



CROWDFUNDED!

***THE BEST WAY
IN RAISING MONEY
FOR YOUR PROJECTS***

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Foreword

In the past years, there has been a great rise and interest in collaboration. Thanks to the internet and its ability to reach many people in the least amount of time, collaboration between people from all walks of life is now possible.

Collaborative funding via the web, or better known as Crowdfunding is one example of collaboration. This has been a real standout because of the attention and growth in fan base that it has garnered since the term has been coined.

Crowdfunding is actually the collective effort of a certain group to gather funding that is needed for a project, cause, and charity or business investment. Activities may range from fund raising for disasters to art shows and movies.

This eBook will guide you through the process of using crowdfunding.

Chapter 1

Introduction

The origins of Crowdfunding could be traced to something that is called crowdsourcing. The concept is that a person can reach his goal through receiving a small amount of monetary contribution from a lot of sources. It is the collection of funds via small contributions to sponsor and finance a project.

As a process, an organization supports and promotes a project, which is known as a platform. This platform brings together the crowd who will bring in the funds to the initiator who is the person or organization who is in line to receive the funds.

Since the set up of the Crowdfunding as an industry, it has been able to raise something close to \$3 billion in 2012. There is a projection that in 2013, the Crowdfunding industry will be able to raise something close or over \$5 billion.

There are many crowdfunding sites that are available now. Depending on the need and purpose of your cause or project, there is something that will surely fit your need.

For Crowdfunding, there are two main models or two types.

Donation based – which is where it all started. The model that they used was based on the donation of funders who are formed as a collaborative group. In return for their support, they are provided with products and services or at times rewards.

Investment Crowdfunding – this is the second model that is being used, where businesses seek capital via the sale of ownership stakes. This is investment in its purest form but with the splash of technology in between.

Comparing the two, with the investment crowdfunding, there is a potential for a financial gain or return, while with donation crowdfunding, there is none.

In the months ahead there is expected change when it comes to crowdfunding. There is talk that there would be more approached that would be introduced like group based approaches, mobile solutions and localization – where funding will be focused on sponsors who are from specific areas like neighborhoods and cities where the project is close to.

With the growing market, Crowdfunding has really created quite a stir. Joining the concepts of philanthropy and entrepreneurship, crowdfunding has broadened the base of possible investors for companies or individuals who are seeking the funding to launch their projects off the ground.

Chapter 2:

What Is Crowdfunding Exactly?

The internet is really making its impact when it comes to fundraising for charitable causes. One of the recent innovations when it comes to fundraising is something that is now known as Crowdfunding. There are many websites that were set up to help non-profit organizations in raising the much needed funds for their causes.

How does it work?

Nonprofit organizations are now collaborating with websites like Fundraise.com, Fundly and CauseVox to raise money for their charities or causes. Each feature differs depending on the site, but the main stream of thing is that these websites allow a nonprofit organization to use them as an avenue for their fundraising campaign. They accept the contributions and donations directly using their credit card processor. These websites often allow individuals or organizations to create fundraising pages representing the charities that they are sponsoring.

Positive Side

For many, this is really something that brings ease to their worries in raising the needed funds for their charities. Due to the help or sponsorship of these websites, an organization has more leg room to

work and advertise when it comes to raising the funds that they need. They are able to interact with more people on a global scale, which is definitely an advantage.

There are many organizations that were able to raise funds for annual events like art shows and exhibits or plays using the method of crowdfunding.

Negative Side

Some charities or organization often think that with crowdfunding sites, they could just leave and expect for things to happen without supervision. Just like with anything in life, if you want to earn money, you need to work for it. There really is no shortcut in the whole deal.

For an organization to raise the money that it needs there should be visibility. In other word, as an organizer or as an organization, you need to get the word out that you are raising funds for a certain cause. You need to market your charity and make people aware of what is happening. You cannot leave it all to crowdfunding sites since their main work is to help you and your organization.

