



# THE CROWDFUNDING BOOK



A how-to book for  
entrepreneurs, writers & inventors.



Patty Lennon



## **Praise for The Crowdfunding Book:**

If you have a business dream and need a little (or a lot) of cash to get it going, Patty Lennon's insights will be invaluable.

- **Shawn Hull, Successful Crowdfunder and Owner, Hull's Happiest Days Designs**

Until I read Patty Lennon's book, I always thought of crowdfunding as a way to raise money. Once I understood her approach I saw the tremendous marketing potential of crowdfunding. I can't think of a better or more cost-effective way to build a community of people who support you and your message.

- **Angela Lauria, President, The Author Incubator**

Patricia Lennon is the source for the crowdfunding industry. This book will help explore the topic and give a better understanding to all who are interested in learning more.

- **Amanda L. Barbara, Vice President, Pubslush**

Patty Lennon takes the mystery out of crowdfunding in *The Crowdfunding Book*. Her practical and engaging approach will help thousands of people launch successful campaigns and raise the funds to realize their dreams.

- **Brenda Bazan and Nancy Hayes, CoFounders, MoolaHoop**

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A How-to Book for Entrepreneurs,  
Writers, and Inventors

*Patty Lennon*



# **The Crowdfunding Book:**

## **A How-to Book for Entrepreneurs, Writers, and Inventors**

**Patty Lennon**

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To Matthew and Katie,  
my first, last and always.

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# Introduction

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Some say, it takes money to make money. So what do you do when you have a great idea but no money to invest in it?

In January of 2012 I was looking out at the landscape of a new year wondering how in the world I was going to make my goals a reality (or bring my business dreams to life). The previous couple of years had thrown our family a few curve balls that affected our financial stability.

My husband lost his job the year prior and I was the primary caretaker for my mom, who was diagnosed with lung cancer. At the time my children were three and five years old. I wanted to be with them at least some of their waking hours, so working around the clock was out of the option.

My focus was to grow revenue while managing the money we spent to create that revenue.

One of my biggest goals was to launch the Mom Gets A Business Conference to support women who wanted to grow businesses while raising their families. This issue hit close to home as I watched more and more people go through what our family struggled with—a spouse out of work.

Every part of me knew that I had to bring this event to life. Unfortunately the price to bring that conference into the world was \$45,000, and I wasn't willing to take that kind of risk with our family's finances.

Although my business was growing considerably, I was still in the early stages of business development. I was investing much of my profit back into the business to help it grow. At the same time I was supporting a double income household on the single income of my



business.

Pulling \$45,000 from our family's savings just didn't feel like the right decision for us then.

I was sharing this struggle with my mastermind group when one of the women suggested crowdfunding. At the time I only had a vague understanding of what crowdfunding actually was. Little did I know that one conversation would dramatically and amazingly transform my business and my life in ways I couldn't have possibly imagined.

When I made the decision to use crowdfunding to raise the funds for the Mom Gets A Business Conference, I considered every conceivable fear about crowdfunding.

*What if no one funds me?*

*What if people judge me?*

*How in God's name do I ask my friends and family for money and show my face at the next Thanksgiving dinner?*

*What if people think I'm poor?*

I'm embarrassed about this last one but I share it openly here because I have spoken with many potential crowdfunders and I find that this fear holds back too many people from accessing the tremendous power of crowdfunding.

If you fear, that by crowdfunding, people will think you are poor or are struggling—then I have a wake up call for you: the majority of human beings in the world live in abject poverty. It is just sad that we fear we might be perceived as someone who needs money. If you have the resources to access this book you have more than most human beings on the planet do right now. Please don't waste another minute worrying about what other people think.

I say this with love and compassion because it is exactly the reality check I wish I could have given myself early on in the process.

I'm guessing the reason you even picked up this book is because you have an incredible gift to share with the world—a solution that will help improve people's lives—and that gift, needs cash to grow. Are

you really going to let the fear of what others might think keep you from sharing your gift with the world?

No. Of course you won't.

And even if that niggling little fear of what others might think still hangs out in the back of your mind, I can tell you that, standing on the other side of my own successful campaign, those fears do nothing to help you.

I've worked with and interviewed many, crowdfunders and I can tell you that those of us that followed the process outlined in this book walked away from the crowdfunding experience with many gifts. One of the greatest gifts is knowing how many people believed in us and were willing to support us.

