Crowdfunding Webinar

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Today's agenda

- What is crowdfunding?

- How does it work?

- Most crowdfunding is "all or nothing". What does this mean?

- What is a project deadline?

- What happens when the project reaches its deadline?

- What if the funding is successful?

- What is the funding is not successful?

- Can projects raise more money than their goal?

- What are rewards?

Crowdfunding – what is it?

Oxford Dictionary definition:
"The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet."

Crowdfunding worldwide*:
2013 - >US$5.1 billion
- 2014 – >US$16 billion
- 2015 - estimated over US$34 billion

Crowdsourcing.org

Other types of "crowdfunding"

- Giving Circles – usually friends, family or colleagues who get together to pool funds and determine what cause or charity they will support.

- Programs like The Funding Network

  – host live collective-giving events

  – like-minded individuals, foundations and corporations come together to support projects

  – projects reps pitch for funding

  This session focuses on online fundraising platforms

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Why crowdfund online?

- Full control / ownership

- Easy way to share your story and promote what you do

- A creative way to reach your target audience - unlimited

- Expand your target audience – even go global

- Quick and easy for funders to get involved
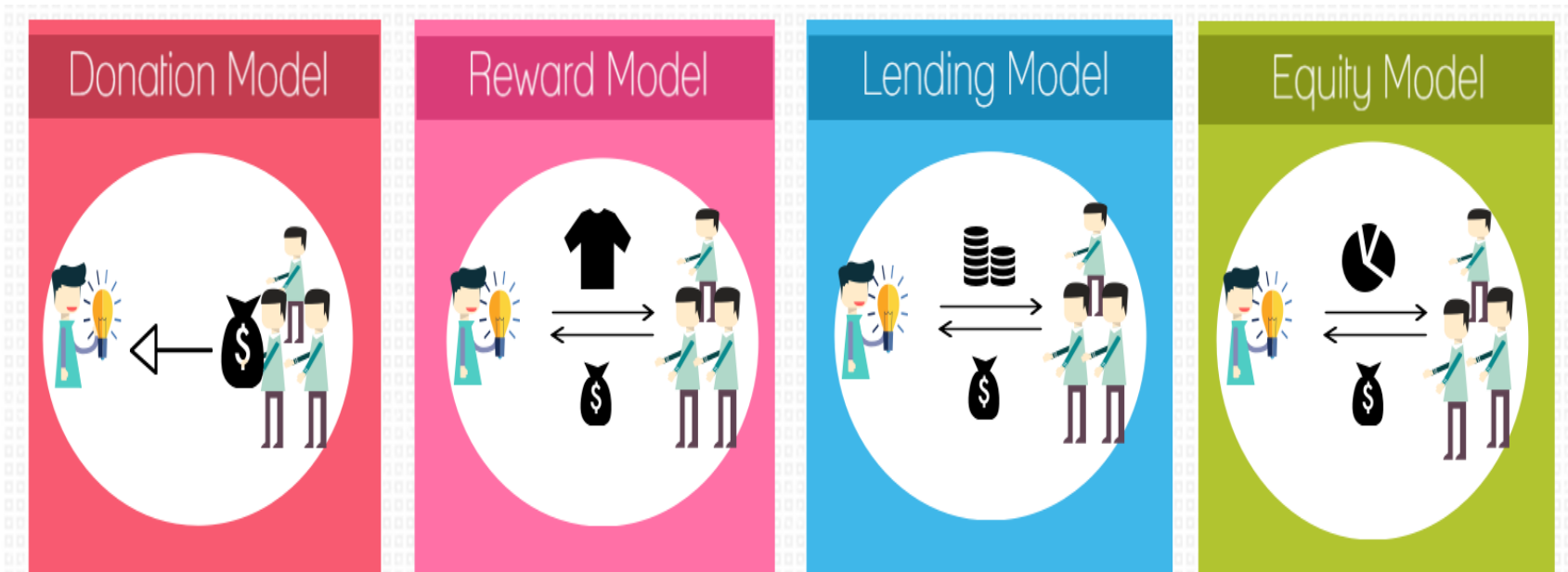
- Usually two-way exchange / conversation starter

Eugowra, NSW
Raised $5,020 to host visiting artists and paint a mural – telling the town's story by depicting local rural life and families, as well as illustrating changes throughout Eugowra's history.

