

Crowdfunding for tech-startups

Webinar TETRA – Next Generation Internet



Ronald Kleverlaan

Managing Director *European Centre for Alternative Finance* Utrecht University

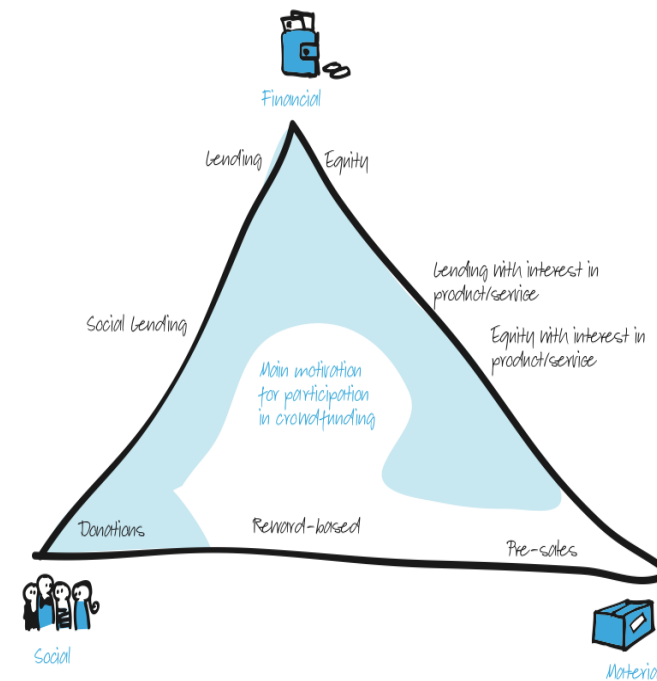
ronald@kleverlaan.com || @kleverlaan || <http://www.uu.nl/ecaf>







Crowdfunding?



Motivation of investors



Crowdfunding & follow-up funding



Tips & Tricks



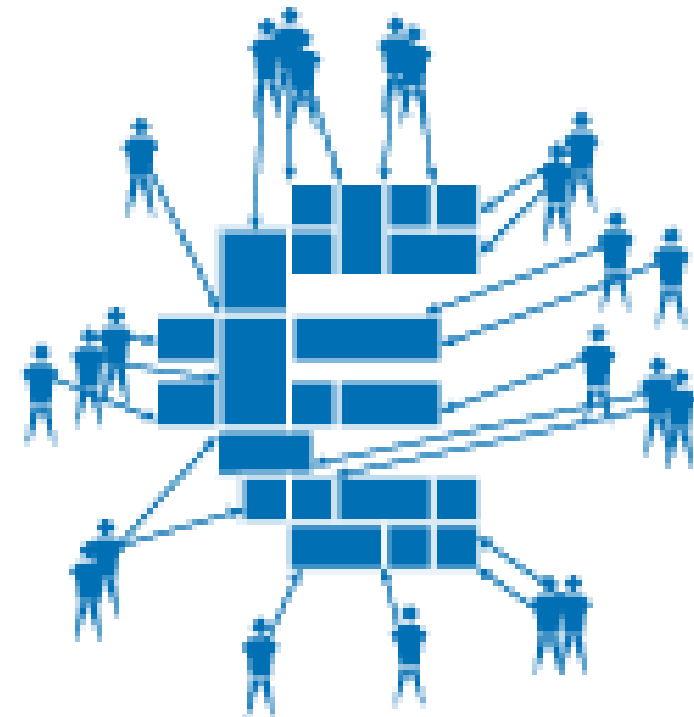
What is crowdfunding?

TRADITIONAL FUNDING



Large amounts from one,
or a few, sources


CROWDFUNDING



Many small sums from
a large group of individuals

MODEL
Of the Statue of

"LIBERTY ENLIGHTENING THE WORLD,"
Issued by the American Committee
IN AID OF THE PEDESTAL FUND.