Learning how many people have your back is reason enough to launch a campaign (in my personal opinion). But beyond that, there is a reason well established companies (not poor people) use crowdfunding every day to launch products and grow their customer base. They've discovered the **secret power of crowdfunding** that few people understand. It's the secret I discovered while successfully running my own campaign: crowdfunding is not about the money!

Well that's not 100% true. Of course successful crowdfunding raises the money you need to bring your dream to life. But the true value of crowdfunding is its marketing power.

Crowdfunding is *the most* powerful marketing machine in our world today. It creates social proof, raises capital, creates customer engagement, generates market research and integrates the value of your social connections to what you are creating in a direct and tangible way.

One of the greatest gifts—especially for entrepreneurs and creative people who are still in the early stages of development—is that crowdfunding gives your supporters, allies, friends, and family a way to market for you.

Before launching my crowdfunding campaign I had a number of people in my life that wanted to support me, but there was little they could do to help. Either they didn't know my target client, didn't understand what I did, or simply didn't know how to communicate it.

When I launched my campaign all those people suddenly had a clear and simple way to support what I was doing. The crowdfunding

campaign page and pitch video I created did all the communication work for them; all my supporters needed to do was direct traffic to the campaign and our campaign page did the rest of the leg work.

The pitch video also helped my supporters connect to the vision I had for my big dream (the Mom Gets A Business Conference) in a way that just wasn't typically possible in brief social interactions.

Beyond allowing you to harness the power of your inner circle, crowdfunding shows you the demand for your product or creation because people vote with their dollars. So you learn what people are willing to pay for before you invest *your* dollars. When your campaign is live you can test new messaging, product enhancements, and price points to uncover everything you need to know to make what you are producing a success.

Take Mark Bollman, founder of Ball & Buck, a successful niche-clothing retailer. Mark and I met a few months ago, speaking on a crowdfunding panel at Harvard. He told the audience that he has used crowdfunding to launch multiple products and will continue to do so precisely because of its marketing power. In his words:

From a market and engagement standpoint there is no better choice for us. We are in a close, collaborative engagement with our end user. We now have 1200 additional customers because of our campaign, which is incredible. And while the campaign is running we are getting real-time feedback of what the customer would need to see to make our products ideal for them. We've secured PR because of our campaigns. We understand what we need to do to be great in the eyes of our ideal customer.

Ball & Buck is not the only successful company to harness the power of crowdfunding. You can find a perfect example of the marketing value of crowdfunding with the campaign that, at the time this book was written, was the largest fixed funding campaign ever! It also failed to raise even half of its funding target.

On August 21, 2013 the Ubuntu Edge ended its campaign having raised \$12,814,216 in contributions and then gave it all back since it

failed to reach its \$32,000,000 target. Two days later their founder Mark Shuttleworth espoused the marketing value Ubuntu received from the campaign stating on their blog:

All of the support and publicity has continued to drive our discussions with some major manufacturers, and we have many of the world's biggest mobile networks already signed up to the Ubuntu Carrier Advisory Group.

Shuttleworth thanked their supporters saying:

Many of you gave your time as well as money, organising your own mailing lists, social media strategies and online ads, and successfully reaching out to your local media. We even saw entire sites created to gather information and help promote the Edge.

You can receive that same level of support from your own communities and social connections! Maybe you won't raise \$12 million dollars but if you set a realistic goal (we'll talk more about how to do that later) you can do better than the Ubuntu Edge campaign by funding 100% or more of your targeted amount.

Let's get started!

# Chapter One:

---

## Setting Up For Success

In this chapter you will be laying the groundwork before Day One so the dollars flow from the moment you start your crowdfunding initiative.

### Choosing a Platform

There are a wide variety of platform options out there. Two of the better-known platforms are Kickstarter and Indiegogo. Both of these sites serve a variety of demographics, categories, and project types.

There are also a number of niche sites. They offer specialized services focused on a specific demographic, project, or product type. For example, Pubslush is dedicated to writers and publishers and what they produce. SmallKnot exclusively serves local businesses and helps them connect to their immediate community for funding. Other platforms serve the arts, veterans, personal projects, causes, etc.

There are over 1000 crowdfunding platforms in various states of development, and that number grows daily. Niche platforms show tremendous potential for the future of crowdfunding; when I wrote this book only a small percentage have shown significant contribution to their targeted community.

Stay open minded as you consider which platform to choose for your campaign. Follow the exercises in this chapter to guide you. Most importantly, follow your gut.

