



The entrepreneur's guide to crowdfunding

Introduction: Leverage the crowd and watch your business take off

It's the possibility of a dream come true that makes life interesting.

Do you have a dream? You've seen the way something's done and thought, "I can do that better"? Or maybe you have thought of something that the world needs?

Real talk—the dreaming is the easy part. The hard part is figuring out whether people understand your vision, relate to you and—most importantly—support your company so your dream can become a reality.

It's hard to stand up and say you have an idea—that takes guts. It's hard to ask people to support your business. And it's hard to throw money toward an idea and not know if you're going to reap any rewards.

What if I told you that there's a way to test your idea with the crowd, get your elevator pitch down to a science, build a following for your business and raise startup capital?

You can do all of that with crowdfunding—raising money from the crowd in exchange for a product, service or experience.

Since running ATB BoostR, I've met hundreds of business owners and entrepreneurs who've found success using crowdfunding. There are a number of crowdfunding platforms out there, so make sure to do your research before picking one. I'll say it: I'm biased! However, this guide is not a sales pitch for ATB BoostR. Instead, the content that follows is intended to guide your crowdfunding journey right from the first step. It's your back-pocket success tool to help you make the most of your campaign.

Good luck and if you ever have a question, concern or just need a friend, we're here for you.

Carly Wells
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Chapter 1:

Creative capital

Traditional bank financing is an ideal choice if your business fits into traditional categories—but many great businesses don't. If you happen to have one of those businesses, don't worry. There are a number of ways to get the money you need to grow your business, including crowdfunding.

Crowdfunding is an exchange between you (the entrepreneur) and the crowd (a group of everyday people). The crowd gives money to you in return for something they find valuable. Kickstarter or Indiegogo are some popular crowdfunding platforms that you might have heard of.

Crowdfunding campaigns set a funding target that you need to achieve within a specified period. Different platforms handle this in different ways. The two main approaches are a fixed funding model and a flexible funding model.

With the fixed funding model, you need to reach your funding target or no money is exchanged. With flexible funding, you can keep as much as you raise. Platforms that use the flexible model often have much higher fees than those that use the fixed model. However all-or-nothing model campaigns are funded fully at twice the rate of keep-it-all campaigns.

There are four main types of crowdfunding:

Equity crowdfunding:

You exchange micro shares of your company with the crowd in return for investment. It's designed for more capital-intensive projects, like a large, complicated real estate venture.

Crowdlending or peer-to-peer lending:

You receive micro loans from members of the crowd in return for capital—meaning you pay back the principal plus interest. The interest is usually higher than a typical loan because the risk is higher. The crowd acts as collateral for these loans. It's great for businesses looking to raise awareness about themselves, as it's a high-profile way to engage the crowd and get them to be (literally) invested in the success of your business.

Rewards-based crowdfunding:

You pre-sell products and services (rewards) from your business to the crowd (customers) in return for cash. The crowd benefits from being the first to support your business and become the early adopters of your new product or service.

Donation-based crowdfunding:

This type of crowdfunding is used by charities, non-profits and for community-related causes. The crowd donates money to the campaign, and in return they receive a tax receipt—along with the feeling that they've made a positive impact. Entrepreneurs typically don't use this type of crowdfunding to start their business.

Rewards-based crowdfunding

Rewards-based crowdfunding differs from equity crowdfunding and crowdlending in that the crowd is made up of customers, not investors. That's why it offers early-stage entrepreneurs the chance to validate their business idea.

It's simple: if the crowd supports your campaign by purchasing your rewards, you'll know that the market is likely to support your business.

Your rewards—typically the products, experiences and services your business provides—mark the beginning of a potentially ongoing relationship with your new customers. As early adopters of your product, they can become valuable brand advocates, product testers, and returning customers.

This type of crowdfunding is best suited to business-to-consumer (B2C) companies—those that offer a consumer product, experience or service.

What's ATB BoostR?

ATB BoostR is a local rewards-based crowdfunding platform for Alberta entrepreneurs. Through BoostR, entrepreneurs can test their business idea, build a customer base, and gain exposure. The platform is a great starting point for early-stage entrepreneurs in the province who are looking to validate their business and grow their networks. Some notable businesses who've successfully campaigned on BoostR include:

- Burgundy Oak furniture
- Local Laundry clothing
- Sugared and Spiced bakery
- The Light Cellar superfood shop
- Square 1 Coffee cafe

Keys to crowdfunding success

No matter what type of crowdfunding you choose, many of the criteria for success are consistent. Here are some tips from the experts at ATB:

Have a solid pitch

Whether it's telling your family and friends about your business idea or sharing your story on social media, your success starts with your story. How will you tell it? Plus, every crowdfunding platform requires a pitch video, which should include who you are, why someone should invest in or buy from your business, and what the positive outcome of that exchange will be.

Quick tip: *Be authentic, convey your passion, and build credibility through testimonials.*

Get active on social media

It may seem obvious, but you can't do crowdfunding without a crowd. A great idea and a nice video doesn't get you very far if no one sees it. You need to work your butt off before you launch your campaign to let people know you're crowdfunding, why you're doing it and what's in it for them. Social media is a great way to connect with potential customers and maintain relationships with your current ones.

Quick tip: *Start early by promoting the heck out of your campaign before you launch, and continue that momentum while it's live. Leverage your existing online community and ask everyone you know to promote your campaign to their network. Once your campaign is over, reconnect with all your investors or contributors and keep them posted on the next steps for your business so they stay in the loop.*

Be prepared to sweat

Crowdfunding isn't easy, so be prepared to hustle from day one until the day your campaign closes—we promise it'll be worth it. The learnings, exposure, connections and capital you'll gain will be key contributors to moving your business journey forward.

Quick tip: *Before you launch your campaign, make sure you have a clear plan in place for how to attract customers and/or investors.*

QUIZ: Who's crowdfunding for?

Are you and your business the right fit for crowdfunding?

Take this quick quiz to find out.

1. I have a very specific reason for using crowdfunding, like purchasing equipment, launching a new product, or expanding into a new market.

Yes No

2. I'm not using crowdfunding as a last resort to save my business—I need a boost to get it off the ground or grow to the next level.

Yes No

3. My business offers awesome products, services or unique experiences that I could provide to the "crowd."

Yes No

4. I'm social media savvy and I have a pretty strong social presence that I'll be able to leverage to promote my campaign and build support for my business.

Yes No

5. I have unwavering passion and dedication for what I do. I'm willing to hustle hard to do whatever it takes to crush my campaign.

Yes No

If you answered "yes" to all of the questions above, you're likely to rock crowdfunding! Answered "no" to a few? No sweat. Connect with us and we can talk about how to get you there.

