Better with a Crowd: The Basics of Crowdfunding

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crowd-funding
/kraʊdˈfʌndɪŋ/

noun
the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet.
"musicians, filmmakers, and artists have successfully raised funds and fostered awareness through crowdfunding"
Connecting people with information through libraries

http://www.fundyourpark.org/campaign/detail/4184

Connecting people with information through libraries

$338,282 USD
raised by 7,005 people in 1 month

33.8% funded

$100,000 USD goal

CAMPAIGN CLOSED
This campaign ended on July 29, 2015
Connecting people with information through libraries

I'm making potato salad.

Created by
Zack Danger Brown

6,911 backers pledged $55,402 to help bring this project to life

$1 reward

With your help, we'll be on our way to a successful potato salad. You will get a 'thank you' posted to our website and I will say your name out loud while making the potato salad.

Estimated delivery: Dec 2014

$2 reward

Receive a photo of me making the potato salad, a 'thank you' posted to our website and I will say your name out loud while making the potato salad.

Estimated delivery: Dec 2014
Ships anywhere in the world

Connecting people with information through libraries
How do I get my money?

Source http://2bgr8stock.deviantart.com/art/Money-Cash-113445826

Author Jericho

Should you crowdfund?

- Specific program or service
- A compelling need
- Staff time and resources dedicated to running a campaign
- Network of potential supporters and sharers
- Core group of committed backers
- Strong communication channels
- Everything is in place, except for the money

**Yes!** Well, maybe…
Should you crowdfund?

- An idea but not much else
- Few supporters and sharers
- No or few committed backers
- Little staff time or few resources for managing a campaign
- Weak communication channels
- No sense of how much money is required
- Assume your campaign will go viral

**OR!**

- A campaign will cannibalize your existing donor base

**No!** Or probably not…

连接人们与信息的图书馆

Nope…

https://www.indiegogo.com/projects/make-me-a-millionaire-in-14-days-2/#/story
How do we start?

1. Plan Your Project
   - Select a project, program, or service that sells
   - Conduct all necessary research
     - Realistic budget
     - Timeline for completing work
     - Secure potential partners
     - Legal or financial counsel
     - Contingency plans for success and failure
   - Determine your funding goal
   - Decide when to launch your campaign
   - Delegate responsibility to a person or group

2. Create Your Campaign
3. Communicate
4. Launch
5. Follow Up
Looking for a project? Think CUTE!

**C**ompelling

**U**rgent

**T**imely

**E**nergizing

https://rally.org/snootythemanatee

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2. Create your campaign

- Choose your platform
- For a partial list, visit: http://libguides.njstatelib.org/nonprofits/crowdfunding
- Pick funding model (all or nothing vs. keep what you earn)
- Compare prices
- Select platform with features you need
- Check rules for nonprofits (or whoever you are)
- Know the process for release of funds
- Look at examples and read testimonials

Fund Your Park

http://www.fundyourpark.org
2. Create Your Campaign

- Create the look and feel
  - Some platforms offer assistance (for a fee)
  - Enlist your marketing or graphic design department
- Decide on the timeframe for the campaign
- Set your funding levels (as needed)
- Pull together any incentives you are offering
- Consider including a video, even if it isn’t required
- Test, tweak, proofread, and edit

3. Communicate

- Galvanize your core group of backers
- Announce your campaign before it launches
- Encourage your supporters and sharers
- Create your plan for communication throughout the campaign
  - Email blasts
  - Social media
  - Press releases and media coverage
  - Events
4. Launch

• The work is just beginning!
• Monitor activity continuously
• Maintain communication with backers and encourage sharers
• Share your success
• Say thank you!

https://www.kickstarter.com/projects/349904826/build-mt-merrill/description
4. Launch

All of that preparation? Here’s why it’s important

Source: Kick Traq
4. Launch

Source: Kick Traq

5. Follow Up

- No matter what, say thank you
- Provide updates based on your outcome
- Communicate progress, even setbacks
- Do what you said you would do, even if it is harder than you thought
- Convert your one-time backers into regular donors

Andy Shih on October 18

You should be ashamed of yourself! We all know projects fail sometimes, but you don’t even have the decency to come out and explain to us what happened. Kickstarter is supposed to be a fun and exciting place, but people like you really gave it a bad reputation. You take our hard earned money and choose to spend it whatever way you like, and in the end we got no product, no refund, not even an reply.


What a great cause to donate to... The Environmental Education Center at Lord Stirling Park is one of my favorite places to spend time relaxing, learning and enjoying! If you can... please assist with a donation to rebuild the boardwalk...

http://www.lordstirlingpark.org/campaign/details/4308
How do we start?

1. Plan Your Project
2. Create Your Campaign
3. Communicate
4. Launch
5. Follow Up

Final thoughts

- Crowdfunding is a lot of work
- But it can be worth it
- Do your homework and be fully prepared
- Pick the best platform for you
- Communicate, communicate, communicate
- Put in the time before, during, and after to maximize your network of backers
- Potato salad
- Good luck!
Questions?

Thank you for attending today!

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