Your platform is not responsible for driving traffic to your

campaign—you are. If you hope to launch your campaign and have strangers miraculously find you and fund you, then I'm here to burst that bubble. That just isn't how crowdfunding works.

Platforms do feature a small percentage of campaigns in emails and on home pages. While this can drive traffic and contributions from people outside your network, I don't recommend building your crowdfunding campaign on this expectation.

I don't know of anything in any individual platform that makes it objectively better than any other for crowdfunding. As each platform matures and finds new ways to drive independent traffic to campaigns that might change. Still, this hasn't happened yet; and you shouldn't rely on crowdfunding platforms to drive traffic and contribution.

Choosing a platform is more about a gut feeling than statistics. Few reliable statistics even exist. Crowdfunding is just too new. If your goal is to be featured on a campaign platform (and in turn take advantage of that platform's visitors) you will probably want to pay attention to one metric that can be reliably tracked. That is web traffic.

To compare the traffic of various sites, you can visit [www.alexa.com](http://www.alexa.com) and enter the name of the site you're considering. This will give you some basic traffic statistics. You'll pull up a screen like this one:

The screenshot displays the Alexa website interface. At the top, the Alexa logo is accompanied by the tagline "The Web Information Company". Navigation links for "Log In or Create an Account" and "Help" are in the top right. A blue navigation bar contains links for "Products", "Top Sites", "Site Info", "Toolbox", and "Dashboard". The main content area features the heading "Analytics for any Website" with the subtext "Find and evaluate businesses worldwide with Alexa's web analytics." Below this is a search bar labeled "Enter a website or keyword" with a green search button. A promotional section for "Alexa PRO" includes the text "Optimize your site. Get more traffic. Surpass your business goals with Alexa Pro." and two featured services: "Certified Site Metrics" (with a green checkmark icon) and "Site Audit" (with a laptop icon). Both services include brief descriptions and "Learn more" links. A blue button labeled "Learn More About Alexa Pro" is also present. At the bottom, two sections provide additional information: "The Global Leader in Analytics" and "Get instant metrics on any site, any time, right from your browser!". The latter section includes a browser extension icon and an "Install" button.

(You can find a description of how Alexa rankings work here: [www.alexa.com/help/traffic-learn-more](http://www.alexa.com/help/traffic-learn-more).)

You can input any URL on the Alexa page and it will show you a page's overall rank compared to other sites. The lower the number, the more traffic that website URL gets.

Not surprisingly, the two most well known platforms Kickstarter and Indiegogo experience the most traffic. That sort of recognition can be important if you are planning to pursue media coverage as a critical part of your campaign strategy. Most mainstream media has a basic understanding of crowdfunding but when I speak with reporters they typically only know the names “Kickstarter” and “Indiegogo.” If you are pitching media to share your story it may help you get featured if the journalist you reach recognizes the name of your platform.

That being said, I've also seen the founders of smaller niche sites get personally involved in helping to feature their site's campaigns in media because that helps increase the platform's visibility.

Getting to know the various crowdfunding sites on a deeper level will help you make your decision. The exercises in this chapter are designed to help you through that process.

Let's start with an overview of just a handful of the 1000+ platforms available for your consideration:

## **1. Indiegogo**

[www.indiegogo.com](http://www.indiegogo.com)

Indiegogo is all about funding your passion—it could be related to technology, health, design, film, the environment, or even giving someone a vacation. An international crowdfunding platform, it has raised millions of dollars for thousands of campaigns since launching in 2007. Provide your passion, and Indiegogo's supportive community provides the necessary tools for your campaign to “raise funds quickly, easily and securely.”

## **2. Kickstarter**

[www.kickstarter.com](http://www.kickstarter.com)

Kickstarter was launched in 2009 to fund creative projects under

such categories as art, design, film, games, music, food, and photography, among others. However, Kickstarter is not the platform for causes, charities, businesses and personal funding. Open to those based in the US, the UK, Canada, Australia and New Zealand, Kickstarter has funded over 50,000 projects with 44% of them reaching their funding goals.

### **3. Pubslush**

**[www.pubslush.com](http://www.pubslush.com)**

Pubslush is a unique crowdfunding platform for one thing only: books. Supporting a global community, Pubslush gives authors the opportunity to gauge their book's impact on readers, allows readers to get involved in bringing books to life, and provides access between authors and publishing professionals. As a social enterprise, Pubslush advocates literacy by giving books to children in need.