Chapter 2:

Getting started

As we said, this guide isn't a sales pitch. We're going to walk you through your crowdfunding journey from start to finish and provide you with the knowledge you'll need to succeed on any platform. However, you'll notice that we use ATB BoostR as our example from this point on; it's our area of expertise, and we're pretty proud of what we've built.

In the last section, we told you that you've got to be prepared to hustle during your crowdfunding campaign—here's why.

Crowdfunding is becoming “crowded.”

Crowdfunding has exploded in popularity over the past couple of years. As a result, the space has become increasingly crowded as more and more entrepreneurs leverage the power of the crowd to reach their business goals.

On one hand, this is great news; businesses are getting the capital or marketing they need to succeed. However, it also means it's become harder to get your campaign noticed and supported. That's why it's essential to craft a powerful and compelling story, and put a consistent effort into marketing your campaign.

You must establish credibility with your crowd.

We estimate that at least 40% of your campaign funds will come from your friends, family, existing customers and others in your immediate network (otherwise known as “love money”).

Strangers will only begin to fund your campaign if you establish credibility and trust. So, to tap into funds beyond your network and reach your funding goal—take the time to influence and win over the crowd, and help them feel assured that their money is being put to good use.

If you build it, they will NOT come.

A lot of campaigns fail to reach their funding goal because the campaign owners hold the misconception that they can just put effort into building their page and funds from the crowd will magically appear. Success in crowdfunding requires putting in hard work before, during and after your campaign.

What's critical to success in crowdfunding?

YOU.

ATB is serious about supporting Albertan entrepreneurs and that's why we've designed ATB BoostR in a way that goes far beyond providing an online crowdfunding platform. We also leverage our marketing channels to promote your campaign/business online and offline at pitch events. We want to set you up for success, which is why we created this resource-rich crowdfunding guide, an [online resources section](#) for you to tap into 24/7 and [our free Crowdfunding 101 workshops at our Entrepreneur Centres](#).

We'll do whatever we can to help you succeed but ultimately, the success of your crowdfunding journey and your business rests on your shoulders—and your hustle.

BoostR at a glance



Funded campaigns



Success rate



Average money raised



Average length of campaign

Chapter 3:

Planning your crowdfunding campaign

By this point, we hope you have a pretty good idea of what crowdfunding is and what it could do for your business.

The next step? Taking your campaign from idea to reality.

Here's a brief overview of what you'll need to work on before your campaign goes live.

Build your team

Tell your story

Sign up for ATB BoostR!

Shoot your video

Determine your funding goal

Choose your rewards

Find your crowd

Choose a launch date

At the end of this section, you'll find a checklist that will help you determine whether you're ready to go live with your campaign.

Step 1: Build your team

Before you start planning your campaign, you need a team. Surrounding yourself with the right people makes a huge impact on your success. Make sure everyone's on board with crowdfunding, and work through the rest of these steps together.

Even if your team ends up being just you and your business or life partner, it's worth having a discussion about all of the tasks and who'll be responsible for each part. You'll need to figure out who on your team will be responsible for:

- Organizing your existing contacts
- Attracting new contacts
- Crafting your story
- Planning, shooting and editing your video
- Social media marketing
- Email marketing
- Planning your rewards
- Contacting influencers and press for coverage
- Communications and updates during the campaign
- Reward fulfillment after the campaign

Part of your campaign page on ATBBoostR.ca will feature the key team members behind your business. These short profiles offer you the opportunity to convince the crowd that you're legitimate, competent, and that your business is worth investing in. Crowdfunding statistics on fundera.com say that "Team-driven crowdfunding campaigns raise 38% more than solo campaigns."

Step 2: Sign up for a crowdfunding platform

Signing up for a crowdfunding platform is simple. Just take BoostR as an example—go to ATBBoostR.ca and fill out the short application form. This connects you with our team and allows

us to reach out and support you. Once you've completed the form, we'll review and follow-up with next steps. Be as specific as you can on the application so we get a good sense of who you are, what your business is all about and why you want to launch a campaign.

Two keys to success in crowdfunding are consistent efforts in marketing and delivering engaging rewards. The more you can demonstrate your ability to fulfill these two requirements, the better your chances of launching and succeeding in crowdfunding.

Step 3: Determine your funding goal

There are a lot of factors that play into setting your funding goal. Of course, every business could use some additional cash, but crowdfunding works best for businesses that have a specific and defined goal.

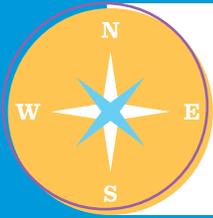
Your goal...

Should allow you to move forward with your business, whether that's getting it off the ground, launching a new product or expanding into a new market.

Should "feel" right when you deliver your message. Are you asking for \$50,000 as a brand-new business with no online presence or history? That may not sit well potential customers.

Should be realistic and achievable. That said, it also needs to be big enough to be worth your time.

Here are our top 6 factors to consider when setting your goal:



What's the main purpose of your campaign?
It's the compass for all your efforts.



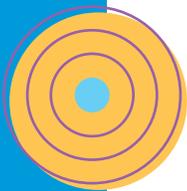
Reference your milestones, their associated costs and which milestones are absolutely critical for you to reach your goal. What's the minimum amount you need to move forward? Choose a goal that you can confidently meet and exceed.



How much will your rewards cost you (including shipping and taxes)?

6%

Factor in the crowdfunding fee for the platform that'll be taken off the total amount you raise.



If you're using a platform that uses a fixed-funding model, **keep in mind how long your campaign can be**. You'll need to set a realistic goal to reach in a limited amount of time, or you won't get any of the funds.

Generally **the size of your existing social network** is directly related to how much you can raise through crowdfunding. Consider how many of your existing fans will contribute and how much they'd realistically be willing to pay. On average, 75% of successful reward-based campaigns raise between \$5,000-\$10,000.



Don't forget...

Your goal needs to be about equal to the projected profit from your campaign. There will be costs that eat into your campaign's profit, so consider increasing your total crowdfunding goal if you can't make enough profit from the rewards you've planned.

Tax:

A campaign cost that's really easy to forget! Remember that sales you make through crowdfunding count towards your business's revenue for the year.

Platform fees:

Whatever crowdfunding platform you use will charge you an administration fee. Make sure you're aware of the "fine print" before launching your campaign. To find out what BoostR fees are for a rewards-based crowdfunding campaign, visit atbboostr.ca/learn.

Step 4: Find your crowd

Crowdfunding is a major marketing campaign: your goal is to make the right people aware of your business solution and motivate them to support you.

Your success with crowdfunding will be proportional to the number of people you can help with your business idea. No matter how cool your idea is, if your business doesn't solve a problem for your target audience, your success will be limited.

Before you think about raising money from the crowd, you need to find a crowd. Here are some ways to do that:

Research your target audience

You can't target the right customer if you don't know who they are. Consider working through

a customer avatar worksheet (you'll find one at the back of this guide), researching your competitors, talking to your existing customers, and looking back at previous social media and other marketing efforts to see what has resonated with your audience in the past. Find the answers to questions like:

Where do they live?

