

# Crowdfunding

## Description

This is a widely known tactic among start ups that develop innovative products or services and want to raise funds in order to launch them to the market. It is also known as “sell it before you build it” method.

## Time needed

N/A

## Type of tool

- DISCUSSION TOOL
- CHECKLIST
- THINKING FRAMEWORK

## Benefits

- Win early adopters
- Raise money and have the necessary resources to launch it to the market

## Team needed

Management team

## Innovation Phase

- EXPLORE OPPORTUNITY
- DEVELOP CONCEPT
- VALIDATE CONCEPT
- INTRODUCE PRODUCT/SERVICE
- SCALE UP
- EXPAND & DIVERSIFY
- MANAGE OI

## Expected outcome

- Testing hypotheses about the product/service with minimal expenses
- Validate if the potential customers are willing to pay for your innovative product/service.

## Complexity

3



# Crowdfunding

This is a widely known tactic among start ups that develop innovative products or services and want to raise funds in order to launch them to the market. It is also known as “sell it before you build it” method.

## WHAT?

Launch a crowdfunding campaign on platforms such as Kickstarter, gofundme and RocketHub. Make a video or a presentation of your proposition and ask from visitors to support you based on predefined offer packages .

## WHY?

You will validate if the potential customers are interested in your proposition and if they would spend money to buy it. In addition it is a very effective way to raise money and have the necessary resources to launch it to the market. If your campaign is successful, you win a tribe of early adopters and raving fans.

## LINK/DOWNLOAD

You will then have to stay in contact with your supporters since they can spread the word to others.

Have in mind that crowdfunding is not effective for any type of product. Have a look at [Kickstarter's 10 Biggest Success Stories](#).



# Crowdfunding

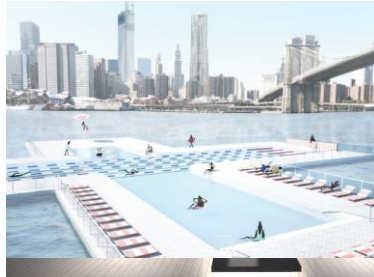
**01** **Bringing art to life**  
*The marina abramovic institute*



Raised: \$661,452

**KICKSTARTER**

**03** **Swimming in NY**  
*+pool*



Raised: \$273,114

**KICKSTARTER**

**03** **Rolling out Health**  
*Nourishmat*



Raised: \$107,534

**KICKSTARTER**

**04** **Rocking Social Media**  
*Amanda Palmer*



Raised: \$1,192,793

**KICKSTARTER**

**05** **Growing Female engineers**  
*Goldieblox*



Raised: \$285,881

**KICKSTARTER**

**06** **Blocking Mosquitoes**  
*Kite*



Raised: \$ \_

**KICKSTARTER**

**07** **Redefining natural lighting**  
*Glowing plants*



Raised: \$484,013

**KICKSTARTER**



# Crowdfunding

## Use Guidelines

Before starting your campaign you need to be realistic!

### Step 1

Have a clearly articulated goal for your campaign.

### Step 2

Look for supporters before you even think of launching a campaign.

### Step 3

Think how will your campaign attract more than one supporter group.

### Step 4

Find and analyze other projects that belong to the same category before launching your campaign.

### Step 5

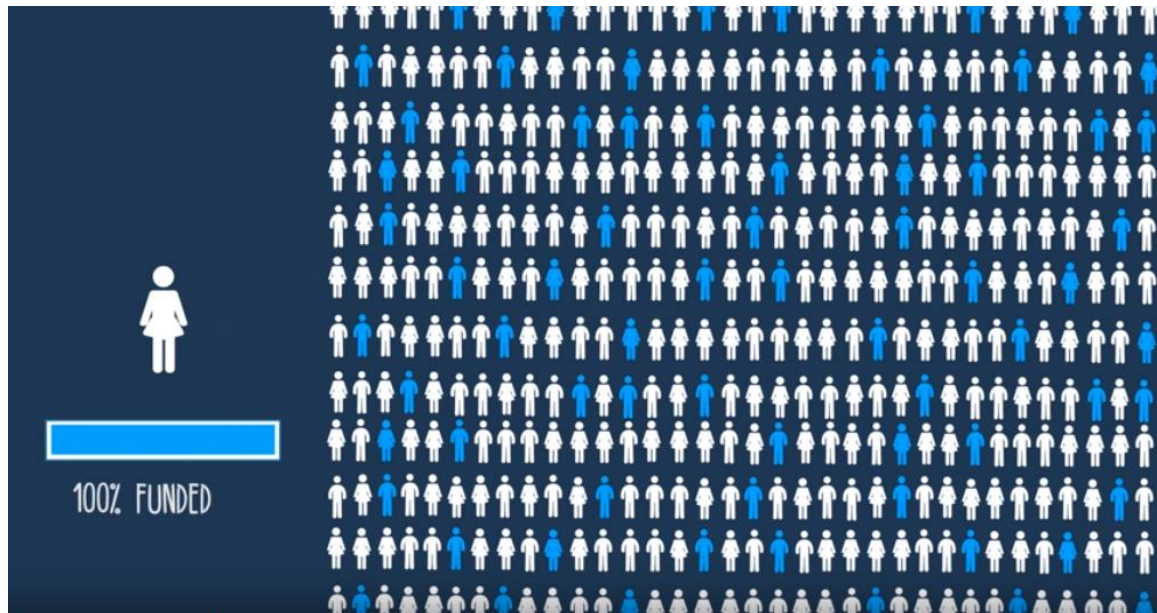
Pick rewards for your backers that make sense and are compelling.

### Step 6

Have in mind that your fundraising goal is lower than what you actually need to implement your proposition.



# Crowdfunding



## Training material guidelines

In the past, shipping a product or launching a company was only an option for those who had the money. But the internet has enabled creative new means of gathering capital.

Today, crowdfunding platforms allow millions of people around the world to pursue their own ideas with the help of networks of supporters.

Learn about the four major types of crowdfunding:

- (a) Equity-Based
- (b) Debt-Based
- (c) Rewards-Based
- (d) Donation-Based

California Management Review Volume 58, Issue 2 (Winter 2016).

<https://www.youtube.com/watch?v=Vqvomrib6x0>