### **4. MoolaHoop**

**[www.moola-hoop.com](http://www.moola-hoop.com)**

This crowdfunding site helps women entrepreneurs start and grow their small businesses. Once funding goals have been met, supporters of the project will receive rewards such as special discounts on products or services. MoolaHoop is currently open to entrepreneurs based in the US.

### **5. Appbackr**

**[www.appbackr.com](http://www.appbackr.com)**

Totally techie in nature, Appbackr is a digital marketplace that helps mobile app developers find backers willing to help fund their applications. A developer sells an app on the site, and the backer purchases a bulk amount of this app for potential profit. After apps get sold on the mobile app store, Appbackr then receives payment and distributes profits to all investing parties.



## **6. Fundable**

[www.fundable.com](http://www.fundable.com)

Fundable is the go-to crowdfunding platform for small businesses. Its funding is investment-based, where backers receive either rewards or equity. An “all-or-nothing” platform, Fundable gives startups enough time to build momentum around their campaign, which is usually 60 to 90 days.

## **7. Crowdfunder**

[www.crowdfunder.com](http://www.crowdfunder.com)

Crowdfunder is now exclusively focused on investment-based transactions although it originally offered a blend of donation-based and investment based transactions. The site connects entrepreneurs of small businesses and social enterprises with investors through a growing global social network. Unique to this platform is CROWDFUNDx—an initiative in cities across the US and Mexico where local business owners have the opportunity to meet nearby angel investors in both online and offline live events.

## **8. RocketHub**

[www.rockethub.com](http://www.rockethub.com)

RocketHub is a smart, savvy, and innovative crowdfunding platform that brings fun into the mix. Open to global “project leaders” in art, business, science, and social enterprises, it provides clear guidelines on how to launch a campaign in their Success School. They’ve also partnered with governments, educators, and communities to ensure your project’s success.

## **9. Smallknot**

[www.smallknot.com](http://www.smallknot.com)

Smallknot is the place to contribute to small businesses in your neighborhood. In return, you get paid through goods, services, discounts and unique experiences. Whether that coffee shop in your

area needs a new patio or your favorite local pizza place needs a new oven, Smallknot is the answer for that little extra capital these businesses need to make your neighborhood a better place.

## **10. Hatchfund**

[www.hatchfund.org](http://www.hatchfund.org)

Hatchfund is a thriving creative community that funds projects geared towards the arts—from the disciplines of architecture and design to theater and visual arts, from dance to literature to music. A charitable organization, Hatchfund offers a patent-pending matching fund program for its artists. Seventy-five percent of the company’s projects have been successfully funded. Its rationale is that art makes valuable contributions to our lives, communities and cultures, which is why it deserves to be supported.

## **11. GoFundMe**

[www.gofundme.com](http://www.gofundme.com)

GoFundMe supports personal causes and life events such as school tuition, medical bills, sports teams, volunteer trips, travel expenses, and even pets! GoFundMe has helped thousands of people; the site prides itself on creating a warm community feel. This is a great option for personal fundraising or “cause” campaigns. Choose from the following campaigns: Personal Donation, Charity Fundraising, and All-or-Nothing crowdfunding.

I am constantly researching and interviewing founders of different crowdfunding platforms to understand their motivation for launching crowdfunding sites, and to get their take on where crowdfunding is and where it is going.

Most crowdfunding platforms are still small businesses themselves, where the founders are intimately involved in the day-to-day work of their platform. Understanding who these people are and why they do what they do may be helpful in choosing the platform to launch your campaign.

Although I could never include summaries of what I’ve found on every platform here are some of those you may be interested in:

## **Kickstarter**

Kickstarter is arguably the most widely recognized crowdfunding platform for two reasons. One, because it was one of the first crowdfunding platforms; two because it has garnered media attention from around the world. Kickstarter is one of the few platforms that allows campaigns from countries outside the U.S.—a trait that has contributed to its worldwide media success.

Kickstarter could be called the "granddaddy" of crowdfunding because of its numbers. Since its launch in April 2009, Kickstarter has funded over 55,000 projects, and over 5.7 million people have pledged funds totaling more than \$1 billion.

### **Why It Was Created**

Perry Chen first had the idea for crowdfunding when he wanted to create a show during the 2002 New Orleans Jazz Fest. He had the DJs picked out, and a venue, but not enough money to make it happen. The crowdfunding concept for music was born: let the audience decide if something should happen by having them pledge to buy tickets.