What do they spend their money on?

Do they spend much time online and what types of content do they consume when they are online?

What platforms do they use to connect and share?

Once you know who your customer is, what they like, where they hang out, and how to reach them, you'll be better positioned to serve them with effective marketing.

Build and expand email lists

Email marketing continues to be one of the most effective means of creating consumer action online. Start telling everyone you can that you have a campaign launch date planned and collect the emails of folks who are interested in staying in the loop. Consider adding a landing page to your website to collect emails from those interested (you can easily do this through an email platform like MailChimp).

Some people can be protective of their personal email address and therefore might not simply give it to you without an exchange of some value. Always make sure your potential customer has an incentive—a discount, exclusive content, etc.—to share their information with you.

Note: *Businesses in Canada are required to comply with Canadian Anti Spam Legislation (CASL). [Make sure to read up on CASL](#) before launching any email marketing campaigns.*

Get active on social media

Social media marketing can be really effective if you put in the work. However, building a following on social takes time—you can't effectively use social media marketing for your campaign if you don't already have a strong presence on social media. If you want to attract money from outside of your family and friends, it's worth it to delay your campaign and find your crowd first.

Find out where your audience is

You've determined who your target audience is. But where do they hang out online? For example, if your product's targeting people who are older than 50, you may not want to focus your efforts on a robust Snapchat strategy—email and Facebook will likely be better avenues to reach that audience.

Don't sell too much

If all you do is ask for money, you're doing it wrong. Your followers on social media are probably following you because you offer value, and they're personally invested in who you are and what you stand for. If you totally switch off that stream of communication and only ask for money instead, you're likely to lose followers throughout the course of your campaign.

The goal of using social media marketing for crowdfunding campaigns is to create content that will spread awareness of your campaign outside of your immediate network. A single tweet can be shared thousands of times if done right. Use the campaign as an opportunity for your social media content to solve the same problem that your business is working to solve.

A social media formula made popular by Sam Milbrath on the Hootsuite blog is the rule of thirds:



1/3 of your social content promotes your business, converts readers, and generates profit.



1/3 of your social content should surface and share ideas and stories from thought leaders in your industry or like-minded businesses.



1/3 of your social content should be based on personal interactions and build your personal brand.

By sharing social media content that solves the same problem your business solves you establish yourself as a thought leader in that space. If you're looking for ideas for how to talk about yourself without coming across as too pushy, consider posting campaign updates, behind the scenes content and—most importantly—impact and success stories that show that your business is working!



Avoid asking for charity

If your call to action reads something like: “Please give me \$10 to support my campaign” then there’s a good chance you’ll end your campaign with a weaker brand than you started with. Instead, use your call to action to emphasize that the products that you’re offering are a valid purchase and not simply a donation to an entrepreneur who needs to get it together.

Additionally, instead of directly asking for a sale every time, you might consider asking for nonfinancial help. For example, ask your audience to spread the word and share your campaign with others who may be interested.

Track results and adjust accordingly

Crowdfunding is a great way to test your business idea. Build a social media posting schedule and follow a fairly disciplined posting formula to test your social media strategy. By strictly following your schedule and formula for a week or two at a time you can gain pretty accurate insight into your marketing strategy and tweak things as you go.

Engage, engage and engage some more

It’s important to use a push-pull technique when creating your social media content. Develop a mixture of engaging posts that entice the community to respond while also posting content that doesn’t ask for anything.

For example, if you’re asking folks in the community to share your content with people they know, you can also let them know when the campaign reaches important milestones or if it’s featured in a prominent news outlet.

Thanking each and every single contributor is a very quick and simple way to engage the community in a meaningful way.

Don’t love ‘em and leave ‘em!

Regardless of whether or not you meet your crowdfunding goal, it’s important to thank your community for their support. Even after your campaign is over the community you’ve built is a valuable asset. If you’re truly the thought leader you’ve positioned yourself as, and committed to solving the problem you’ve set out to solve, then your social media marketing should continue.

Be community-minded

The entrepreneur community is a tight-knit one, and that offers you the exciting possibility to use partnerships with other businesses to grow exposure for your campaign. You can work with other businesses to create rewards that feature both business’ products, or cross-promote each other in your marketing efforts.

Here are some tips for creating great partnerships from Kim Smith, Senior Community Partnerships Manager for our Entrepreneurship Strategy Team.

Identify your individual strengths and weaknesses.

We've always heard that opposites attract and it's definitely true when you're trying to develop a business partnership. It's important to make sure your core values and strategic goals align, but each party needs to bring their own unique strength to the table and know where their weakness is.

Communicate regularly.

Make a plan to have regularly scheduled meetings in your calendar to review the partnership and make necessary adjustments as you move forward. I tend to touch base by email at least once/month and meet in person over a coffee quarterly. It's important to take the time to meet your partner in person!

Establish clear goals.

What are both parties gaining by entering into a partnership? Make sure you are clear on what you want to accomplish and give it a written timeline. Depending on the agreement, anything from email to a more formal Memorandum of Understanding (MOU) will do.

Be transparent.

Sometimes partnerships can involve other people or have levels of complexity, so it's best to share new or unknown information upfront. When in doubt, take the time to reach out, ask questions and have a conversation so no one is caught off-guard.

Own your mistakes.

We're only human and sometimes we mess up. When that happens, it's important to apologize and make things right as best you can. More times than not, these things can easily be repaired with good communication, but if no attention is given to a mistake, the relationship will suffer in the end.

Step 5: Tell your story

Telling a compelling story is an important part of attracting people to your campaign. Figure out your story well ahead of time, since it may take a few weeks to nail it down and get it to a place where you can share it articulately with others. Write it down, sleep on it. Share it with people you don't know to test it.

Write it, sleep on it. Test it on people you don't know.

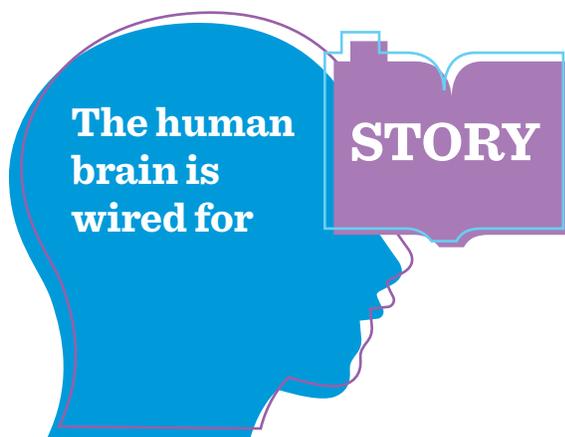
If you find yourself changing your story every time you tell it, it's probably because you haven't quite gotten it right yet. It's worth being meticulous since your story will serve as the foundation for all of your campaign communications: every tweet, every email and your pitch video.

