

# Crowdfunding

# Visegrad

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# Manual



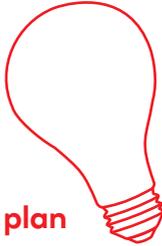
*Crowdfunding is a growingly popular way of funding creative and social activities. How to run a successful campaign? What mistakes to avoid? Is crowdfunding the right financing tool for your idea?*

*Based on our research within the Crowdfunding Visegrad project we've put together a few basic steps that you shouldn't forget, to get the crowd support your project.*

# Before launching the campaign

## 1) Have an original idea

Create the impression that the project is desirable, worth supporting and that the world would be a worse place without it.



## 3) Draft a financial plan

Secure some funds from other sources (grants, own resources) beforehand. Draft the contact list of potential backers and involve them directly. Think about the FFFs – Friends, Family & Fools. Remember about all the expenses deducted from the collected sum: commission for the platform (usually 5-10%), fees for money transfers, costs of rewards, final products and services, their distribution, and possible tax to be paid on the income.

**The Funding goal** is the amount of money one needs to complete their project. It needs to be realistic and reachable – not too high, but it has to cover all the costs. It often happens that authors put the limit too low, and in the end it is not even enough to cover the costs, including rewards and project implementation.

**Psychological thresholds** are two: at 30% and 70%. Their overcoming significantly increases the project's chances. After reaching the first one people start paying attention. After overcoming the second one even the skeptics start believing the project will be successful. Sometimes it is worth helping to reach these limits with own funds.



## 2) Do background research

You cannot raise funds for a general idea or a draft project. Be very specific and ask yourself a few questions:

- Has there been similar idea supported in the past? Why was it un/successful?
- What is the target group and how to approach it?
- Do I have the manpower and new technologies skills to conduct an on-line campaign?
- For organizations, is there an ongoing project (or a part of it) that can be adjusted for crowdfunding?

## 4) Select the right platform

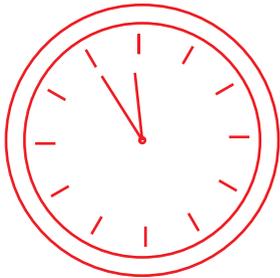
- Choose a platform with a good reputation and sound project traffic.
- Check if the platform provides PR, communication & planning support.
- When deciding between a local and an international platform, consider the following: is your project of a general nature or culture-specific? Opt for a local platform if your project is context and language sensitive. Global platforms are better suited for technology and general-use products and services (like a computer game, gadget etc.). But think of the possible obstacles (foreign bank account, global distribution of rewards or lacking knowledge of a foreign environment).

# A good project has



## Timing

The project shouldn't run for a long period. 30-50 days should suffice, otherwise the momentum is lost. Be an active communicator throughout the campaign (see below) and stay in touch after the project successfully ends, informing about its implementation. Be realistic about promising reward delivery dates.



## Clear description

Don't be lengthy, but explain the project's exceptionality in a clear, understandable and attractive way. Usually, you can adjust the description during the campaign, if you or others find it unclear.

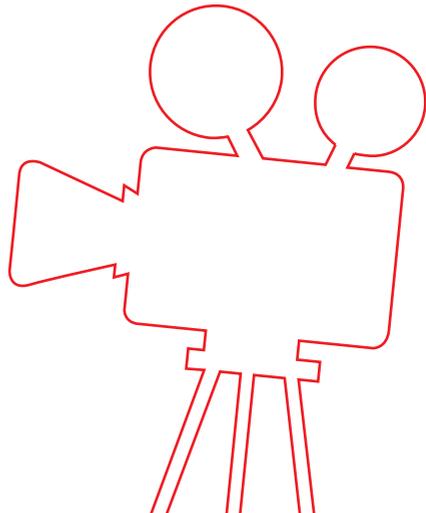
## Exclusive rewards for backers

Original, connected to the project, and personal. Some of them are obvious (copies of albums if you are a musician), but use your imagination and offer something that cannot be easily bought (like your frontman's t-shirt or a dinner with the band). Again, don't forget all the costs of rewards and their distribution. The recommended contributions range between 5-20 Euros, but don't be afraid to include some special rewards for higher prices as well as offers for corporate partners.

## Video

Does not need to be professional, but has to be original. You should:

- Present the team, show your passion, be sincere and have fun!
- Describe the project's story & origins, explain why it should be supported.
- Visualize the product or service you want to create and present rewards for contributors.
- Describe the budget.



# Communication is the key to success

## Social networks

Facebook, Twitter... the more networks, the higher the chance you stand of raising the requested sum. Involve friends and ask them to share the project via their networks. Be active, but always try to find the right balance between spreading the news and spamming.

## Offline campaigning

Offline campaigning means meeting potential donors in person. Organize events where you can interact with people. If your campaign is about to end and you haven't reached the limit, organize an event and let people contribute on the spot!

## Opinion makers & celebrities

Do you know famous people? Involve them! They can share your project through their channels or be part of your campaign (photos, videos etc.).

## Traditional media

Attracting traditional media attention helps exponentially. It is proven that more backers come to your project from direct links than from browsing the crowdfunding platforms, randomly looking for projects to support.

## Potential donors

Engage with potential donors and be active on the forum under your project, answer questions on social networks.

## Updates

It is all about updates – the work does not end with uploading the project on the platform, it begins with that. Send updates, talk to the people, add photos, videos, and visuals. Create a story behind the project and invite people to share it. Show visitors you care about the project (and that they should too). And don't forget to continue even after your project is successfully concluded! You may soon be doing a follow-up campaign.

### Never

- Promise something you cannot deliver (expectations management).
- Offer as a reward something one can have for free.
- Infringe others' intellectual property rights or share your ground-breaking innovation.



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