After moving back to New York, his idea prospered. In 2005, Perry met Yancey Strickler, a music journalist, who helped plan the site, and then a year later, Charles Adler joined the duo in the preliminary planning stages. Over the next few years, the team grew and Kickstarter finally launched.

### **What It Funds**

Kickstarter has always been project-based. While it started primarily as a music project funding tool, it has expanded to fund other arts including theater, film, dance, art, comics, design, photography, technology, games, and publishing.

Kickstarter often turns down campaigns because they aren't project-based, and the platform is primarily creatively-focused: for artists, performers, and creators, rather than for start-up funding for small businesses. While the site often funds video games, considering them projects, Kickstarter usually rejects websites or apps for

ecommerce, business, and social networking projects. Companies can fund a product or project, but not generate funds to start a company or service.

## **How To Succeed**

Kickstarter definitely has a lot of traffic because it is so well known. The downside to this fact is that if a campaign is well known and fails, that makes for some bad press. While that may not affect most campaigns, there has been backlash when famous actors or filmmakers try to fund their new film project. When Zach Braff started a campaign to film a project that studios had passed on, he raised the money in 48 hours and then got pushback from the public because of it.

Being famous doesn't make one successful. Zosia Mamet, an actress on one of the most watched series on television, *Girls*, recently tried to fund a music video and fell short of her target. She didn't even raise 10% of her goal. Obviously fame isn't the magic ingredient.

But like any crowdfunding campaign, success is not based on luck. It is based on marketing your project and using social media to drive it. The numbers prove that as well. While over 55,000 have been funded, over 71,000 have failed.

However, even some campaigns that fail still win, perhaps not with dollars, but with exposure. The platform serves as more than a funding tool for artists and creators. It exposes them to a wide audience and the statistics prove that.

## **Moola-Hoop**

Former IBM executives Brenda Bazan and Nancy Hayes co-founded Moola-Hoop, a crowdfunding site for women entrepreneurs. I reached out to Brenda and Nancy because I was intrigued by their focus of creating support for women entrepreneurs while they are growing their businesses, not just during the crowdfunding process.

## **How Moola-Hoop Started**

Brenda and Nancy knew each other from their days at IBM. Both women had moved into spaces where they worked with women

entrepreneurs and collectively they saw the struggle that women entrepreneurs faced in getting funding to start a business and grow it. They studied the statistics and found that women lead 30% of new business start-ups, yet women receive only 5% of venture capital and only 12% of institutional funding.

Brenda and Nancy pinpointed an advantage women have in business—being great networkers—so they decided to nurture that trait in order to close the gender gap.

## **How Moola-Hoop Works**

The crowdfunding site is built for female-owned businesses, primarily those with consumer facing products. Before creating a campaign, Moola-Hoop provides tips to help women create a successful crowdfunding plan by encouraging them to present a business idea with photos, videos, and select rewards to funders, including deals on their products or services, or unique experiences at each level of contribution.

One belief that Brenda and Nancy emphasize is that crowdfunding isn't only about raising money. It's also great product/market validation and provides women with valuable feedback from customers and builds support for products before they hit the marketplace.

Rather than an all-or-nothing goal like many crowdfunding platforms, Moola-Hoop allows women to articulate milestones such as what will be accomplished with the first \$10,000, and the next \$15,000. Once a campaign reaches a milestone, the campaign is funded up to that amount to allow access to funding. While some platforms provide either fixed or flexible funding with variable fees, Moola-Hoop's milestone funding campaign fee is the same percentage as a fixed campaign.

## **What's Next?**

Brenda and Nancy have plans to expand past crowdfunding by providing greater access to tips, resources, solutions, attorneys, social media experts, community connections, and mentors. Their vision is like [match.com](http://match.com) but to connect women who need to fill specific needs. For example a young woman might be looking for a mentor, while a

more experienced woman may be looking for a partner or someone who provides complimentary services. A retail business owner may connect with a location for a pop-up shop.

## **Pubslush**

I heard about PubSlush while speaking at a conference in Boston. Founder Amanda Barbara was moderating a panel and her spunky energy drew me in. Amanda, along with her mother, created Pubslush, a niche crowdfunding site for authors and publishers.