THE American Committee in charge of the construction of the *Base and Pedestal* of this great work of art, **In order to raise funds for completing their work.** have prepared a *miniature statuette six inches in height,—The statue bronzed; pedestal nickel-silvered,—*which they are now delivering free of expense to subscribers throughout the United States, at

ONE DOLLAR EACH.

This attractive souvenir and Mantel or Desk ornament is a *perfect fac-simile* of the model furnished by the artist.

The Statuette in same metal, *twelve inches high*, at

FIVE DOLLARS EACH,

delivered.

The designs of Statue and Pedestal are protected by U. S. Patents, granted to A. BARTHOLDI in 1878-79, and the models can *only* be furnished by *this Committee*.

The people of France donated the money to build the Statue and presented it to the United States of America.

Every American citizen should feel proud to donate to the *Pedestal Fund* and own a *Model* in token of their subscription and proof of title to ownership in this great work.

Address with remittance,

RICHARD BUTLER, Sect'y,
American Committee of the Statue of Liberty,
33 Mercer St., New York.

Orders Received Here.



Statue of Liberty (1885)

Crowdfunding models for businesses

Reward-based crowdfunding

Peer-to-peer Business Lending (CrowdLending)

Equity Crowdfunding

Crowdfunding models for businesses

Reward-based crowdfunding

Peer-to-peer Business Lending (CrowdLending)

Equity Crowdfunding



Reward based crowdfunding (Pebble)
\$10,3 million by 68,929 backers

\$12,8 Million



Pebble 2, Time 2 + All-New Pebble Core

Two affordable, heart rate-enabled smartwatches and a hackable, 3G wearable for phone-free running with GPS, music, and Amazon Alexa.



by Pebble Technology and 66,673 backers

\$20,3 Million



Pebble Time - Awesome Smartwatch, No Compromises

Color e-paper smartwatch with up to 7 days of battery and a new timeline interface that highlights what's important in your day.



by Pebble Technology and 78,471 backers

\$10,3 Million



Pebble: E-Paper Watch for iPhone and Android

Pebble is a customizable watch. Download new watchfaces, use sports and fitness apps, get notifications from your phone.



by Pebble Technology and 68,929 backers

KICKSTARTER



\$6,4 billion funding & 20 million investors

KICKSTARTER

Category	▼ Successfully Funded Projects	Less than \$1,000 Raised	\$1,000 to \$9,999 Raised	\$10,000 to \$19,999 Raised	\$20,000 to \$99,999 Raised	\$100 K to \$999,999 Raised	\$1 M Raised
All	215,310	27,642	114,830	31,208	32,386	8,624	620
Music	33,105	3,273	23,058	4,605	2,059	108	2
Film & Video	30,065	3,558	16,853	4,693	4,467	484	10
Games	29,191	2,411	12,097	5,013	6,865	2,551	254
Art	21,760	5,941	12,513	1,903	1,261	137	5
Publishing	19,964	2,729	12,307	2,776	1,964	185	3
Design	19,243	1,297	6,325	3,292	5,801	2,368	160
Comics	12,978	1,587	8,180	1,558	1,442	208	3
Fashion	10,676	1,929	4,922	1,729	1,766	324	6
Technology	10,458	579	2,746	1,557	3,378	2,033	165
Food	8,375	780	3,399	2,009	2,053	122	12
Theater	7,546	1,084	5,458	669	316	19	0
Photography	4,466	827	2,374	688	529	48	0



Luchtsingel Rotterdam – Social Reward
1300 funders – Reward: name on bridge

Crowdfunding models for businesses

Reward-based crowdfunding

Peer-to-peer Business Lending (CrowdLending)

Equity Crowdfunding

SIMPLE FINANCE TO HELP YOU GO FURTHER

By specialising solely on SME finance, we've made it fast and efficient for you to get business funding for cash flow, stock, equipment, growth and much more

[Get started](#)[or Apply now](#)

✓ Apply online in 10 minutes

✓ Decision in as little as 5 hours

✓ Borrow £10,000 to £500,000

✓ Rates from 2.9% - 12.1% p.a.