There are basic facts that every story needs.

Every pitch in some way has to include the 5 W's:

- **What's** your business and how will it make my life better?
- **Who** are you and why should I listen to you?
- **Why** are you doing this business?
- **When** can I expect you to follow through on your proposition?
- **Where's** all of this taking place?

But you can't just include the basics—you need to stand out.



Use any of these four storytelling methods to connect with your audience and improve your business pitch.



Before	After	Bridge
"Here's your world, it has a problem"	"This is what your world will be like when your problem is solved"	"Here's how we can solve your problem"



Problem



Agitate



Solve

Present a problem, agitate the problem, then solve the problem with your product or service.

This storytelling framework is very similar to the Before-After-Bridge, but instead of showing the contrast between before and after, the Problem-Agitate-Solve acts to emotionally charge the problem so that finding a solution is more urgent.



ACT 1

Set up: our customer, the world she lives in, and the problem she may face are introduced.

ACT 2

Confrontation: our customer confronts her conflict and tension builds.

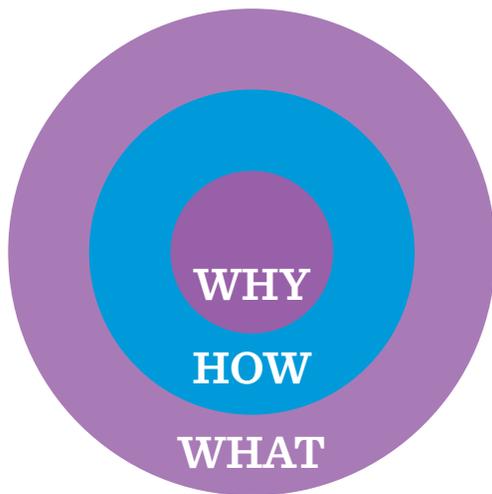
ACT 3

Resolution: we deliver the climax of the story by resolving the problem for our customer with our product or service.

Simon Sinek's Golden Circle Formula

Simon Sinek, author of the book *Start With Why*, says, "People don't buy what you do; they buy why you do it. And what you do simply proves what you believe."

Watch a clip from Simon Sinek's TedTalk "[How great leaders inspire action](#)" to go more in depth into his Golden Circle formula and how it can improve your business storytelling. Here's a quick overview of the formula, and some examples of how the Golden Circle formula could be applied to a large corporation.



Why = The Purpose

What is your cause? What do you believe?

Apple: We believe in challenging the status quo and doing things differently.

How = The Process

Specific actions taken to realize the "Why".

Apple: Our products are beautifully designed and easy to use.

What = The Result

What do you do? The result of the "Why". Proof.

Apple: We make computers

In addition to using a storytelling formula to get people excited about your offering, here are a few questions to guide your pitching:

First and foremost, who's your audience?
Who does your story need to resonate with?
Imagine you're speaking to them.

Why did you start your business?

What problem does your business solve?

Why should your audience care?

Why are you raising money from the crowd?

What will you do with the money you raise?

Who's on your team?

When can supporters expect to get the rewards you're offering?

Step 6: Shoot your video

It takes a long time to make a video—it takes a *really* long time to make an excellent video. Plan to have your (excellent) video complete a month or more before your campaign starts so you have lots of wiggle room to get it just right.

Your video is vital. Different websites have different stats about how much more money a campaign with a video will raise vs. a campaign without a video. Our stats show that campaigns with videos typically raise 105% more than campaigns without!

If you plan your video correctly, you'll be able to utilize the footage you shoot in multiple ways by editing different versions. The 2-3 minute long campaign video can also contain multiple 30 second videos to share on different platforms.

Why is your crowdfunding pitch video important?

The reality of crowdfunding is that your close friends and family will probably support you simply because they love you. For those who don't know (and love) you, your crowdfunding pitch video acts an extension of you, giving viewers a window into who you are and what you're about.

If you hope to make money crowdfunding outside of your immediate family and friends, your video will have to convince the crowd that your product or service will make their life better, that you can be trusted and that you can deliver.

It really should be an extension of your brand and every single second should reflect that. Take the time to consider and review every shot and word in the video to make sure you're portraying your business in the best way possible.

How to make a great crowdfunding pitch video:

Your video should include all pertinent information that the crowd needs to know about your business and campaign. This includes but isn't limited to:

- The problem you're solving
- Introduction to your product or service
- Description of features and benefits
- Introduction to your team
- Background story for the team and your progress to date
- A call to action (eg. buy now, share this)

Length: keep it short

The shorter, the better. In general, people are busy and their attention spans are short—show the crowd that you respect their time by making your pitch simple and enjoyable to watch.

Facetime: you might need less than you think

It's easy to feel uncomfortable when making your first video. Remembering lines, while trying to be natural, and figuring out what to do with your hands can be overwhelming! The good news is, you don't necessarily have to spend that much time talking directly into the camera in order to make a great video. One or two lines delivered in person with the rest of the video delivered as a voiceover is often enough.

FYI: A-Roll footage is all of the footage with your founder or spokesperson talking. B-Roll footage is all of the video clips and images that you layer throughout the video to tell your story.

Content: hook the viewer

Forget your own perspective and instead frame things from the audience's point of view. This means that instead of talking about yourself and your product or service, focus on your customers and how your product or service will improve their life. If the customer is imagining themselves actually using your product or service then the majority of the work is complete and you simply need to ask for the sale or funding.

Audio: sounding good is more important than looking good

Script and sound are much more important than your visuals. If you deliver your pitch poorly or your audio is painful to listen to, your audience won't stick around for long.

Here are some ideas to help you sound your best:

- Record your audio in a quiet place with no echo or background noise.
- A small room with carpet is better than a big room with hard surfaces.
- Don't be afraid to change locations if the audio recording isn't excellent. The outdoors may give great lighting, but don't record on windy days.
- A cheap microphone close to your face will sound better than an expensive microphone that isn't close to your face.
- If you're shooting your video on your phone, consider using a second phone closer to your face (but off screen) to record the audio and merge the two during editing. Our trick to align the two recordings? A single loud clap at the beginning of each take.
- Real talk—a lot of people will watch your video on their phones while they're in the bathroom, or at work. Add subtitles to your video so folks can understand your video even when they don't have their volume on.

Video: look good, feel good!

Once you're confident that you have an awesome pitch and that you can record good quality audio, let's get you looking camera-ready. In general:

- Videos shot in natural daylight (eg. facing a window) will look better than videos shot with overhead artificial light.
- Videos shot in the early morning or late afternoon will look better than video shot in the middle of the day.
- Videos shot on a bright overcast day will look better than video shot in direct sunlight.
- Harsh shadows on the face rarely look good.
- Use powder or blotting papers on your face to get rid of distracting shine.
- Use a tripod or put your camera on something stationary.
- If you're using a phone to shoot your video, remember to orient it horizontally and record every clip with the same orientation.