Types of crowdfunding campaigns

Donation Model · Reward Model · Lending Model · Equity Model

Source: www.crowdinvest.com

Who can run crowdfunding campaigns?

Anyone

- Individuals

- Businesses

- Not-for-profit groups

Don't need special tax status – unless you want to run a donations campaign

– But remember, you can't offer rewards and get a tax donation

What kind of community projects can be crowdfunded?

Some examples:

- Equipment for a hospital
- Paint for a community mural (or the whole damn thing)
- Enclosures for a wildlife breeding program
- Start-up costs for a new social enterprise
- Rebuild a community meeting place
- Advertising campaigns around an issue
- Printing of a book
- Environmental projects
- Performances by artists or arts groups

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Things to do before you start a campaign

- Be clear on what you want out of it
  - Target dollar value?
  - Awareness raising?
- What kind of campaign will you run?
  - Do you want donations? Or can you offer rewards? If so, what? And what do they cost?
- Articulate your story and build credibility
- Plan how you'll promote it and get the word out
- Decide what will happen if you don't reach your target
- Set milestones along the way
  - How long will it run? When will you stop if it's not successful?
- Recognise there will be ups and downs

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How do you start a campaign?

First, find the right platform

Do your research and consider:

1. Look and Feel
2. Ease of Use
3. Payment Processing
4. Fees
5. Marketing and Social Networking Capabilities
6. Traction and Reach

All platforms have their own fee structures

- Credit card charges: from 2% to 3.5%

- Paypal fees: from 2.4% to 5%.

- Processing fees: 30c

- A number of sites don't charge a service fee unless the project reaches its target. If the goal is reached, the fees range from 2.9% to 5.5%.

- Pozible follow this service fee model for successful projects:
  - 3% for projects > AU$500k
  - 4% for projects > AU$100k
  - 5% for projects > AU$1

- Flexible project and fixed project options:
  - Flexible projects are charged a fee (as above)
  - Fixed project donations are refunded if the goal isn't met and no service fee is charged.

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Tips for a successful campaign

1. Visuals / design

2. Plan your rewards

3. Connect through storytelling

4. Personal and authentic

5. Be different or remarkable

6. Join the conversation –
   keep people updated

7. Spread the word

8. Maintain momentum

9. Hustle

Mt Rothwell Landcare Volunteers:
Raised $11,154 via 105 supporters to upgrade and purchase new enclosures to expand the captive breeding program for native Eastern Quolls.

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Use video – on average raises 5x more money

- Keep it short – 2 minutes max
- Clear, bold & strong introduction:
  - "I help people ….. that …. because"
- Introduce the team and brand
  - Who are you and who's behind this?
- Engage and connect – make it shareable:
  - Use questions - Do you remember? Have you ever? Why's it important?
- Tell a story:
  - Explain how it all began and your journey, to build trust, credibility
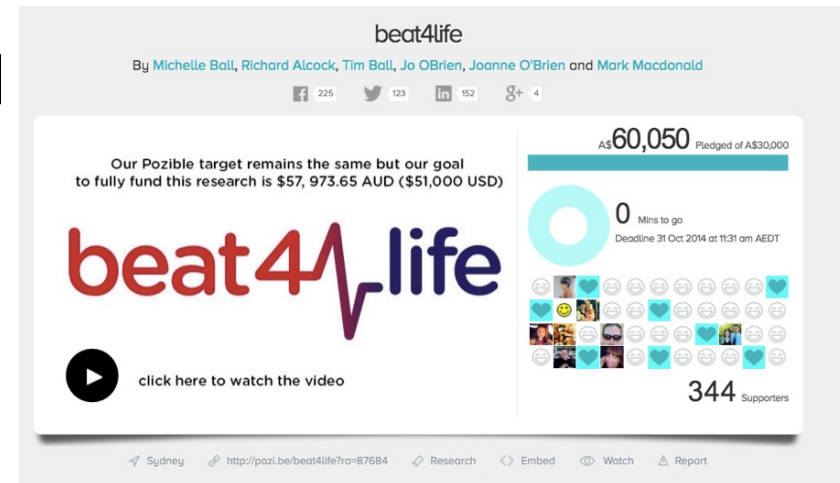- **Have a strong call to action**

Which platform should I choose?

Pozible: Crowdfunding is for everyone

- All or nothing platform – i.e. no fees unless you reach your target

- 57% success rate
- >12,000 projects launched
- $50m raised in pledges

Schools Plus – an online platform for donors and schools

Smart giving, great schools

Give the gift of a great education

The Australian Schools Plus website connects donors who know the importance of a great education with schools seeking funding for activities and equipment that will have a real impact on their students' lives.