Crowdfunding – What is it Exactly?

Crowdfunding serves as a way or an avenue for an individual or an organization to reach more people in the least amount of time. Think globally, since this is after all the internet. It makes the whole process of fundraising easier for organizers to reach and hit their target, may

it be funds or people. It also is a means for an organization to known. If you really look at it, this is publicity at its best and at its cheapest.

It helps organizations to go to places that could not be reached on their own. It also helps to eliminate unwanted expense due to marketing and promotion. It's like getting a good deal in consideration to the cost and the amount of effort that is put in. Crowdfunding is changing the whole approach and concept when it comes to fundraising activities.

Chapter 3:

What Is Kickstarter And How Does It Work

[Kickstarter](#) was launched April of 2009. This funding platform was created to sponsor creative projects like games, music, films, art, technology and design, Kickstarters projects range from the ambitious, imaginative and innovative. They are being brought to the scene from the direct support of patrons.

Since their launch, Kickstarter was able to over \$500 million worth of pledges from more than 3 million people and in turn they were able to fund and support of 35,000 project worldwide.

How It Works

Through the thousands of projects that are being funded though Kickstarter, they have really made their mark in the crowdfunding scene. Each of these projects is unique in itself. Talented people like musicians, filmmakers, artists and designers use Kickstarter for their projects.

They have the control over each project which they spend weeks when it comes to building the pages, shooting and editing videos and generally promoting the projects that they are working on to potential backers. As soon as this is settled, these creators have the

responsibility to launch the project which will enable them to share the project with the community.

There is a set goal when it comes to funding and there is also a set deadline. For people who are taken with the project, they can donate or make a pledge to enable the project to take off. Once the target goal is met, the credit cards that were used for the pledged will be charged. This transaction will be done simultaneously. If the project does not meet the funding goal by the set deadline, none of the people who pledged will be charged. The good thing with Kickstarter is that they practice an all or nothing deal.

All Or Nothing

The all or nothing practice is what makes Kickstarter different. It enables them to create this feeling of assurance from all of the people who are involved that there is less risk for everyone who is a part of the project. It motivates the people who are behind the project to promote their cause and to create a stir. Based on experience, this practice works.

Kickstarter is mainly used for creative projects pertaining to Comics, Design, Arts, Fashion, Food, Film, Dance, Music, Publishing, Photography, Theater and Technology. For your project to be considered, as a committee or individual behind the project, you should present a clear goal of what you want to happen, like the completion of a book, or an album. Kickstarter is really not really into charities or causes. They are more inclined to arts.

Kickstarter is a company composed of 57 people who are based at the Lower East Side of New York City. Their main goal is to make the Kickstarter website better and more accessible.

For the people who are behind Kickstarter, they invest their time and talents in providing information that is solicited by creators and backers concerning projects that they are involved in. They continuously look for other projects that they can share with people who are into arts and all its branches.

Chapter 4:

What Is Indiegogo And How Does It Work

[Indiegogo](#) is another crowdfunding site or platform. This is where people who are into funding raising meet and interact. People who get together through this site are able to create fundraising projects. This is where many organizers – companies or individuals -share their personal stories and are linked to people who are passionate about the same projects or causes.

How Does It Work

Using the site Indiegogo, people or organizations are able to raise the funds that they need to sponsor their projects. Unlike other sites, there is no set limit on who can use the site. One catch is that there should be valid bank account established before Indiegogo will give the go ahead for the project.

Anyone who has an established and valid bank account can start a project using Indiegogo. Like other sites, they have a set goal and a set deadline for the projects.

If the project does not meet the set goal or funding, the fundraisers will be able to keep the funds that they were able to gather. Organizers are charged with a 4% platform fee if the target goal is met

and 9% if the target is not met. Currencies that are accepted and disbursed are in GBP, CAD, EURO and USD. No other currencies are accepted.