Personality: a little bit goes a long way

Folks are likely investing in you as a person more than they're interested in shopping for your rewards. Unless you have something really cool or clever to reward them with, save the video from unnecessary length and just tell them about you and your mission. Show your crowd why you care and why they should care too. Smile, laugh and have fun—the video doesn't need to be perfect, it just needs to be “you.”

Music: the right song is rocket fuel

Having the right music in your video will establish a mood and foster emotional connection with your viewers. The key to using music in your videos is to not use any tracks that you don't have permission to use. Here are some great resources for music that you can use in your videos.

<https://www.youtube.com/audiolibrary/music>

<http://incompetech.com/wordpress/>

<http://freemusicarchive.org/>

<http://dig.ccmixer.org/>

YouTube Creator Studio is probably the easiest and affordable choice for royalty-free music for your videos hosted on Youtube. Just a warning: it can take a lot of work to find the right track.

The other sites listed all have subtle differences with how and where you can use the music, so be sure to read the fine print when picking your track.

Want a little more guidance on how to rock your crowdfunding video? [We'll walk you through the process.](#)

Step 7. Choose your rewards

Whom are your rewards targeting?

Before considering the the types of rewards you'll be offering, spend some time figuring out who you'll be offering rewards to. By identifying two or three different types of customers who are likely to support you, you can tailor your offerings to those groups.

When creating your target customer groups consider:

Who are the people in this group? Are they family and friends who don't need convincing to purchase, or are they very targeted end users who're experiencing the problem you're trying to solve?

What types of things does this group already spend money on? Does this group prefer to purchase local products from craft fairs and markets or maybe they enjoy experiences, like restaurant meals and adventure tourism?

How much money is this group likely to spend per transaction? A friend who wants to give you a little boost will spend differently than an established business who needs the solution you're presenting for their problem.

How's this group going to hear about your campaign? Are you going to find them through social media or are you going to send them a personalized email?

What types of rewards should you offer?

From a time-saving perspective, **the best rewards that you can offer are the products or services that your company already sells.** Your campaign will be stressful enough as it is; you don't want to add the burden of figuring out how to deliver something new.

Many businesses look to crowdfunding as a way of turning their prototype into reality. If this sounds like your business, make sure your rewards can be easily produced once the campaign has wrapped up.

Shipping is expensive and time consuming. If you can avoid shipping a product, you can avoid a lot of work and keep more of the money you raise through crowdfunding. Consider sending a digital gift card that can be redeemed at participating stores or online, or set a pickup time and location for your supporters to redeem their reward.

If possible, avoid any production costs for your rewards until the end of your campaign—the all-or-nothing nature of the platform could mean you walk away from the campaign with a ton of inventory and no funds!

Time is your most precious commodity.

If you can reward multiple supporters at once, do it. Hosting a live event for supporters can save a lot of time while also building community around your brand. An added bonus to a live event is that your supporters will be able to advocate for you with other supporters, and come away feeling more connected to you and your business.

Crowdfunding is a great way to connect with people who are genuinely interested in your work, because those who support crowdfunding are there for more than the rewards. **They aren't just buying something—they're paying to be a part of something.** Rewards that let supporters “peek behind the curtain” to see how you operate, or rewards that offer some in-person time might end up reaping a lot more than a financial boost.

One of the major drawbacks of reward-based crowdfunding is that you don't get the same access to proven entrepreneurs, angel investors and mentors. It might be worth having a reward category that can pull those types of people out of the crowd and foster a relationship that could last longer than the campaign. Just keep in mind that too many one-on-one interactions will take up a lot of time.

What types of rewards should you not offer?

Avoid branded T-shirts. Most designs end up looking tacky, not to mention the headache for you to get them manufactured, pick the right quantity, and package them. Our second tip? Skip custom offers. Reward packages with multiple products or options (sizes, colors etc.) can create a daunting workload when it comes time for fulfillment.

Getting strategic with your rewards

Ask your targeted customers what they actually want

One of the best things about rewards-based crowdfunding is getting constant feedback from the crowd. Use this to your advantage—ask your target groups what they'd buy from you and how much they'd spend.

Get your most loyal customers involved early

Consider early bird pricing for certain rewards, or giving your most loyal supporters access to your campaign ahead of the general population. Early momentum in crowdfunding is often correlated with success.

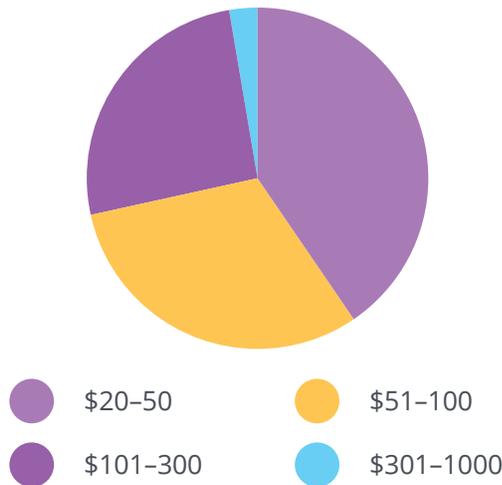
Quick tip: ATB BoostR offers you the option to share a private URL before your campaign goes public. Use this to get early momentum from your inner circle; when you go live 3 days later the community will see that you've (hopefully) already raised 30% of your campaign goal.

Provide rewards at multiple price points

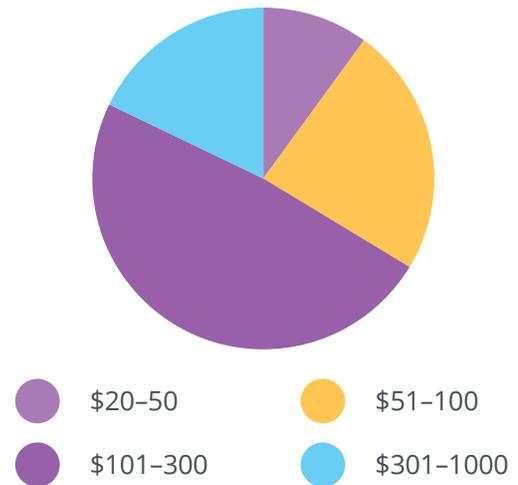
\$25 seems to be the most popular price point across multiple crowdfunding platforms. Yet we saw Raw Distillery sell a \$12,500 barrel of rum as one of its rewards through ATB BoostR. If you've targeted specific customer groups, you'll have a good idea of the price point each group is willing to spend.

Here are a couple of charts showing the price points that the record-breaking ATB BoostR Campaign of YEG-based bakery Sugared and Spiced used, and approximately how much money the campaign raised at each price point.

