

Welcome To The Crowdfunding Challenge

Session 2:
Budgeting, Your Crowd,
And Your Goal



The Rules

- The less you ask for, the more likely you are to get it.
- You need to be able to follow through with your promises.
- 60-70% of your pledges will be at \$100 or less, from a large group of people.
- 30-40% of your pledges will be over \$100, from a small group of people.



Your Crowd

- You already have a crowd – these are your founding backers.
- Try to secure 10-30% of your funds from your founding backers **before you launch.**
- In the meantime, you'll need to get on with building your crowd outside of your friends, family, and existing fans.



Your Goal – The Truth Of It

- 80% of you will fund within 110% of your goal – don't count on overfunding.
- Projects that fund over 200%, usually reach 100% in the first 5 days.
- "Stretch Goals" only work if you have a lot of early momentum – usually you need to fund in the first 2 weeks.
- **Aim for what you need.**

Your Crowd

- Facebook
 - If your crowd is primarily on Facebook (groups and pages), you will need to budget some money for promoting your posts.
- Twitter
 - Twitter is great for interaction and awareness, but it's conversion rate to pledges is very low.



Your Crowd



- Email
 - Email is the holy grail for communicating with your crowd digitally. If you haven't started a free MailChimp list – do this today!
- In-Person
 - The #1 conversion tool for getting people to back you is in-person events and talking to them face-to-face!

Crowdbuilding and Your Goal

A colorful illustration of a crowdbuilding event. In the background, a person in a red hat and white shirt holds a long white banner that reads 'GIVE A DAY'. In the center, a group of people are performing a human pyramid, with some standing on the shoulders of others. One person is holding a yellow balloon. In the foreground, a woman on the left holds a sign that says 'WE ❤️ YOU!'. A man on the right holds a sign that says '#1 FAN'. The background is a light blue sky with a few birds and a person walking in the distance. The ground is green with some grass.

- We'll dive into this in-depth next week but...
 - To raise \$2,500, you need around 50 people to pledge.
 - Usually, around 20% of people will get out their cards and pledge.
 - So for every \$2,500 you wish to make, you need to contact or reach 250 people.
- "Reach" includes social media, email, in-person and traditional media.

