project?
- Which fotos exist for the projects?
- Which video material exists for the project?
- Are there descriptions and pictures of all team members?
- Are there pictures showing the product while being used?
- What kind of external material can be used (media clips, customer reviews, testimonials)?

# Checklist (6): Are you ready for media coverage?

### Press/Media

- Have there been previous contacts to media?
- Which media are being used by the target group?
- Is there a budget for media relations? Is there a budget for advertisements?
- Are the existing media texts?
- Who is responsible for media relations? Is there a special agency?
- Are there special events during the campaign which could be an anchor for media coverage?

# Checklist (7): Are your rewards ready?

### Rewards in Reward-Based Crowdfunding:

- How high are production and shipping costs?
- What are expected retail volume and returns?
- Who is responsible for the production of the rewards?
- Are some rewards limited by the production?
- Can some rewards be personalized?

# Checklist (8): Are your business details ready?

### **Business Details (Equity-based Crowdfunding)**

- Is there a pitch deck?
- Is there a business plan and a financial plan?
- How is the structure of owners?
- Are there other financing rounds planned outside of Crowdinvesting/Crowdlending?
- Has the business model been evaluated externally?
- What is the value of business with similar products or services?
- What type of information can be provided to investors, what type of information cannot be shared with investors?

# Checklist (9): Social Media Ready?

### Social Media

- Which Social Media Channels are being used right now, which need to be established?
- Which Social Media Channels are used by the target group?
- Who is responsible for Social Media in the team?

# Checklist (10): Video Ready?

### <u>Video</u>

- Do you have contacts to video agencies?
- Which video equipment is accessible? Does your team have knowledge about video editing?
- Which scenes have to appear in the video?
- What kind of story does the video tell?
- How long will the video be?
- Will the video also be available after the Crowdfunding campaign?

# Checklist (11): Campaign Ready?

### Campaign

- Which funding threshold and which funding goal will be set?
- Which funding time will be set?
- Which networks and contact lists can be used for the campaign?
- Which external events can be used for the campaign?
- Are there special events planned at the start, middle and end of the campaign?
- Are there ways you can involve the Crowd in your campaign?
- Who is responsible in your team for the questions of the crowd?
- Are there regular team meetings?
- What follow-up possibilities exist?

# Checklist (12): Platform Ready?

### **Plattform**

- Should the platform have regional, national or international reach?
- What are the fees of the platform?
- Which functions are provided by the platform?
- Has the team worked with a specific platform before?
- Does the team have accounts in the relevant payment systems?

# End ;-)