Number of rewards purchased at each price point



% of total revenue earned by reward price point



Aim for a healthy profit percentage across all rewards

When you set your goal with your crowdfunding campaign, keep in mind that you're pre-selling your product, service or experience, and you'll have a profit margin for each. Make sure to keep a healthy profit margin across all rewards so you walk away with the funds you need to achieve your goal. Do some research before setting a reward price if you're unsure what the actual cost would be and what each group is willing to spend.

"While planning your campaign you'll need to figure out what a reasonable delivery charge is for your items. You may want to take a sample package to Canada Post (or your chosen shipping company) and provide a postal code (or a couple) to get an estimate on shipping costs. Take the average cost and use this for your campaign. I found applying a flat rate to shipping charges was the easiest. Some parcels may cost more and some less but should come fairly close in the end. This may help guide your future delivery charges, but you may need to increase/decrease your shipping rates as required.

" - Heather Heystack, owner of Bravery Blends coffee.

Keep in mind:

You can change your rewards! Adding and changing rewards can keep your campaign fresh, and help you respond to what your community wants. You can also stop offering existing rewards, but once one of your supporters has bought a reward you must fulfill it. Keep in mind though, too many rewards can be confusing—try and strike the right balance.

You have to love yourself!

Your time is worth money, so make sure you factor in the time you spend on your campaign and your business—whether it's for marketing, labour, or running to the post office—into the pricing for your rewards. This sets you up for sustainable pricing long after the campaign is over.

Step 7. Choose your rewards

If you have an ambitious crowdfunding goal and you want to get the most out of your campaign, it's worth giving yourself at least 60 days of dedicated planning and preparation time before you launch. This might seem like overkill but once your campaign launches, you'll have a set amount of time to meet your goal.

If you already have an established network and strong social media presence, this timeline can be shortened. If you have a brand new concept and limited audience it's better to delay your campaign launch date and focus on finding your audience.

A crowdfunding platform will give you exposure to people who want to support new and growing businesses. However, it's unrealistic to think that you can achieve your goal without bringing your own network to the campaign.

Give yourself the time you need to set up your campaign properly—before it launches. Rather than spending the days leading up to your campaign getting organized, hustle so that you can join the majority of successful campaigns and reach 30% of your funding goal within the first day or two of your campaign.

Here's a handy checklist to make sure that you have all of your bases covered.

I have...

- Identified a specific business milestone or next step that my business needs funding for.
 - That milestone/step is
- Determined who my target audience is and how to reach them.
 - My target audience is
 - I'll reach them through
- Organized my email contacts and developed an email capture process to grow my email lists.
- Created or designated social media accounts to promote my business and campaign.
- Set a realistic funding goal.
 - My goal is
- Written a well-crafted story.
- Produced an excellent video.
- Designed thoughtful and varied rewards.
- Defined a realistic launch date.
 - My launch date is

All done? High five!

Now... it's go time.

Chapter 4:

Going live with your campaign

You've done all the prep—now it's time to go public.

Regardless of the preparation you've done, if you're unable to raise the first 30% of your funding goal in the first two days of your campaign, you aren't likely to succeed with your crowdfunding campaign. It may sound harsh, but we want to be real with you—and we believe you're up for the challenge.

All those months of planning are meant to set you up to use the month before your campaign getting the first 30% of your funding from your most loyal supporters.

Why is the first 30% important?

The crowd follows a herd mentality. When people who are unfamiliar with you and your offering discover your campaign and see that it's popular, they're more likely to join the movement.

How do I sell the first 30%?

You need two things: a group of loyal supporters who'll buy your rewards and something for them to buy that makes it worth their while.

Offer exclusive rewards for those who act before the rest of the crowd, host an exclusive launch party, or share a private URL with your inner circle to get that first 30%.

How do you know if you have a good crowd?

Before you launch, it's worth calculating whether or not you have a good enough "crowd" to fund your **first 30%**.

Calculate this with some simple math:

If you want to **raise \$10,000 total**, your **goal is to raise \$3000 within 48 hours** of launching.

If your **average reward is \$50**, then you'll want to **have at least 60 guaranteed supporters** when you launch. Compare this number with the number of your actual supporters to see how you're doing.

How will I know if I have enough supporters to launch?

You'll know better than anyone who you can count on as a guaranteed supporter. It might be close family, friends or any person who's explicitly said they'll support the campaign and you trust to follow through.

With email marketing, a conversion rate between 3-5% is most common. This means that of everyone who's expressed interest in your campaign and provided their email, you can expect 3-5% of them to follow through and purchase a reward.

An average conversion rate on social media can be as low as 0.75%. That's why a large social following is important; very few followers will support your campaign.

What do I do if I don't have enough supporters?

You have two options: either grow your opt-in email list or increase the number of personal commitments you receive from people. Here's a little more on growing your email list.

How to grow your opt in-email list.

It's time to get serious about email marketing and growing your email list.

But where to start? The first thing is to make the process of joining your list as simple as possible. Asking people to do more than one thing at a time rarely works. For example, if you ask for multiple actions: "Support our campaign, sign up for more info, share this with friends, like us on facebook, etc." the odds are that the person won't do anything.

If you ask for one action—"visit this link," for example—they're more likely to act.

Then what happens when someone visits the link?

Send people to a specific page, not your general site. The key is to always have a clear next step or action for your supporters to take—otherwise, you'll lose momentum.

Try creating a one-two page microsite or a landing page that's specific to your campaign, with every experience directing visitors to sign up for your email list.

Whenever you share a link, convert it to a bit.ly link.

1. It shortens the link
2. It allows you to track link analytics and measure campaign performance

If you share a bit.ly link on both Twitter and Facebook, you can see how many visitors came to your site each platform, so you can better gage your campaign performance.

To see the analytics of the link you simply need to type "+" at the end of the bitly URL.