## **The Inspiration**

As a voracious reader, Amanda saw great talents pushed into a slush pile of manuscripts. Books such as *Harry Potter* and *The Help* were rejected multiple times before their discovery and massive success.

Amanda's mission was to reduce the slush pile by allowing authors to put their manuscript or excerpt online and make the process "more democratic." She compares it to American Idol in that the reader gets invested in the author so when they do publish, they already have an audience.

## **How It Works**

Like many new-generation crowdfunding platforms, Pubslush does more than offer a way to raise money for a project. Amanda and her team strive to promote social good, something that she defines as "people donating to a cause, or someone or thing they believe in." Pubslush provides support and advice to authors to create a following, and provides resources and advice for getting an editor or literary agent.

Campaigns offer a preorder tool for authors to gain momentum, which in turn allows authors to start marketing the book before getting a publishing deal and to start getting reviews to create buzz. It also allows them to provide samples to readers to get hooked on a story and want to read more.

The Pubslush team also provides moral support for authors whose campaigns are slow. One campaign for a children's picture book was

30 days in and hadn't raised any funds. The team reached out to the creator and found that he hadn't told anyone about his crowdfunding campaign because he felt like he was asking for charity. They gave him out of the box ideas for rewards and within 10 hours of changing his mindset and offering rewards he went from \$0 to \$1000. That story reveals why you can't give into fear. People will want to support you and stand behind you. You just have to ask.

## **What's Next?**

Pubslush has attracted the attention of publishing companies that love their mission. Pubslush is launching community pages that allow publishers and industry leaders to create customized pages to provide crowdfunding for their authors, and showcase other authors with similar genres that expose readers to new writers and books. By keeping the feed fresh, readers continually come back to see great new books.

The site stands out for being a niche community with lots of support among community members. Rather than authors competing for support, the team believes that support for each other leads to good crowdfunding karma. "Readers are always going to keep reading," says Amanda. So any readers that an author attracts to the site are exposed to other authors in similar genres and that's what Pubslush tries to do—to create social good and promote reading.

## **Smallknot**

Last year I was participating in a crowdfunding experts-series online when the moderator asked me about platforms that were serving small businesses in a unique way. Smallknot immediately came to mind.

Smallknot lets local businesses connect to the people in their neighborhood for support. This is so important when so many “main street” business are struggling to stay alive. As a person who loves my neighborhood I would want to know if a local business needed my help. Smallknot lets that happen.

## **How It All Started...**

Jay was a human rights activist before becoming a securities lawyer on Wall Street. While working on Wall Street he, along with his co-founder, saw billions of dollars moved across the world with one click, but realized there was no way to invest even \$50 in small businesses fifty yards away. Many of the local small businesses were struggling, some having to close their doors permanently because they didn't have a way to raise capital to launch, sustain, and grow their businesses. They saw Wall Street versus Main Street in action.

Not content with the status quo, Jay listened to his intuitive voice saying: there are people like him (and his friend and Smallknot co-founder) who want to support small businesses in their neighborhoods. Their altruistic mission was to create a channel to make that possible.

## **How It Works...**

Smallknot is all about keeping money local, whereas larger sites like Kickstarter or Indiegogo feature passion projects. Small businesses that need to upgrade or purchase something and don't want to take out a loan can start a campaign for up to \$15,000. Campaigns are set up as a barter-type exchange where business owners promise to pay back the donations in the form of products or services.

It's a win-win for the consumer and the business; the consumer gets something of greater value than they put in, and the business doesn't have to pay interest on a loan. There are three types of campaigns on Smallknot:

- An all-or-nothing campaign where you must reach your goal to receive funds.
- A campaign that allows businesses to receive any funds pledged as long as they pay back the rewards as pledged.
- A social underwriting hybrid campaign—still in experimentation phase—that allows businesses to crowdfund for collateral to secure a traditional bank loan.

## **What You Need To Know**

In order to maximize funding for small businesses, Jay and his team have been able to keep the fees in check, at 3%. Jay's advice to



entrepreneurs who are considering a crowdfunding project is to do their homework and get customers, vendors, non-profits, and other people in your network—business or personal—to spread the word to friends and media for a successful crowdfunding campaign. Like any success, crowdfunding takes strategizing, prioritizing, and preparing. But the results can be magical!

## **Indiegogo**

I've always had a soft spot for Indiegogo. It was the platform I used to launch my Mom Gets a Business Conference Campaign. I had the pleasure of talking to Adam Chapnik, a principal of the company, whose business card title is actually “Evangelist.”

