



## Checklist 12: How To Carry Out Crowdfunding Campaigns

Project Name: \_\_\_\_\_ Date: \_\_\_\_\_

Yes No

*Crowdfunding refers to a process where you put up the idea for your startup onto a platform, such as Indiegogo or Kickstarter, and allow people to fund your project. While we deal with starting a campaign on Kickstarter in detail in our other checklist, here are the general points for launching any crowdfunding campaign.*

- 1 Plan out the campaign: Employees at Kickstarter and Indiegogo say that the main reason why they see many crowdfunding campaigns fail is that of the fact that they lack planning. The campaign needs to follow a plan, where you set milestones for yourself and plan your strategy regarding advertising your campaign.
- 2 Set a goal: Calculate the money that you need to start your business because you'll need to set that before you start the campaign. This is also necessary for you to see whether or not your campaign is succeeding.
- 3 Tell the investors what they will be getting: You will need to tell the pledgers on these websites what advantage they will be getting from investing in your startup. There is usually a small percentage commission that should preferably give to your pledgers as a reward. Remember to include this money in the goal that you set out to earn through the whole campaign, but the commission you should offer should be realistic as you will most probably have many pledgers and you don't want to be making promises you can't keep.
- 4 There are numerous platforms that you can use for crowdfunding, but you can use Crowding In by Nesta to choose the platform that is right for your particular business.
- 5 Create some buzz: There are a lot of projects competing for resources on crowdfunding platforms, but only a few of them succeed. You need to use social media and other methods, such as interacting with investors

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on a personal basis, making bio videos etc. to create some hype about your project.

- 6 Email potential investors: Once you have started your campaign, it is possible that you might reach a certain portion of your goal and the campaign slows down. Prevent this and keep on emailing your previous investors or potential investors and keep on informing them of the progress of your project and try to convince them to invest more!
- 7 Keep taxes in mind: Certain countries don't have the same amount of compliance with crowd-funded projects because of which taxation on them may be higher than usual. Carefully collect information about such policies in your country so that you don't end up paying exorbitant amounts of taxes that you were not expecting. Keep this in mind when you start the campaign and remember to include a margin for tax money in your funding project.

*Notes*