The establishment of the campaign is free and relatively easy. There is no set application process so for people who are interested, they could start right away. Joining Indiegogo is free. The fee will integrate once there is money raised from the campaign.

Goal

The goal of joining a site like Indiegogo is to spread the news about a certain campaign, charity or cause. Ownership of the campaign or project remains with the creator – company or individual.

A commitment that Indiegogo gives to its clients is that the creator does not owe Indiegogo anything until the time that the campaign is able to raise the funds that they need. There is also an assurance that the team behind Indiegogo extends their support and assistance to the people behind the project.

In all reality, the creation of a campaign is simple. Sites like Indiegogo help individuals or companies to raise the money that they need.

Commitment

Indiegogo commits to the safety of their clients while working on a project. They assure them of the peace of mind while undergoing the crowdfunding gig.

They commit to creating a great working environment for all parties involved. They open their doors to customer happiness and they also commit to providing assistance to their clients may it be any day of the week.

Though open their virtual doors to all, they are committed to keeping the community safe. They do not tolerate content that might violate any existing law.

They encourage and monitor comments and feedback and are adamant in their campaign for respect among peers.

They also encourage responsible campaigning. For them, there is importance in being honest and transparent in all matters regarding the campaign. They ask clients to provide accurate information and details.

Chapter 5:

Gogo Theater And K Theater for Independent Films And How Do They Work

The Gogo Theater was established as a virtual cinema. The lobby is used to advertise and promote products. Just like in movie theater, the people from Indiegogo use this site to promote the products of their clients so that other people can see. They use a tried and tested tactic to get the attention of the public.

As an online cinema used for indie films, the Gogo theater supports independent movie makers to market and showcase their works.

The same logic and technique is used by the K Theater. They help their clients who are into creating indie films, giving them the opportunity to show their work to a bigger market, using a faster and more accessible means.

How Do They Work

The primary purpose of the Gogo Theater and the K Theater is to help aspiring movie makers to have a platform for their works. These are the clients whom they were able to work with. These are the people whom they helped to amass funds for their projects.

This is actually a great avenue for independent film makers since they already have a captured market. These are the people who sponsored their projects.

The Gogo Theater and the K Theater showcase their clients' independent films with a real online movie experience. They create the general feeling of really going to the movies and having a great time.

How They Affect the Art Industry

Remember that these are platforms used to promote works of art, like movies and independent films by people who are not given the opportunity to work with big corporations. These crowdfunding sites are actually testing ground to see the reaction of the market to the work that is created.

The main goal of the Gogo Theater and the K Theater is to showcase works of independent film makers and show their work to a different market and to get the much needed funding and exposure that is not available to them. It opens doors for these independent film makers to come interact with people who are interested in their work thus opening potential connections that could help them with their career.

If you really look at it, the opportunity that is given to artist via these platform sites is invaluable. Because of the exposure that is given to their work, they have opportunities to see areas of improvement for

their as well being able to sink their teeth in the simple but invaluable part of any business – marketing.

At the same time, with sites like the Gogo Theater and the K Theater, it is also a breeding ground or a platform of opportunity for business to advertise their products because of the “ad spaces” that is provided by the said sites. It brings together business and the arts in one site.

With the creation of sites like The Gogo Theater and the K Theater, you can say that there are more opportunities that are available for amateur and independent film makers to be seen and heard.

Chapter 6:

Other Crowdfunding Sites

There are many crowdfunding sites available in the market today. depending on the need and the industry, there is a crowdfunding site that would fit for you.

Crowdfunding Sites

Indiegogo

This site has a broad approach when it comes to fundraising or crowdfunding. Indiegogo caters to just about anything, from music to charities, personal financing needs and hobbies. Because of the flexibility that they allow their customers, they have garnered an international following and are now one of the leading sites for crowdfunding activities.