### **Small Beginnings**

Adam joined the original three founders in 2010 (Slava Rubin, Danae Ringelmann, and Eric Schell) and merged his company Distribber with Indiegogo. At the time, Indiegogo was a niche crowdfunding platform for film.

The company was formed in 2008 as a way to fund film projects. In the past six years, the platform's scope has widened to—as Adam said—“anything you can imagine.” In their San Francisco headquarters, there is a giant word made of light bulbs that simply says “Empower.” To the Indiegogo team, empowering means letting people create whatever they want and not curating, or creating strict guidelines for campaigns.

Adam said his team is open to everything from charitable missions to provide water to a village in Africa, to an artist who wants to make a new kind of album with a glockenspiel and a bongo. He told me that he literally cries at least once a week (tears of joy) because of the incredible impact that Indiegogo has had on individuals' lives.

### **What Sets Indiegogo Apart**

From the beginning, Indiegogo's mission was not just for people to use the site, but also to make people feel happy. So Indiegogo named their customer support the “customer happiness” department. The

company has a 97%, twenty-four hour response rate to customers.

Because Indiegogo is an inclusive platform for a variety of projects, it serves as a portal for people to be exposed to new products or ideas. If you look for a film on the site, you may also discover a new gadget, or a cause. Adam pointed out that seeing diverse projects co-exist creates a cross-pollination of things that makes each day exciting and fun for him.

The team is constantly following campaigns to see what's working for some campaigns, what's not working for other campaigns. The team shares those insights and new ideas to campaigners through the Indiegogo blog. Indiegogo also provides advice on vertical campaigns that each campaigner can learn from another.

## **The Future of Crowdfunding**

Adam predicts that in the next year and a half, "the most famous bands on earth are going to directly distribute all of their music through crowdfunding." But he believes that crowdfunding will go beyond music. It will become a go-to marketing tool for many companies, from start-up to large brands.

The company sees crowdfunding as much more than just a fundraising opportunity. They look at it as a tool to formulate a great business plan, market your brand, connect with future customers, and conduct market research. I couldn't agree more. Think about it: you can connect with customers, get their reactions, and fine-tune your product before it hits the marketplace!

When more companies use crowdfunding as a marketing tool, they're going to realize that not only are they getting an invaluable platform for market research, they're also making money off of the campaign, essentially paying for the marketing plan and development of a product. That's going to revolutionize the way companies succeed and allow entrepreneurs to grow beyond their wildest expectations.

There are many crowdfunding site options beyond what I've offered here. A great resource to check out when researching sites is [CrowdsUnite.com](http://CrowdsUnite.com). CrowdsUnite is the largest user review website in the world for crowdfunding platforms. Their goal is to gather the

essential information about the platforms in one location. There are filter options that allow you to search for the platforms that you qualify for then sort and compare them side-by-side.

I asked CrowdsUnite founder, Alex Feldman to send me a more comprehensive list of sites. You can do your own search here: <http://crowdsunite.com>. Here is a list of sites that CrowdsUnite has reviewed.

KickStarter	Indiegogo	fundRazr	CrowdFunder
Ulule	RocketHub	Pozible	YouvegotFunds
Planeta	Mimoon	GigFunder	healthtechhatch
CrowdIt	PledgeMe	Rusini	BitCoinStarter
Pursuit	medstart	Yomken	ReservoirFunds
Wahooly	PubSlush	CrowdTilt	PleaseFundUs
Haricot	Neighborly	Seed&Spark	CommunityFunded
Fundable	PeerBackers	Authr	TheHotStart
BuzzBnk	MobCaster	ZAOZAO	ScitechStarter
AppStori	FundaGeek	PPL	DedicatingDollars
SmallKnot	SpaceHive	FoodStart	DreamFundMe
GetFunded	CROFUN	MoolaHoop	WorthWild
IPledg	BloomVC	InvestYYC	FundAnything
Starteed	IndieVoices	ThrillPledge	FundMeFundYou
Smipon	Zequ	SponsorCraft	PeopleFundIt
Floosy	CrowdSupply	SonicAngel	BankToTheFuture
AppsFunder	BoomStarter		

Wow! That's a big list right? No need to get overwhelmed though. You already have everything you need to know to pick the platform that is perfect for you. Your gut and your intuition are your most valuable assets on this journey.