You can create a free account to view your link analytics, or upgrade to a paid account if you need more features down the road. Learn more at: <https://bitly.com/>

3 keys to success

If you have these three things, you'll be in great shape for launching your campaign:

An email list large enough to support the first 30% of your goal (assuming a 3-5% success rate in selling)

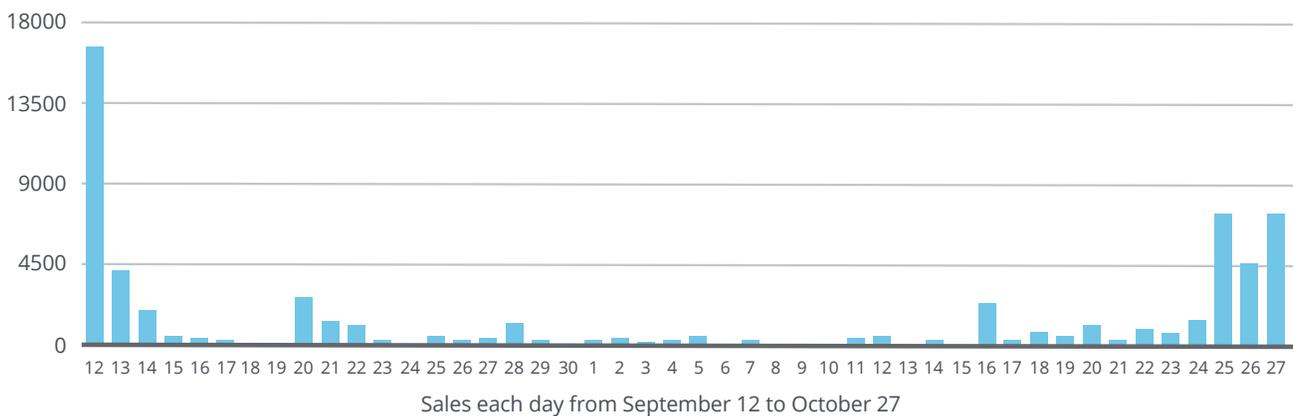
A strong social media following

Early bird rewards to persuade people to support you early

The crowdfunding dip

This is the time between when your loyal supporters get you started and last minute supporters come through. ATB BoostR's most successful campaign to date, bakery Sugared and Spiced, had a dip that lasted about 40 days—and they raised almost \$60,000 with 424 supporters. So, don't worry if there's a drop in sales mid-way through—this is normal.

Rewards purchased each day



How to combat the crowdfunding dip

Host a crowdfunding party

A crowdfunding party is a great way to boost the excitement about your campaign during the lull. It'll give you something fresh to talk about on social media and it's a great way to build community around your cause.

Selling tickets to the party as campaign rewards gives you extra cash and a reward that you don't need to fulfill after the campaign has ended. Keep in mind that if you're using a platform that has a fixed funding model you might not get reimbursed for your party expenses if you don't reach the total funding goal.

Be sure to have samples of your rewards and tablets on hand for people to easily make purchases during the event. Do everything you can to make it easy to support you.

Put effort into your updates

Keeping people updated on your successes (and being transparent about your real-life struggles) gets people excited and personally invested in your campaign all over again.

Here are some ideas for updates you can incorporate throughout the campaign:

An update every time you hit a major milestone: 25% raised, 50%, 75%, etc.

Sharing any media coverage you get

Thanking your supporters

Retweet or repost content from your fans on social media

Create simple video updates to share progress, thoughts, and feelings

If a friend sends a lot of referrals your way, reward them publicly

Keep the updates section of your campaign page up-to-date so that visitors see that you're actively engaged

Sugared and Spiced continued working towards their goal of opening a bake shop even while they were crowdfunding during their record-breaking ATB BoostR campaign.

In addition to the types of updates listed above, they updated the crowd when they met with architects and developers, and visited potential locations. This showed their crowd that the campaign's momentum was already causing tangible results.

The hierarchy of referral strategies

Unless you're friends with the host, it's rare to want to be the first to arrive at a party. Crowdfunding is no exception. When you create your strategy to get referrals, plan to execute it after your campaign has launched and has some momentum so that new folks in the crowd will see a campaign that has social proof.

The hierarchy of referral value looks something like this:

1. Referral from a friend
2. Referral from an influencer you trust
3. Referral from traditional media news outlets

Use all kinds of referrals, and use them often. It may feel like overkill you to, but it usually takes someone receiving the same message seven times before they act.

Referrals from friends

If you want to harness the power of your friends and get access to all of their friends, make them feel special by sending them a personal email as opposed to a group email blast. A personal referral from a friend is the most valuable, so it's worth doing it right.

Make it as easy as possible for your friends to help you and simultaneously control your brand messaging by giving your friends a pre-written email they can forward and supplying all of the images. Pre-written tweets, Facebook posts and Instagram captions will also simplify the process for them, and giving them photos to use keeps their posts on-brand.

Be strategic about the friends you put this amount of effort into. Remember to include people in leadership—like the manager of your softball team or the CEO of a company—because these folks can make a huge number of referrals on your behalf with the simple forward of your email.

Make it fun for your friends to help you—host a party to treat them for their support.

Referrals from influencers

"Influencers" are high-profile people on social media who have the power to affect the purchases of others because of their authority with their audience. Consider them the modern-day fashion bloggers, spanning every industry.

The best social media influencers to work with are probably the ones you already follow. They're likely subject matter experts in your industry. If you can share high-quality imagery and easy to incorporate information, it makes their job easier and they'll be more likely to help.

Often times influencers will want to shoot their own photography or interview you themselves to come up with their own story concept. Trust them to do this well—it's their job to make quality content that drives traffic.

If you send them information or product before you launch, make sure the influencer won't post anything until your campaign has been live for a few days. This way, any new viewers will see your campaign when it has momentum.

Do your homework before to look into an influencer's reputation. You don't want to associate yourself with someone who isn't aligned with you or gives snarky reviews.

Referrals from traditional media news outlets

The main value of referral from traditional media news outlets is repeating your campaign to people who are already aware of it.

TV and paper coverage aren't likely to positively influence a new customer—the chances of them taking a break from the TV or paper to go to the crowdfunding website and buy a reward is slim.

Troubleshooting your campaign

Here are some common challenges you may face during your crowdfunding campaign, and how to overcome them.

“My campaign started out weak.”

We've seen several campaigns that had a slow start and still managed to get funded. The key is to get that momentum going. Start working on engaging your main followers, explain that you need to hit your goal in order to get your funds and that your funders will get that reward. Typically your first funds will come from your inner circle of friends and family, and ambassadors to your brand—use their support to get momentum going and show others this is a campaign they need to be part of.

“My rewards don't seem to be interesting enough.”

The most successful rewards are those that carry a sense of urgency. Create a limited-edition reward that's exclusive to the campaign, or offer a unique design or a one-time only added value. Don't just discount your rewards; add something extra. Consider partnering up with another business and add their offering to your rewards.

“I'm halfway through and losing momentum.”

Each and every campaign will lose momentum. Typically, the first and last two weeks are when the most funding is happening. So expect to lose momentum in the middle. To gain it back, keep hustling and promoting. Use paid ads, engage your followers, share new rewards, re-explain the “why” behind your campaign—just keep doing what you're doing.

“My friends and family aren’t interested in supporting me.”

We’ve often heard stories where friends and family said they love the idea but when it comes to pulling out the credit card, crickets.

Time to get new friends!

(Just kidding.)

In all seriousness, a lack of support from your inner circle may mean that your business isn’t ready to go to market yet. Talk to them—what needs to change for them to fund you? You can learn a lot and refine your idea through their feedback.

“I’m almost to my goal but can’t seem to get over the finish line.”

