

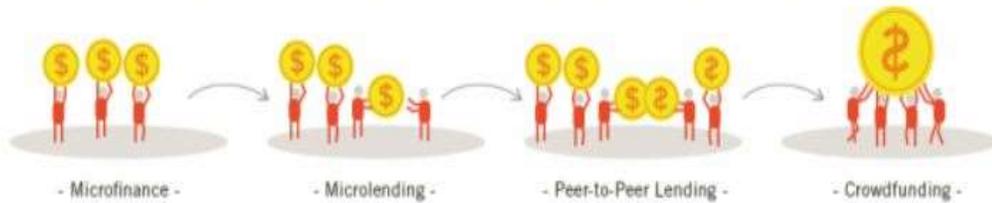
# CROWD POWER

## LETTING THE CROWD FUND YOUR SMALL BUSINESS

Crowdfunding is a term used to describe individuals coming together to support—and directly fund—projects by other individuals and organizations. For small businesses and startups, crowdfunding can be an engine for job creation and development.

### THE EVOLUTION OF CROWDFUNDING

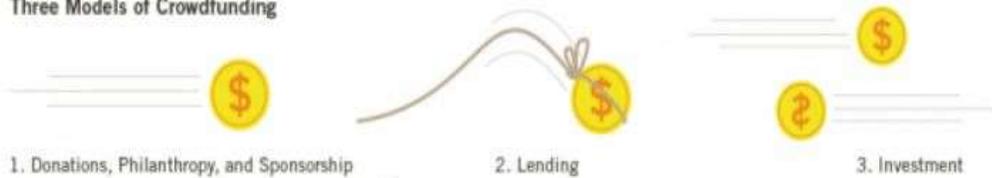
The concept of crowdfunding isn't entirely new. It's come about thanks to a progression of other funding ideologies.



### THE NUTS AND BOLTS

Prospective and established small business owners can use crowdfunding platforms to jump-start their next project.

#### Three Models of Crowdfunding



## THE PROS AND CONS

### Pros

-  Platform also serves as a marketing tool
-  Provides a forum for feedback on the project
-  Relatively inexpensive way to raise funds

### Cons

-  Often limited on amount of funding you can raise
-  Exposes project to the public, risking copycats
-  Funds may be subject to securities regulation

## POPULAR PLATFORMS

Crowdfunding sites can connect communities of small investors to small business owners looking for funding. The following are several popular site options.



KICKSTARTER.COM

quirky

RocketHub

fansnextdoor

Pozible

INDIEGOGO

MicroVentures

Cofundo

profunder officehours

## DOES IT WORK?

Popular site Kickstarter has put up some pretty impressive figures since its launch two years ago, but not all projects are successful.

At a Glance, As of April 2011

**\$53MIL**

- PLEDGED -

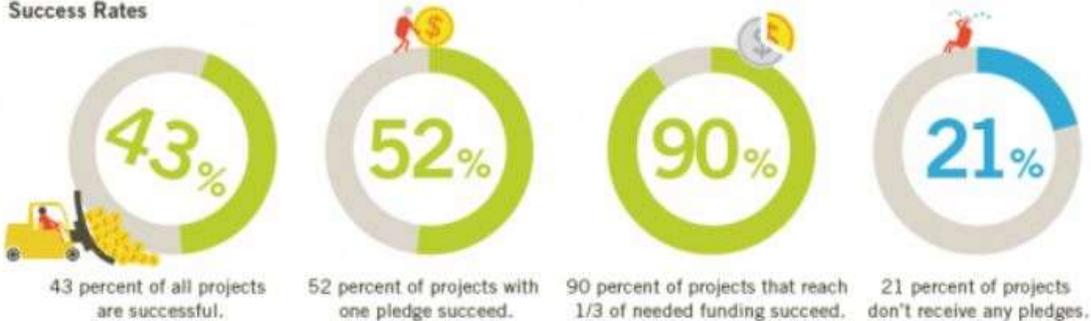
**\$40MIL**

- COLLECTED -

**20,371**

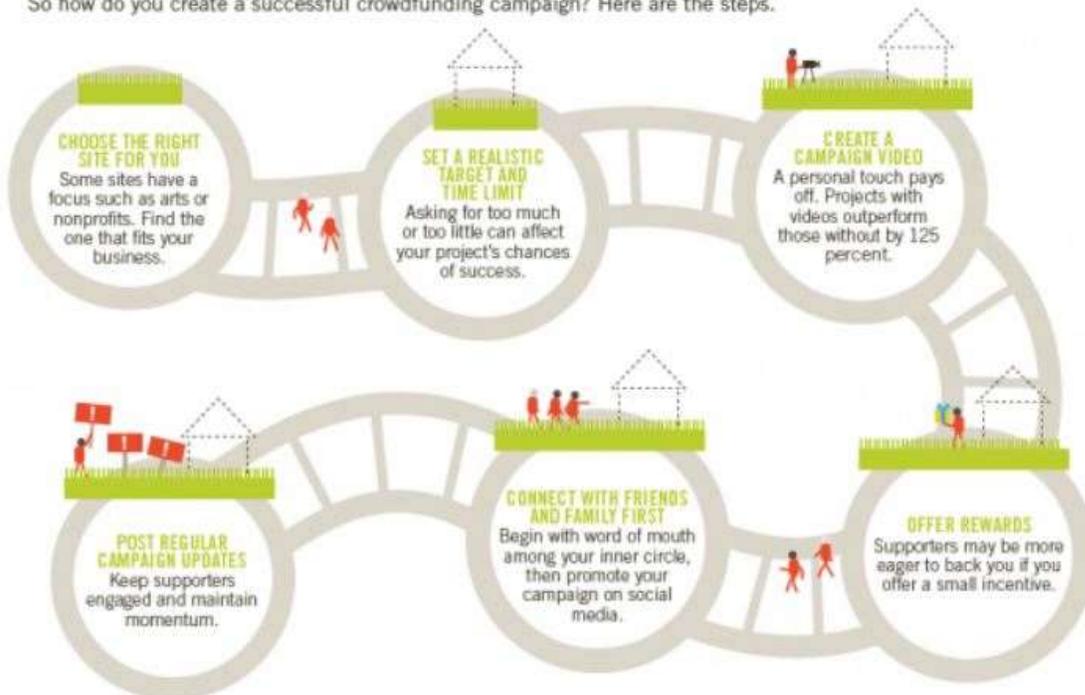
- PROJECTS -

## Success Rates



## MAXIMIZE YOUR CROWDFUNDING CAMPAIGN

So how do you create a successful crowdfunding campaign? Here are the steps.



## SNAPSHOT OF VARIOUS PLATFORMS

More crowdfunding sites are introduced every year. We take a closer look at a few of the popular options out there.

TYPE OF ORGANIZATION	Kickstarter	IndieGoGo	Pozible	33Needs	Profounder	Causes/ Razaal/ Crowdrise	StartSomeGood
U.S. 501(c)3s Only							
For-Profit Enterprises Only							
Allows Unincorporated Groups							
Allows Both For- and Non-Profits							
<b>TYPE OF PROJECT</b>							
Creative Projects Only							
Social-Change Projects Only							
<b>TYPE OF FUNDING</b>							
Future Revenue Sharing							
All-or-Nothing Model							
Keep-What-You-Raise Funding Model							
Blended Tipping-Point Funding Model							
<b>OTHER</b>							
Campaigns							
Venture Profiles							

SOURCES: CROWDSOURCING.ORG, STARTSOMEGOOD.COM, KICKSTARTER.COM, MASHABLE, BUSINESSINSIDER, LEXSNEXUS