

Crowdfunder Blunder: Leverage Crowdfunding or Waste of Time?

"BRILLIANT" BUSINESS IDEA #43:
CROWDFUNDING PARKING TICKETS...



Have you ever heard aspiring entrepreneurs casually say: "Oh I'll just put it on Kickstarter". I've heard that quite a bit recently and I thought I'd investigate.

People throw around the word "crowdfunding" like a party favor. Crowdfunding is the networking and pooling of individual funds for a project, often in return for a gift. Last year "crowdfunding" and "crowdsourcing" were buzz words, and the popularity of Crowdfunding sites still reign supreme. In a recent count, every niche seems to have its own [crowdfunding site](#).

Crowdfunding seems like a great way to fund your startup without the hassle of investors that want their money back, and with instant validation from potential customers. Kickstarter, which has to date provided \$786 million (as of Sept 2013) in funding is always a great case study for the benefits of crowdfunding. But what many entrepreneurs don't hear about is the flip side. I recently fumbled across [YourKickstarterSucks](#) which shows the sad fate of pitches that should never have been posted to begin with. If you think crowdfunding is the best method for gaining some traction on your business idea, consider the following: 10% of projects on

Kickstarter completed their round, without receiving a single pledge, and 56% do not get funding because they don't reach their goal - an unfortunate [#entrepreneurfail](#).

The only way a project will be a good candidate for crowdfunding, is if the target investors and donors are both willing and able to align with the project conceptually and financially.

Now, say you do identify a project that makes sense to crowdfund. Here are some guidelines about posting a project on a crowdfunding site to maximize the returns for both your venture and the investors:

- 1 **Be realistic about the total goals**
- 2 **Make project crystal clear, concise and super easy to communicate**
- 3 **Show evidence of potential future success - through past sales or market research**
- 4 **Provide compelling gifts for investors/donators**

Good luck as you vie for the hearts and wallets of your target market... and cheers to no more crowdfunder blunders.

This comic was created by Kriti Vichare and Shivraj Vichare. It was inspired by the ironies they have seen and have experienced in their small business ventures. You can find their comics on <http://www.entrepreneurfail.com>. They are the creators of the book [Cheating on your Corporate Job: A Comic Look at the Startup Dream](#).