## Using Your Intuition

When I embarked on the journey to launch a crowdfunding campaign there was absolutely no way I could have understood the powerful and transformative effect it would have on my life. In order to navigate this unknown path I read whatever I could get my hands on

about the process of crowdfunding.

I also interviewed as many crowdfunders as possible. I spoke with people who have succeeded and those whom have failed. I understood that everyone who had walked this journey had a piece of the puzzle to share. Each was a teacher and I was a hungry student.

But there was a point in the journey where there were no more facts to collect and some answers just couldn't come from outside myself. At that point I needed to rely on my intuition—my gut.

The same is true for you. This book is going to take you on a step-by-step process to create a successful crowdfunding campaign. As a coach I love breaking down processes that feel big and overwhelming into small, manageable baby-steps in order to create an easier path to success. But there will be points in this journey where there is no objectively *right* answer.

In those moments you will need to look within yourself to uncover *your* right answer. How comfortable you are in following your intuitive voice will determine how easy (or difficult) this process is for you. Listening to your intuitive voice is a skill; the more you engage it the easier it becomes.

Choosing a platform is one of those points in the journey where you'll need to rely on your intuition. I can give you data. I can give you suggestions on what to look at to help you make a decision. But there is no one right answer. However, there is *your* right answer; and the great news is, that it is already inside of you.

One of the reasons that I love teaching crowdfunding so much is that there are very few rules. There just isn't enough data yet to create rules. And in environments where data is absent we are forced to create our own guidelines. As creators, we understand and honor our intuitions.

We grow up learning there are right and wrong ways to do things. These rules often help us feel safe, but they also squash the natural innovator inside each of us. We need innovation right now. We need new ways of doing things. We need more people looking inside themselves for their truth—not outside to some external source of approval.

Crowdfunding gives you a training ground to harness the power of your intuitive voice and to learn that the right answer for you is always

inside of you. If you are not used to listening to your intuitive voice and your own wisdom, you might need some help getting started.

You can access my free toolkit for “Harnessing the Power of Your Intuitive Voice” at [www.TheCrowdfundingBook.com/IntuitiveToolkit](http://www.TheCrowdfundingBook.com/IntuitiveToolkit)

As I mentioned earlier, I never could have dreamt up where this crowdfunding journey would take me. But every step of the way my intuitive voice continued to assure me that I was on the exact right path for me.

It guided me to uncover resources and tools that allowed me to succeed and helped me create the system to crowdfunding success that I now share with you. Your intuitive voice will guide you along your path as well. Trust and follow your intuitive voice and your success will far exceed anything your mind can conjure.

Ready to start picking a platform? The first step is to learn about the options available. Take some time to visit three to ten crowdfunding sites. Jot down the pros and cons of each one. Clarify what you like, what you don’t like, and what you feel neutral about. Figure out what serves your needs, and what does not.

You can use the ones I’ve provided above or visit sites you’ve read about or otherwise learned about. Spend five to fifteen minutes on each site. Use the example worksheet on the following page to document one site’s pros and cons.

Make copies of that worksheet or access free versions online at [www.TheCrowdfundingBook.com/Worksheets](http://www.TheCrowdfundingBook.com/Worksheets)

#\_\_Crowdfunding Site \_\_\_\_\_

Pros	Cons

A printable version of this worksheet is available  
at [www.TheCrowdfundingBook.com/Worksheets](http://www.TheCrowdfundingBook.com/Worksheets)

## Making a Choice

Now give yourself five minutes to review the pros and cons in each one. Make a quick decision and then put this decision behind you. Congratulations! You now have your crowdfunding platform picked out.

My crowdfunding platform is: \_\_\_\_\_

To become more acquainted with the site, visit it everyday for five minutes. Donate to a few campaigns (\$1.00 is perfectly acceptable). This will put you in the loop of receiving updates and will invest you further in the “ecosystem” of your platform’s community. Be sure to leave a note on any campaign you invest in and cheer them on. This will pay huge dividends—seen and unseen—when you launch your own campaign. This creates what I call “Crowdfunding Karma.” When you offer support to fellow crowdfunders, that positive action creates a ripple effect that returns to you when you launch your own campaign.

Get a notebook or binder and keep notes on anything that jumps out at you when you are on other campaigns—likes and dislikes, general impressions, notes, or options to research more fully for your own campaign. Everything you notice is helpful and will shape your understanding of crowdfunding and what you want your own campaign to look like.

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