Your Goal

Amount You Need

+

Additional Rewards Costs

+

Crowdfunding Fees and Taxes

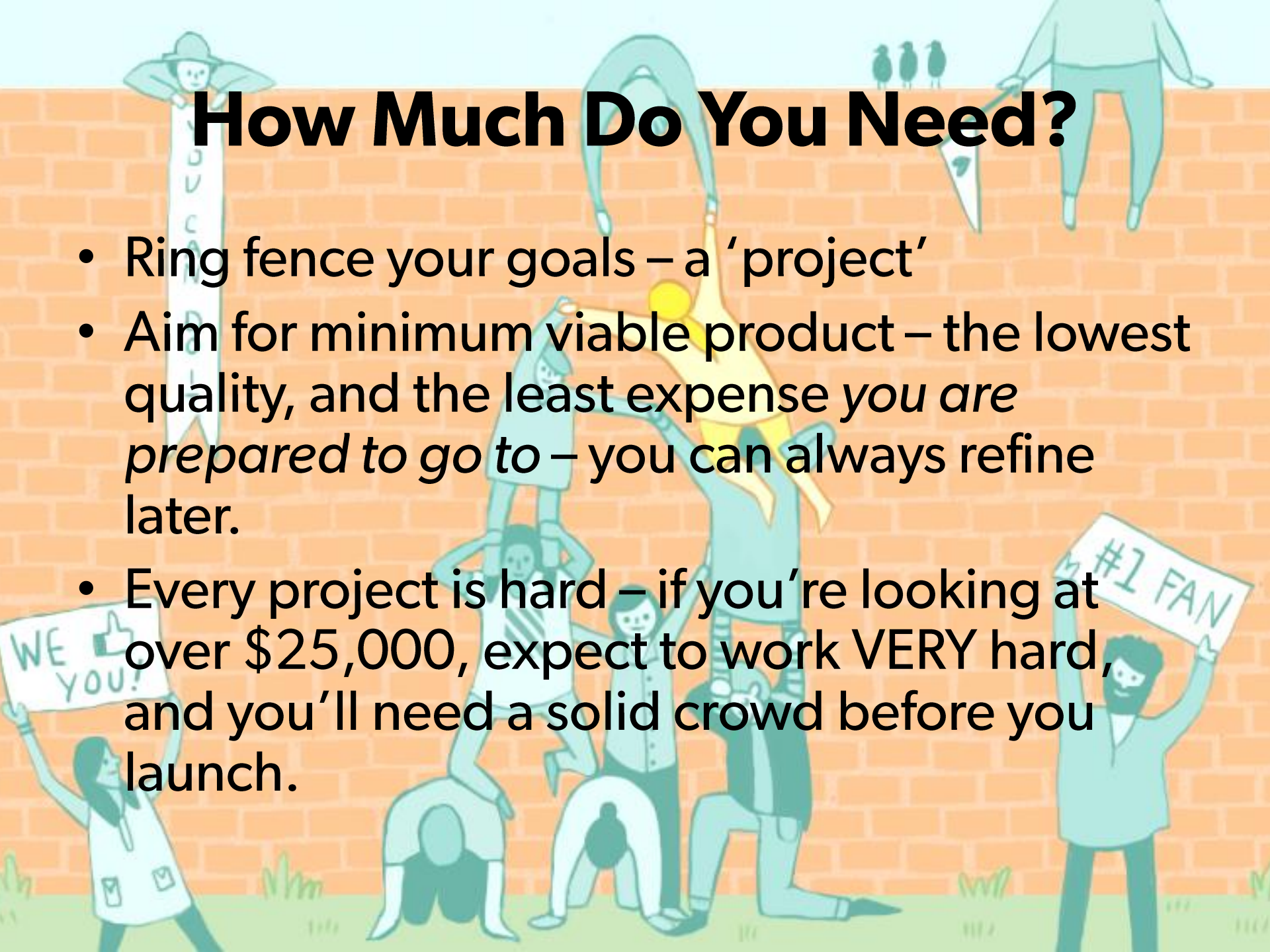
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Your Crowdfunding Goal