Excellent ★★★★★

★ Trustpilot | 11600 REVIEWS

Funding Circle UK
£13,1B – 118,000 businesses

Crowdfunding models for businesses

Reward-based crowdfunding

Peer-to-peer Business Lending (CrowdLending)

Equity Crowdfunding



Sono motors
€1,8 million in equity crowdfunding



Brewdog – Equity Crowdfunding
£80 million+ in equity raised - 180,000 investors

BECOME A SHARING ANGEL

To be able to produce THE BOX in millions, we are starting a funding campaign in which everybody can participate from 10 up to 25,000 €. In return, we will share 50% of our profits with you, until we reach the promised multiple for your contribution! Early birds will get the highest multiple! We start with a 5x multiplier for your contribution, but only for the first 10,000 contributors. Take advantage before it's too late!

PIONEER

Get
5X
your contribution

For the first 10,000 sponsorships.
We will share 50% of the profits with our
Sharing Angels up to 5 X of their
investment in our Profit-Sharing campaign

ADVENTURER

Get
4X
your contribution

For the first 100,000 sponsorships.
We will share 50% of the profits with our
Sharing Angels up to 4 X of their
investment in our Profit-Sharing campaign

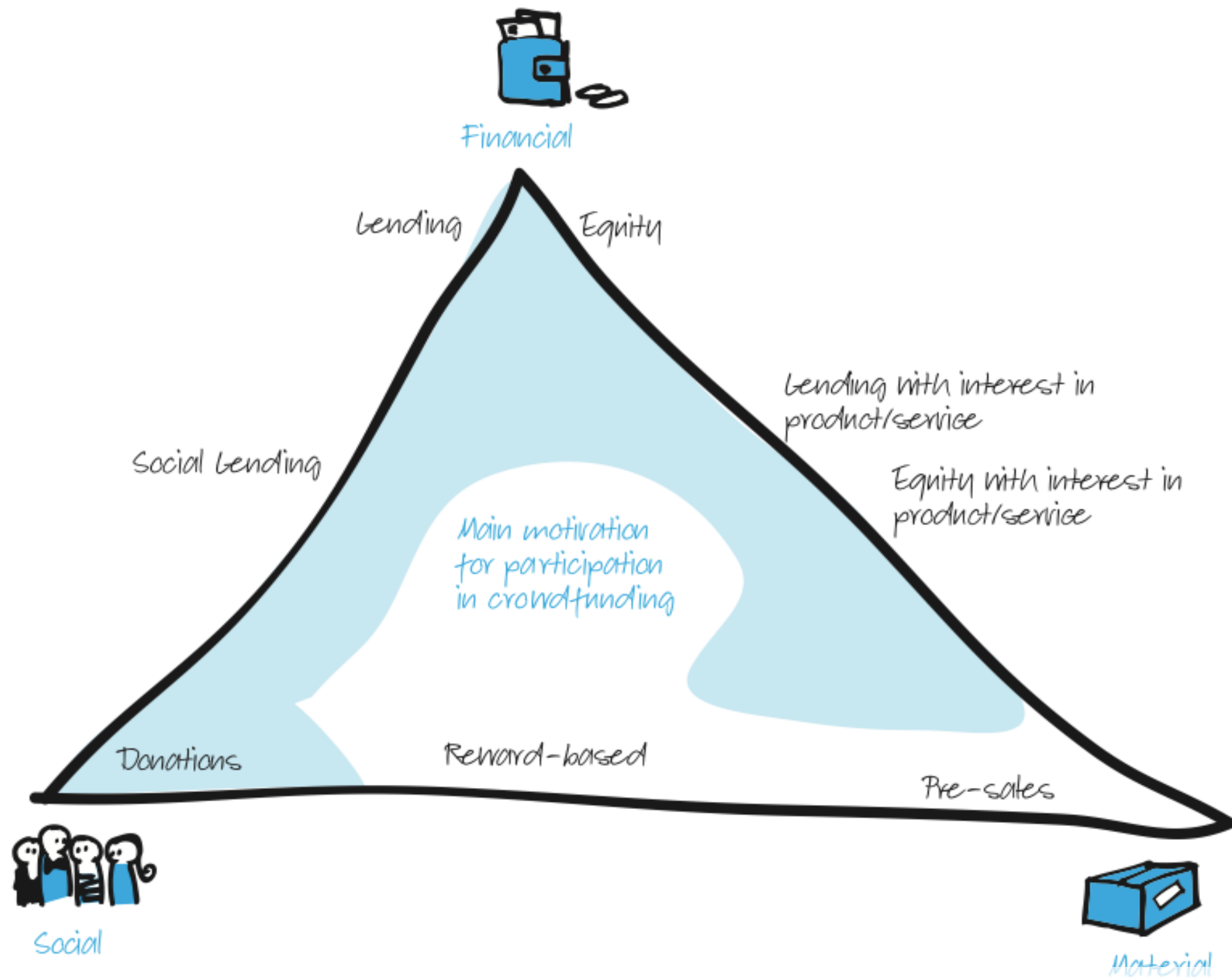
EARLY ADOPTER

Get
3X
your contribution

For the first 1,000,000 sponsorships.
We will share 50% of the profits with our
Sharing Angels up to 3 X of their
investment in our Profit-Sharing campaign

Profit sharing

Receive % of future profits as investor



Return on Involvement



Crowdfunding = Community Funding

An involved community providing more than money

SERIES A B C FUNDING



Crowdfunding and follow-up funding



Convertible loan

30% discount when converted to equity



Oculus Rift

\$2,5 million CF -> VC funding -> Facebook exit



JUSTPARK

£3,514,110
raised

Target: **£1,000,000**

Equity on offer: **14.94%** ?

Days left: **0**

Investors so far: **2702**

Last investment: **1 year ago**

Largest: **£500,000**

JOIN TO VIEW FULL DETAILS

[Login to find out more](#)

Co-investment BMW & Index Ventures
Investment crowd+VC+corporate in spin-off of employees



- 2016 - £7 million (VC) + £1 million (Crowd)
- 2017 - £22 million (VC) + £2,5 million (Crowd)
- 2018 - £85 million (VC) + £20 million (Crowd)
(valuation 40x higher than 2016)