Kickstarter

Kickstarter is a donation based site whose projects are more on the creative side of things. They prefer creative projects like art shows, selling of music albums etc. they shun away from businesses, charities, causes and other activities like personal funding. Their platform has experiences growth since its establishment since they were able to adapt to their niche.

Crowdfunder

This crowdfunding site primarily is for businesses. They have donation based and investment based crowdfunding for individuals and for small businesses. They help develop the entrepreneurial system and let tech startups, small businesses and social enterprises access to funding from outside of the borders of the Silicon Valley. The initiative that it has presented via Crownfundx has enabled many businesses within the US and Mexico to interact with locally based entrepreneurs on and offline.

Crowdrise

Now this is a crowdfunding site focused on charity and causes. This is where do gooders meet and greet for a common cause.

RocketHub

A donation based crowdfunding site that sponsors a wide range of creative projects. They enable owners of creative projects to meet and greet with promotional and marketing partners. This site helps in the collaboration for the success of a project.

Appbackr

This site is devoted to technology via the creation of mobile apps. This is uses the donation based model to help fund developers in creating and launching mobile application.

Somelend

Somelend is a site that is focused on lending small businesses all over the US, enabling business owners have something of a debt based investment as a means of funding. This site has partnered with banks and other financial institutions so that they could provide loans to small business owners.

AngelList

AngelList follows the funding investment strategy. This is for people who are looking to get a break past the Silicon Valley hype. This site links developers or tech startups that are looking for investors with institutions who would like to make investments.

Quirky

For inventors, tinkerers and makers, this is the crowdfunding site for you. Quirky has an established community where it is able to connect the product to the investor. The goal of Quirky is to bring to life

inventions or products. They encourage the community to participate in the overall process via donation based funding.

Invested.in

This site is more in the line of finding the right niche for the right person. Their general idea is that if a person or a company has the tools and he wants to finally get them off the ground, then they will be able to help you make your idea a reality.

Chapter 7: Steps To Take To Get Started With Crowdfunding

Based on research, crowdfunding will expand in the coming years. The question is how crowdfunding can help you to raise funds and support for your projects and causes.

Models:

There are models that you could choose from when it comes to crowdfunding

Equity – for this model, you can get a fair idea by looking at reality show where businesses have investors who extend their support for the business owner for the launch of the company. In return for the investment, the investor gets a share or equity with the company.

Interest – for the interest based model, investors or backers don't really get a share of the company. Instead they wait for the return of the initial investment that they entrusted the owner of the company. This is similar to interest banking, since it has similar parameters.

Donations – this model is patterned after the common style of fundraising as it applies to creative industries all over the world. People are encouraged to offer monetary assistance for a cause or a project.

Simple Steps in Getting Started With Crowdfunding

Choosing your model – when it comes to crowdfunding, it is important that you have an idea of what model you will use. What will work best when it comes to your project?

Pitch Your Work – make sure that you have a rock solid campaign pitch since you need to attract investors, backers and patrons to support your cause or your project. You need to sell the idea so you need a good selling pitch to catch the attention of the public.

Photos – remember that a project will have more impact if they can see the idea or the project that you are marketing. A lot of people respond and adapt to visual aids like pictures, so make sure that you will use good and quality photos as part of your marketing.

Videos – just like with pictures, as much as you can, create a video for your cause or your project. Remember that you are capturing the

attention of people who will help you for your project, so make sure that you are presenting a well balanced and high quality video.

Update – it is imperative that you keep the people updated of your progress while the campaign is active. Inform the crowd of the progress of your campaign. You can use social media networks to make this happen. For most crowdfunding website, they allow updates to be made on the front page of the campaign.

Set Your Timeline – time is of the essence when it comes to campaigns since most crowdfunding websites set a time limit for each campaign. Make a clear cut plan for your timeline, say for your events, updates and targets.

Budget – consider all the costs that you would need for the project and make sure that you have set clear expectations for your project.