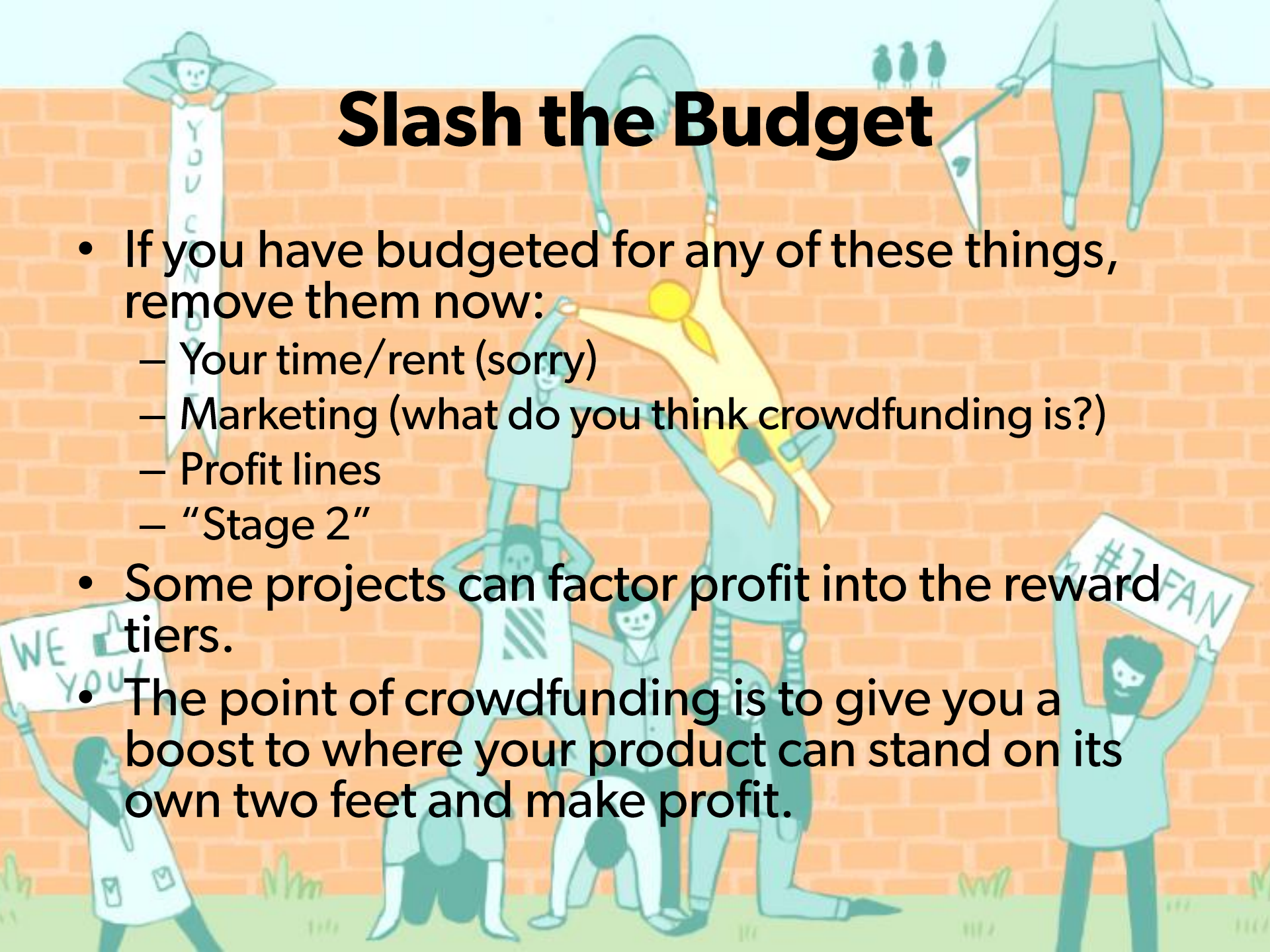
How Much Do You Need?

- Ring fence your goals – a ‘project’
- Aim for minimum viable product – the lowest quality, and the least expense *you are prepared to go to* – you can always refine later.
- Every project is hard – if you’re looking at over \$25,000, expect to work VERY hard, and you’ll need a solid crowd before you launch.



