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Beginner

Crowdfunding Workshop

PLAN FOR HIDDEN EXPENSES AND AVOID COMMON PITFALLS



- Ecommerce
- Web Development
- Branding
- Email Marketing
- Film & Photography
- Education
- Crowdfunding
- Digital Advertising

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People First Marketing

Using transparency and communication to build business relationships.



Aron Murch | Co-Owner, CIO

- Worked in marketing since 2005
- Joined 2H Media in January, 2020
- Over \$1,000,000 raised on Kickstarter
- Involved in 25 Crowdfunding Campaigns



What you'll learn

1. What is Crowdfunding
2. Choosing a Platform
3. Preparing for Success
4. Financial Breakdown
5. Stretch Goals
6. Shipping Considerations
7. Crowdfunding Timeline
8. Common Mistakes

What is Crowdfunding?

PRE-ORDERS WITH MORE STEPS

CROWDFUNDING DEFINED

Crowdfunding is the process of funding a project or venture by raising many small amounts of money from a large number of people, typically via the internet.

Crowdfunding is typically a method of generating pre-sales prior to manufacturing.

REASONS TO CROWDFUND

- Generate start-up capital without reducing equity
- Validate your concept in a public forum
- Reach a global audience on a trusted platform

Choosing a Platform

EVALUATE AND MATCH BUSINESS NEEDS

KICKSTARTER

- Has the widest audience
- “All or nothing” funding
- Intended for entrepreneurs

INDIEGOGO

- Somewhat well known
- “Any collected” funding
- Intended for entrepreneurs

gofundme

- Lowest fees on this list
- Flexible funding options
- Intended for causes

Preparing for Success

TREAT A CROWDFUNDING CAMPAIGN LIKE A SALE

YOU SHOULD KNOW

63.5% of all Kickstarter campaigns fail to fund.

Preparing for a crowdfunding campaign requires a lot of preparation and up-front investment. A campaign that is not properly planned will fail before it has started.

YOU WILL NEED

- Prototypes
- Numerous images
- Significant graphic design
- At least 1 video
- 30+ days of focus



Prototyping

MAKE IT AS REALISTIC AS POSSIBLE.

Your prototype(s) will be used to create campaign graphics, solicit reviewers/influencers, and show backers you mean business.



Images & Graphics

CREATE AN ENGAGING CAMPAIGN

Significant graphic design will be required to create engaging graphics that display reward tiers, stretch goals, add-ons, shipping rates, etc.



Video Introduction

MAKE A PERSONAL APPEAL

A well crafted video helps backers invest in both your product and you. Be prepared to make an impression on people.

Financial Breakdown

UNDERSTAND THE TYPES OF COSTS

INVESTMENT

- Prototyping
- Media
- Marketing strategy
- Samples
- Setup
- Warehousing
- Digital advertising

PRODUCTION*

- Manufacturing
- Shipping from the factory
- Shipping to backers
- VAT/Duty
- Packing materials
- Fulfillment service
- Platform fees (~9%)

OPERATION

- Media
- Marketing strategy
- Samples
- Warehousing
- Packing materials
- Fulfillment service
- Website

***THESE ARE THE ONLY ONES YOU GET TO RECOUP DURING THE CAMPAIGN**

Stretch Goals

CAN WE HAVE MORE STUFF? AND CAN IT BE FREE?

WHAT IS A STRETCH GOAL?

Additional value that is automatically added to the campaign if the funding level far exceeds the goal. This could be a new feature, improved component, or even a purchasable add-on.

EFFECTIVE GOAL FEATURES

- Excites backers
- Easy to explain
- Inexpensive to ship
- Improves the retail product
- Fast to produce



Why They Work

EXCITEMENT AND BUY-IN

Stretch goals power up campaigns by making backers feel like they're involved in something exclusive, and are getting a deal. Once stretch goals start to unlock, they feed ongoing updates and social media.

Shipping Considerations

TAKE THE SAME APPROACH AS AN ONLINE STORE

FULFILLING YOUR CAMPAIGN

After your campaign funds, you are responsible for fulfilling your pledge rewards. Shipping doesn't have to be free but it does have to be clearly communicated. Plan your shipping costs in advance and research the requirements for shipping internationally (including tracking and duties).

KEY DECISIONS

- Free Shipping or charge after funding?
- Which countries will be supported?
- Will products be shipped

Crowdfunding Timeline

TAKE THE SAME APPROACH AS AN ONLINE STORE

PREPARE

Plan your campaign as early as possible.

3 MONTHS +

30 DAYS

PROMOTE

Announce the campaign and start advertising.

LAUNCH

Actively manage your campaign.

30 DAYS

ONGOING

FULFILL

Deliver rewards and send updates.

Common Mistakes

HOW CREATORS FAIL TO FUND OR FUND AND GO BROKE

PLANNING

- Not researching all costs
- Setting the funding goal too low or too high
- Not knowing the target audience

EXECUTION

- No active management
- No ongoing marketing
- Getting caught up in the excitement (and making promises)

FOLLOW-UP

- Failure to fulfill
- Infrequent updates
- No plan for warehousing and distribution
- No long-term business plan



Plan your campaign with a Crowdfunding Canvas, available free on sprintpoint.ca.

Questions?

How do I get the slides?

Visit <https://2h.media>. The slides are on the workshop page.

How do we connect?

Follow 2H Media on LinkedIn.

Specific questions?

Give us a call.

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