Ending your Campaign – once you have raised the funds that you would need for your project, you need to fulfill your obligations. This is where everything falls together.

If you really look at it, starting a campaign via crowdfunding is really easy once you have a set idea and a clear plan on what you need to do. If you are really interested in starting a campaign, do your research and set your plans into motion.

Chapter 8: Difficulties That Can Arise And How To Deal With Them

Just like with any business dealing, there are risks that you need to look into when it comes to crowdfunding. Because of the increase in popularity, there are now some difficulties and issues that needs to be looked into.

ASIC Regulation

Because of the growth of popularity of crowdfunding sites, ASIC has issued a media release which serves as a guide for promoters of crowdfunding.

The ASIC regulation is mainly looking into the rewards that are offered to donors who are involved in crowdfunding certain businesses. The parameters are carefully considered and analyzed. For the standard crowdfunding techniques and arrangements used, these do not really fall under the close scrutiny of ASIC.

Penalties

For promoters, there is close scrutiny since there are cases where shares or arrangements are made via crowdfunding sites that violate the Corporations Act. There is an established penalty if the promoter

fails to register the investment scheme. The penalty is set at \$22,000 – the equivalent of 200 penalty units or 5 years worth of jail time or both. There should be proper disclosure on the offering of financial products or shares.

Contracts

If you are venturing into crowdfunding, make sure that your contracts are clear cut. As experiences have it, there are many issues that arise between contributors, promoters and crowdfunding platforms. Make sure that you review the terms and conditions before you sign the dotted line. You need to be aware of your rights, may it be from the side of a crowdfunding platform, contributor or promoter.

JOBS Act

On April of 2012, the Jobs Act was introduced in the United States. JOBS Act stands for Jumpstart Our Business Startups Act which provides information when it comes to share that are issued to contribution by crowdfunding platforms.

The exemptions apply when the total values of the shares that are issued to contributors are less than \$1 million. All crowdfunding platforms are required by the JOBS Act to register under the United States Securities and Exchange Commission. The JOBS Act is only applied to United States entities.

Just like with any business transaction, there would always be risks and issues that will arise. Even when it comes to crowdfunding, since there is an exchange of money, there are difficulties that come out of the woodwork.

One important factor to handle all of these difficulties is to make sure that as an investor, contributor or promoter, you do your research. Read the contract and the fine print so that you know all that deals and obligations that is tied up with the contract. Ask questions if you need to, but make sure that you know the deal inside and out.

Since you are getting yourself involved with the project, eliminate all possible difficulties or issues that may spring up in the near future. It is your right to know what is happening between you, as an investor, contributor or promoter and the crowdfunding platform that you are working with.

Remember that taking the necessary precautions will eliminate future headaches.

Chapter 9: Additional Benefits Of Crowdfunding Besides The Money

Crowdfunding isn't simply about the cash.

Start-ups that utilize this sort of broad financing likewise get a little valuable insight about how to carry out their businesses. While crowdfunding was once believed to simply draw in one-off projects for artists, lately founded web sites like Kickstarter, IndieGoGo and RocketHub let founders test drive a piece of their business model or produce a prototype for a fresh product.

Here some benefits of crowdfunding your project besides the cash:

You will acquire proof with your idea

Users talk with their wallets on crowdfunding web sites, which may be the greatest indicator on whether they like or detest your concept or product.

While cash is a vital factor, the greatest benefit is the substantiation of your concept. Occasionally the great news may provide you more self-assurance to keep going instead of to move on to your next concept, particularly if there's a costly prototype involved.

You'll learn what likely buyers truly think

Not only may backers invest in the project, the little ownership perks affiliated with every campaign may help you acquire useful feedback on what works and what does not. It's sort of like a macro- focus group.