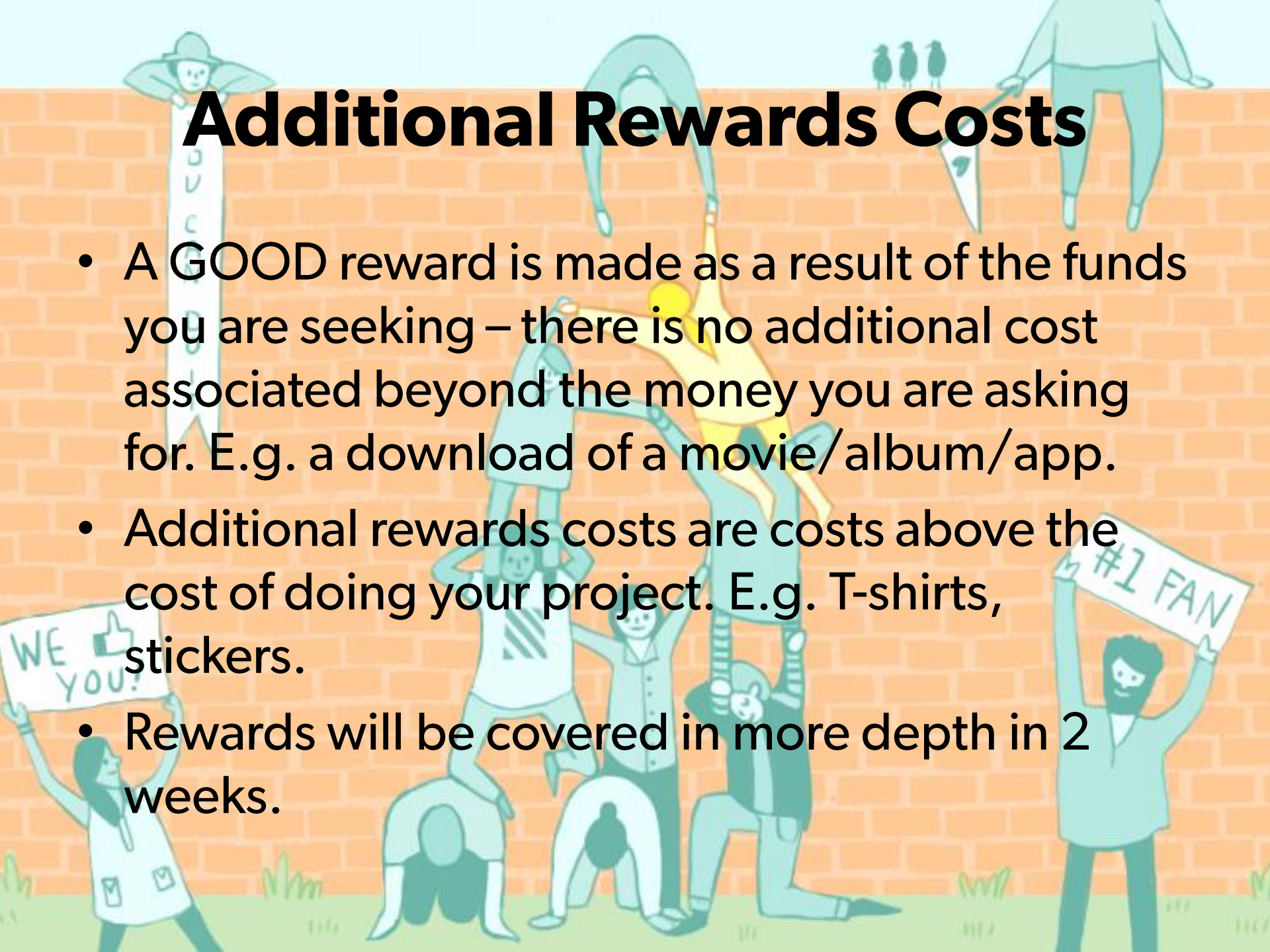
Slash the Budget

- If you have budgeted for any of these things, remove them now:
 - Your time/rent (sorry)
 - Marketing (what do you think crowdfunding is?)
 - Profit lines
 - "Stage 2"
- Some projects can factor profit into the reward tiers.
- The point of crowdfunding is to give you a boost to where your product can stand on its own two feet and make profit.