Donations Campaign: New ultrasound machine for the hospital, Canowindra

Crowdfunding and cake stalls combine to buy a small town an ultrasound machine

ABC CENTRAL WEST – BY MELANIE PEARCE

UPDATED FRI JUL 29 14:30:43 EST 2016

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PHOTO At the Canowindra hospital, (L-R) Peggy Beath , Janice Rumph, Tara Bushel with the new ultrasound machine.

ABC CENTRAL WEST: MELANIE PEARCE

In a small country town in New South Wales, the generations have combined their fundraising know-how; from the traditional raffles and cake stalls of a country hospital auxiliary, to the speed and spread of a web-based crowdfunding campaign.

- "*It did take a lot of explaining to get the idea across*." Local Practice Mgr.

- The **results** quickly won the doubters over.

- Important to have the fundraising **team onboard** and spreading the word.

- **Communicating the need** helped to get the local council involved.

- Online communication is a great way to **reach people with a local connection** who have move away.

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Rewards Campaign: Let's build a pub, Buchan

All or nothing campaign on Pozible.

1,712 supporters raised **$605,146!**

Rewards:

- $10 – A round on me (79)
- $20 – Buy a jug for Buchan (135)
- $40 – 'We built a pub' t-shirt (488)
- $50 – Buy a schooner sooner (84)
- $80 – Coffee table book (95)
- $100 – The Buchan Pub Club (454)
- $500 – Name on a mural (45)
- $1,000 – Brass plaque in the bar (43)
- $5,000 – Bar stool (9)
- $10,000 – Corporate Kindness Honour Board (5)
- $50,000 – You're a Buchan legend (0)

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Donations Campaign: Keeping the pantry stocked

Raised over $11,000
(matched by Brighton Council
= $22k+)
58 supporters

Big push by Project Manager:

- Pitched Southern Cross TV, ABC Radio & The Mercury for **media coverage.**

- Sought **support from the local council**; agreed to match $ for $.

- Used **personal contacts**, asked everyone to spread the word.

- Used **social media** to raise awareness.

- Flyers encouraging people to **donate online or pop in.**

- 30 June **event** at the Gagebrook Community Centre to seek donors.

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Davidson Volunteer Rural Fire Brigade Building Fund - All Donations Are Tax Deductible

By Davidson Volunteer Rural Fire Brigade

$128,125 *
Raised of $150,000

We need your donations to help us extend our volunteer Rural Fire Station. Our brigade directly services the suburbs of Davidson, Belrose, Frenchs Forest, Forestville & Killarney Heights.

Davidson Volunteer Rural Fire Brigade ⚲ Davidson, New South Wales, Australia

SELECT AN AMOUNT

| $50 | $100 | $200 | $500 |

Enter Other Amount

Donate $200 AUD

885
Total shares

f Share   🐦 Tweet   👁 Follow   </> Embed

Story   Comments (12)   Supporters (224)

Campaign multi faceted

Donations
Which then was able to trigger grants

- Target: $150,000
- Raised: $128,125
- Supporters: 224

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A couple of watch-outs

- Platform **fees**

- **Typos and poor quality photos** – you need to draw people in and build trust

- Think carefully about what you offer as **rewards** – logistics, cost of shipping etc

- **Competing projects** – be creative and find a way to stand out

- **Keep track of your project –** monitor what people are saying – good and bad

- **Be planned** – it takes effort and a clear strategy to be successful

Recapping the Lessons

- Research – find the right crowdsourcing platform for your project

- Communicate – clear, compelling and personal

- Videos – strong footage brings in more donations

- Utilise your networks – they can be your advocates and help to spread the link / word.

- Update – keep your supporters updated with your progress.

- Recognise – thank your supporters! (make sure you deliver on the rewards)

Additional resources

- www.OurCommunity.com.au

- www.pozible.com

- https://blog.pozible.com/plan-some-promotion-mate-6d7cfcce06e5 - How to plan a promotion strategy

- www.schoolsplus.org.au

- www.thefundingnetwork.com.au

- www.chuffed.com/biggive/prelaunch

Other crowdfunding sites

- www.gofundme.com

- www.startsomegood.com

- www.Indiegogo.com

- www.givenow.com.au

and many, many more…

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