You'll acquire a example in sales and marketing

Whether constructing your online video to seriously explain your idea or communicating with likely backers, enterprisers find that crowdfunding lets them formulate their marketing and sales experience. Not only do enterprisers have to come up with a great idea, they have to sell their project while getting into the money of their community. Entertaining your sales and marketing statements early on may help you continue to formulate your project with the buyer in mind.

You will realize the size of your buyer base

Particularly if you're making a costly product, recognizing precisely how many individuals are purchasing your product is key. It's too painful to over-produce product as you've used up capital that's simply sitting as stock.

You will become organized early

Having investors to report to implies you will have to create a brief version of your business plan from the beginning. As the procedure carries on, you'll have to share more of your inner plans with those who have chipped in and learn which information to keep secret. After your theme is funded, you'll have to file your plans with the Securites and Exchange Commission. Having to perpetually report your advancement and maintain track of your spending helps entrepreneurs institute "organization skills that are great for any business/

You will acquire ideas for succeeding projects

Crowdfunded projects provide start-ups insight into what buyers would like to see. You get to learn about the sorts of people who are interested in your project and whather sorts of projects they're interested in. Hopefullyyou're satisfying buyers who will be pleased to purchase from you again.

Chapter 10:

Conclusion

For many business owners and budding entrepreneurs, crowdfunding sites are avenues to answer their dilemmas about starting their businesses. Money is really a primary concern for many business owners since funding or options of funding are at times more difficult to solve comparing it other factors involved in starting a business.

Crowdfunding sites have become the go-to sites as they serve many purposes. For businesses, these would be for funding, sales and marketing and development. For artists, these are platforms where they can showcase their talents and work. Then there are charities who market their causes to raise the funds that they need to create an impact via their charity work.

In the coming days, basing on the reaction of the public, there will be noticeable growth and increase in numbers when it comes to crowdfunding sites. With the money that is exchanging hands and with the noticeable reaction of the public, we will see more of these for more reasons than the usual.

There are many benefits for a start up business when they use crowdfunding sites during the beginning stages since there is more than just money involved in the whole deal. If you really look at it, there are advantages and disadvantages when it comes to doing business with crowdfunding sites. Make sure that you weigh all these factors as you venture out in dealing with crowdfunding sites.

Research and understand everything facet of making your business or product known via these platforms.

For interested parties who would like to know more about platform sites used for crowdfunding, and for any active or available causes, projects or charities that you can be a part of or participate in, you can check these links listed below:

<http://Kickstarter.com>

<http://IndieGogo.com>

<http://www.crowdfunder.com/>

<http://www.rockethub.com/>

<http://GogoTheater.com>

<http://KTheater.com>

<http://www.crowdrise.com/>

<https://www.somolend.com/>

<http://www.appbackr.com/>

<https://angel.co/>

These are sites that you can go to if you are interested in crowdfunding. May you be a promoter, sponsor or a business owner; there are a number of sites that you can go to.

Thanks to the internet and its ability to reach more people in the least amount of time, platforms like crowdfunding websites are now changing the way many businesses, investors and potential clients interact. It has changed how start-up businesses approach target markets and introduce their products.

Many are now able to get the funding that they need, going outside the normal means of banking and money handling. This trend has enabled more people to transact faster and find their niche with the least amount of effort.

May you be a business owner, investor, artist or promoter, you can be sure that you will have a site that will meet what you want or whatever you may be looking for.

Since these sites enable you to meet and mingle for causes and projects that are active, there is also a potential for discovery of future projects that you could come across and be a part of that is if you plan to invest more the future.

I hope that this book has given you a head start on getting started with using these tools in your business and to have great success with crowdfunding in your endeavors.

Best wishes on your ventures.

OTHER RESOURCES:

Pillar Apps Charter Launch WF

<http://scgoldmine.com/go/?q2lu>

3 Resourceful Ways For Women To Obtain A Business Loan

<http://scgoldmine.com/go/?m013>

Reasons Networking With Other Business Owners Is Good

<http://scgoldmine.com/go/?eqiw>