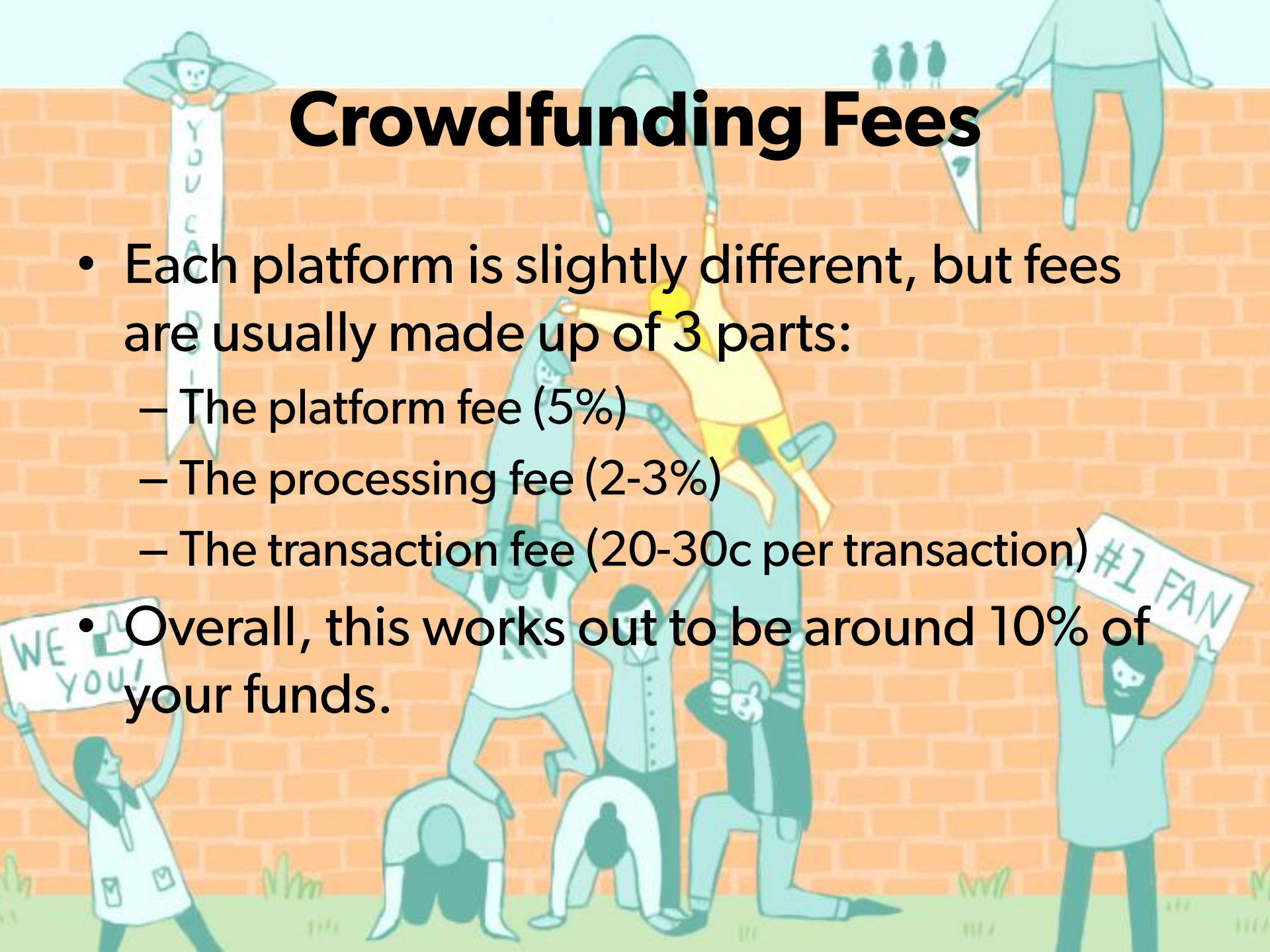
Additional Rewards Costs

- A GOOD reward is made as a result of the funds you are seeking – there is no additional cost associated beyond the money you are asking for. E.g. a download of a movie/album/app.
- Additional rewards costs are costs above the cost of doing your project. E.g. T-shirts, stickers.
- Rewards will be covered in more depth in 2 weeks.



Crowdfunding Fees

- Each platform is slightly different, but fees are usually made up of 3 parts:
 - The platform fee (5%)
 - The processing fee (2-3%)
 - The transaction fee (20-30c per transaction)
- Overall, this works out to be around 10% of your funds.



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Things To Do

- How much are you looking for?
- Check the resources and play with the calculator.
- Any questions – put them in the Facebook group!



Feedback and Help

- One-on-Ones can help put the strategies and ideas into context for YOUR project.
- Sessions cover:
 - Crowdfunding
 - Communicating your idea
 - Rewards
 - Your video
 - PR and promotion



Feedback and Help

- Campaign Review ensures your project follows best-practice and gives it the best chances of success.
- 50+ factors proven to increase conversion and success.



Get The Package

- 2 x 30 min One-On-One Skype Calls (value \$198)
- PLUS Campaign Review pre-launch and a 30 minute Skype to review findings (value \$149).
- Total value = \$347
- Right now = \$197
- ONLY UNTIL SUNDAY!