Monzo

Crowd + VC investment in multiple funding rounds



Tips for successful campaigns

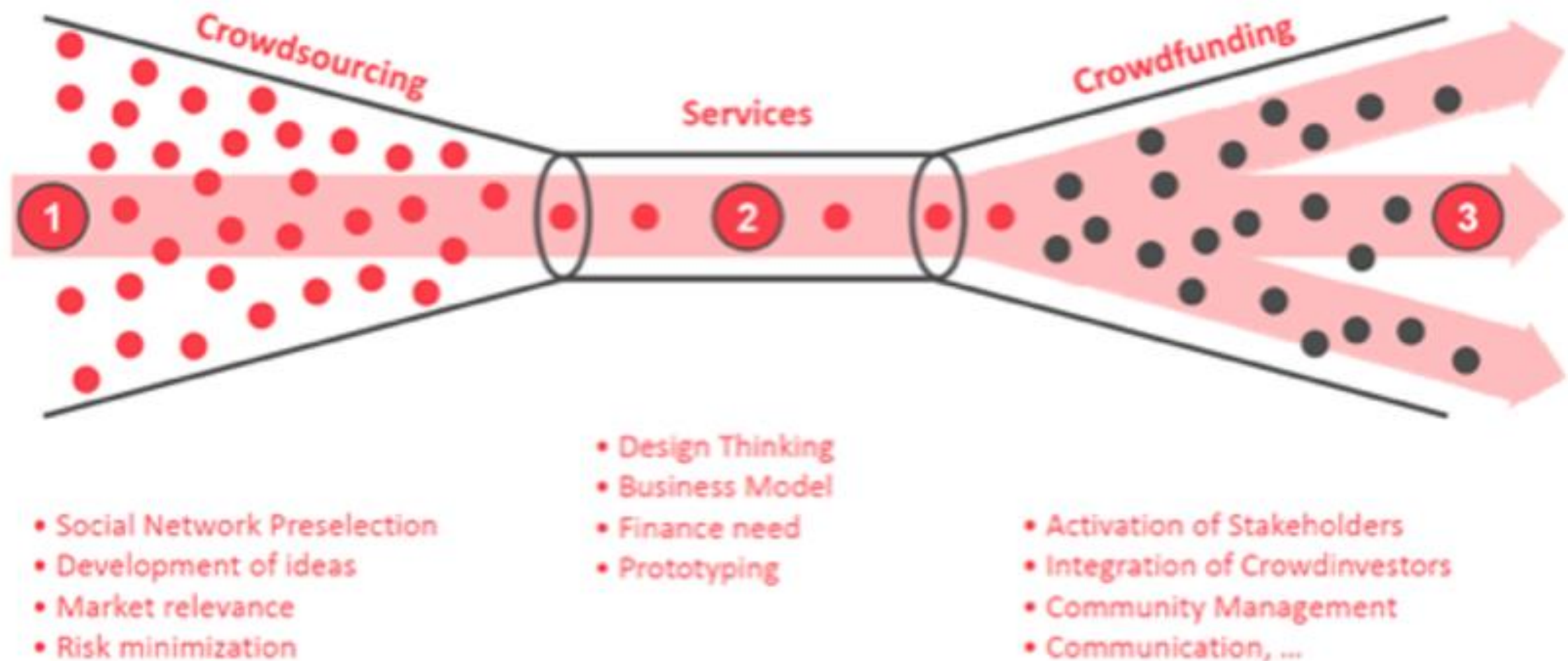


Tip 1. Involve your community

Crowdsourcing: co-creating ideas with the customer



Co-creation with customers



Co-creation and crowdfunding with customers



wena

Product

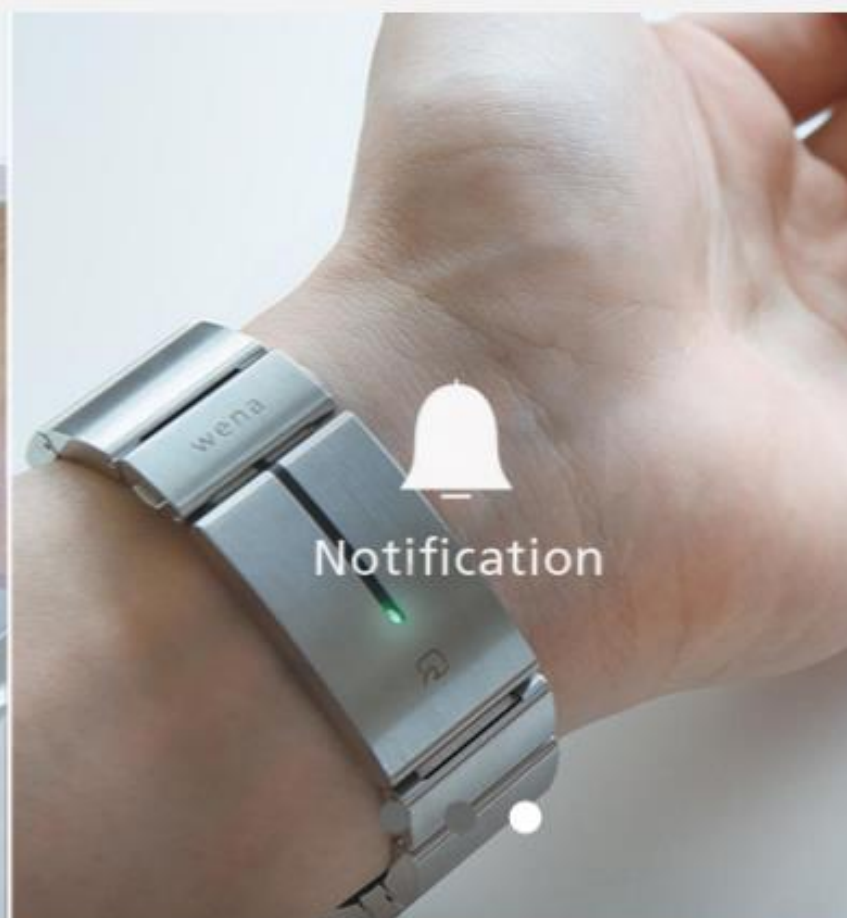
Team

Episodes

Cor



Wallet



Notification

wena wrist

wena project

SUCCESS



wena wristはバンド部に機能が入った腕時計です。アナログ時計としての美しさと、ウェアラブル端末としての機能性を両立しました。

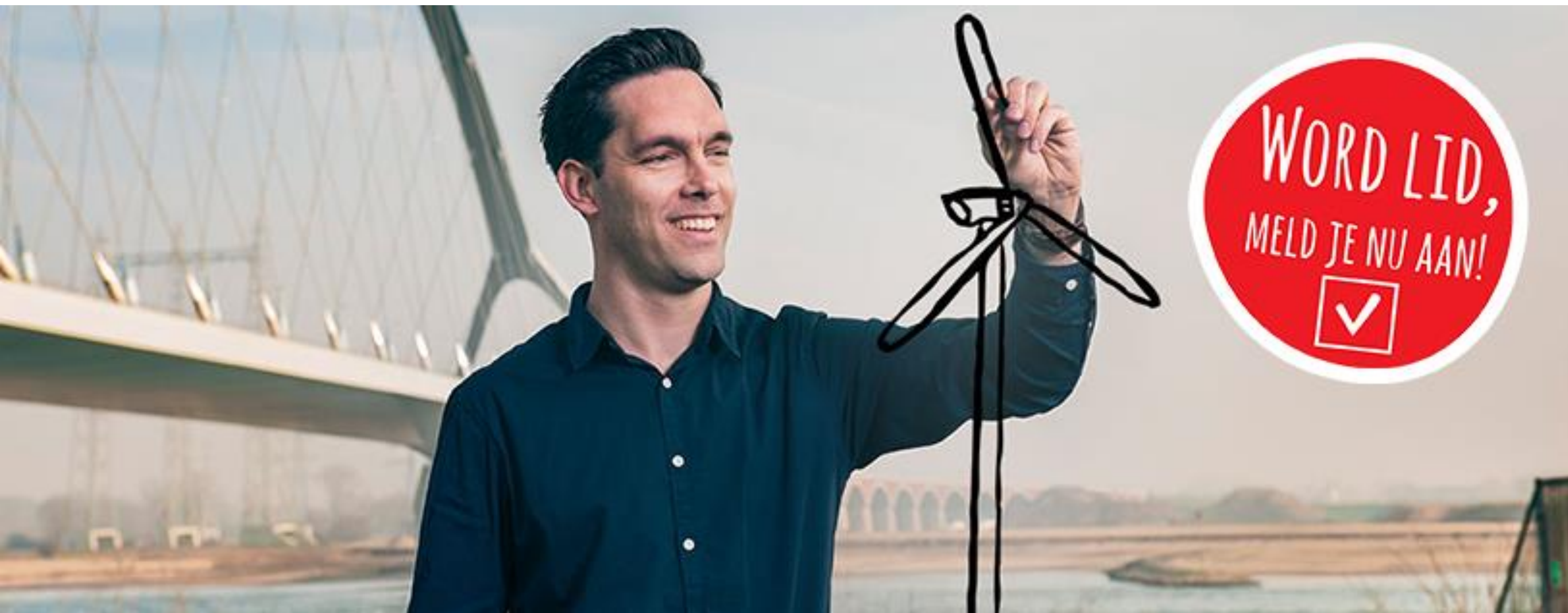
達成額 20,019,400円 達成率 200%

サポーター 403人 残り日数 60日

Sony – “First Flight” platform
Campaigns from own employees (R&D)



Tip 2. Clear Goal



Build new wind park by community
1.076 members - 18,5 million euro wind park



Tip 3. Urgency



Dominicanen – Maastricht

Book shop - Management buy-out after bankruptcy



Tip 4. Know your community and make them happy



Good returns for backers & investors
Social, material and financial rewards



WakaWaka – Social/Material Reward
10 crowdfunding campaigns. Buy 1 – Give 1

de
Correspondent

[READ MORE](#)

Pre-sales for new online newspaper – Material Reward
18.000 subscribers - >1 million euro seed funding



peerby

Equity share in company – Financial Reward

1.052 investors - 2 million euro equity



Tip 5. Communication Plan

SHARE YOUR STORY

Be authentic

Share your personal story

Key take-aways on Crowdfunding

Crowdfunding = Community Funding

Funding from an involved community

Crowdfunding = More than money

Marketing, market research, local support

Crowdfunding for projects

Define very specific goals for fundraising

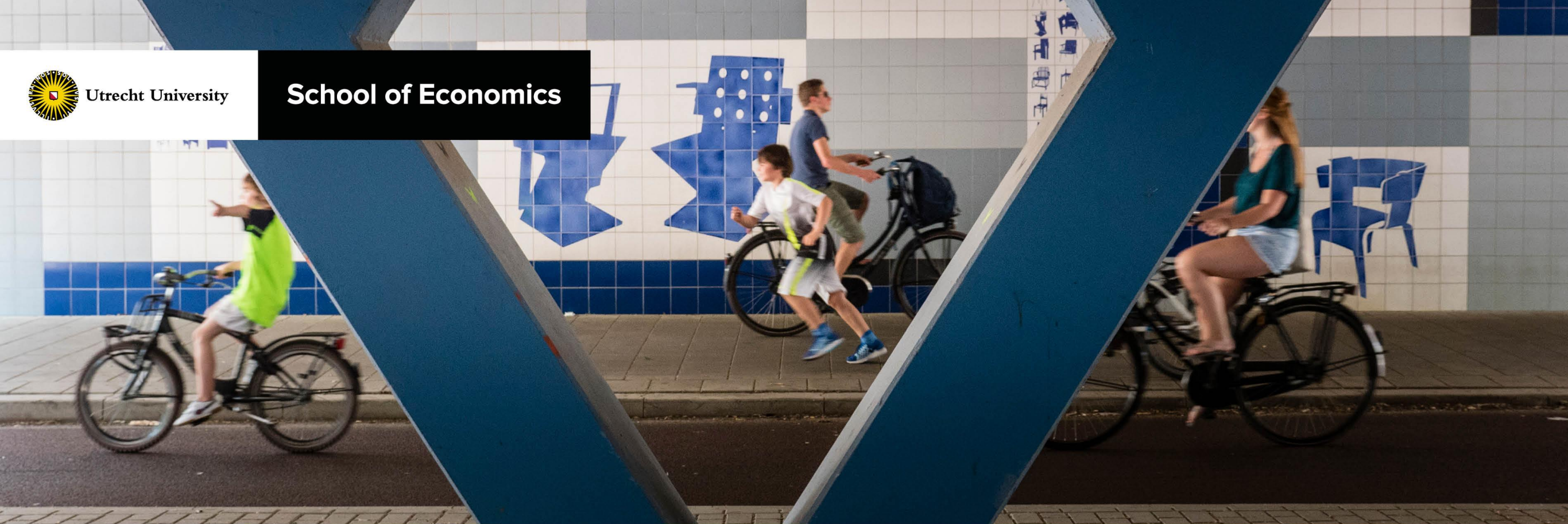
Crowdfunding campaign = Marketing campaign

Not only a fundraising campaign

A pocket watch with a silver-colored metal case and a white face with black Roman numerals. The watch is attached to a silver-colored metal chain. It is resting on a dark, textured surface, possibly a book cover or a piece of leather. The watch face shows the time as approximately 10:10. The background is dark and textured, with a diagonal crease or fold visible on the left side.

European crowdfunding plans overview

Trends for ECSPs for the Next 10 Years



Ronald Kleverlaan

Director *European Centre for Alternative Finance* Utrecht University

ronald@kleverlaan.com || @kleverlaan || <http://www.uu.nl/ecaf>