Remind your supporters and followers of the sense of urgency. Regularly share the campaign deadline and how much funds you still need. Reach out to businesses or followers who’d be interested in purchasing a higher valued reward—talk to them and encourage them to fund you.

“My followers don’t understand how crowdfunding works. They think they’re donating funds or don’t get why they can’t get the product now.”

Use your social media, emails, newsletters and other updates to educate your followers. Make short videos for Instagram stories, keep re-sharing your story and goal for the campaign. Sometimes your followers need several small stories to get the full picture, understand crowdfunding and fund your campaign.

“My social media isn’t taking off.”

Revisit the social media tips shared in Chapters 3 and 4. Are you targeting the right people on the right platforms? Are you doing too much selling?

Crowdfunding is a sprint followed by a marathon. Funding the first 30% of your goal is the sprint—finishing the remaining 70% is the marathon. The key to finishing your campaign marathon strong is to stay focused and take one step at a time until you cross the finish line. Get into a rhythm with your social media and your updates and most importantly, enjoy the process!

Here's a handy checklist for running your campaign:

- An event to bring your community together
 - My event ideas are

- A list of milestones and achievements that you will provide updates around
 - My milestones and achievements are

- A list of friends you will lean on and the materials they need to make it easy to support you
 - My supporters are

 - The materials I need to send them include

- A list of influencers or bloggers you'll ask to support you and the content they need to be successful
 - The influencers/bloggers I'll reach out to are

 - The content I need to give them includes

Chapter 5:

After your campaign

Phew! It's over! Congratulations on making it past the finish line of your crowdfunding campaign. Before you go any further, take a moment to reflect—what worked well? What was challenging? What did you learn? What, if anything, would you have done differently?

Whether or not you had a successful campaign, we hope you've gained some valuable insight into your business, a better understanding of your customer, and a plan for the future.

“My campaign was successful! Now what?”

You did it! Your months of careful planning and consistent hustle have paid off in a big way. The crowd loves your business idea and you've successfully tested the market. Let's build on this momentum.

Send out your rewards

First off, figure out where most of your customers are located. Are lots of them in a large city? Organize a fun pick-up event. Create a simple Google Form or sign up sheet, let everyone choose their preferred date and location and offer a pick-up. What better way to meet your new customers?

For the ones that prefer shipping, Bravery Blends owner Heather Heystack has a tip for that.

“Ask for help! Your friends and family are excited to share in your success and want to help. Plan a few hours to package up your rewards.”

Keep your crowd engaged

Your customer base and social following has likely grown—a lot—over the course of your campaign. Maintain those relationships by staying engaged with supporters. Regular social media updates and email communications will not only keep your customers in the loop about next steps for your business and the status of their rewards—it will help you to turn the relationship into a long term one.

Look to the future

You started your crowdfunding campaign with a specific goal in mind. Now that you have the funds to achieve it, what are your next steps? Consider doing some growth planning for your next stage (the cash flow canvas at the back of this guide will be super helpful), or [booking a session with an Entrepreneur Strategist](#) to help chart your desired growth. We'd love to support you in any way we can.

“My campaign failed. What should I do now?”

According to data from major crowdfunding platforms, the average success rate for crowdfunding campaigns is 36%. Not meeting your goal doesn't mean the end of the road for your business—it might end up being the best thing that happens to your business.

Sound a bit backwards? Hear us out. Ultimately, not meeting your goal shows you what the crowd thinks of your idea in its current state. That could end up saving you years of misplaced effort, and give you a new direction to pursue!

So, what next?

- Just a friendly reminder: this is *not* a failure! Try out a perspective of gratitude—you've just tried something new and probably learned lots about your business. Take a moment to reflect on all you've discovered along the way.
- Thank the crowd for supporting your campaign, explain what happened and that you're grateful for their support.
- Ask for feedback from supporters and even those who didn't support your campaign. This information is invaluable in helping you learn and grow.
- Take the feedback and go back to the drawing board. What worked and what didn't? Are there changes that need to be made to your offering, your marketing, social media, or something else? Feedback will help inform the future direction of your business.
- Be intentional with the new connections you made. Sit down with them to grow your relationship and maybe make some new partnerships.
- Find new ways to grow. We have tons of resources for entrepreneurs like you. At our Entrepreneur Centres, [you can sit down for a free session with an Entrepreneur Strategist. Maybe this is a perfect timing to create a new business strategy.](#)
- We're always here to listen and go over your campaign. We've seen 100+ campaigns and are more than happy to give some feedback. [Don't hesitate to reach out.](#)

Conclusion

In my experience, crowdfunding doesn't suddenly take off or make you into Richard Branson overnight. But it can help you in many ways.

You'll get your elevator pitch nailed, learn who your customers are and what they like. You'll learn who you can rely on for support when you really need it. And you'll learn a lot about yourself.

But most of all, you'll receive a ton of valuable feedback about that dream you have. Regardless of how your campaign turns out, I hope the number one thing you learn is that you're not alone on this journey.

If you need someone to talk things through with, please visit one of our Entrepreneur Centres in [Grande Prairie, Edmonton, Calgary or Lethbridge](#) or email us at atbboostr@atb.com.

I promise that we're all ears and ready to listen. Good luck with your journey!

Carly Wells
Senior Manager, ATB BoostR

atbboostr@atb.com

Resources

Reading

[The entrepreneur's guide to starting and growing a business](#)

[Good advice: articles and resources for businesses](#)

Tools

[Marketing plan template](#)

[Business plan builder](#)

[Business plan template](#)

Cash flow canvas (attached)

Elevator pitch template (attached)

Customer avatar template (attached)

[Lean canvas template](#)

Connect with the Entrepreneur Strategy Team

[Entrepreneur Centre Events](#)

[Book an appointment with an EC Strategist](#)

[Learn more about ATB X](#)

[Learn more about the Branch for Arts and Culture](#)

[Learn more about Social Entrepreneurship](#)

Cash flow canvas

Making money			
Revenue streams	Cost of goods sold	Price point	Mapping assumptions

Spending money			
Team	Space and operations	Sales and marketing	Additional expenses

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Elevator pitch template

Keep it around 30-45 seconds so that there's room for two-way dialogue—remember that it's less about all of the things you want to say and more about how your audience hears and responds to your message. Your goal is to lead into a follow-up conversation.

Four-step elevator pitch

1. Who you are and your hook:

2. Your value proposition that ties together customer + problem + solution:

3. Where you're at with progress or traction to date:

4. Your ask (feedback, advice, connections):

Customer avatar worksheet



Company/product name: _____

Name: _____ Age: _____ Gender: _____

Marital status: _____ #/Age of children: _____ Location: _____

Job title: _____ Quote: _____ Occupation: _____

Annual income: _____ Level of education: _____ Other: _____

Goals and values

Goals:

Values:

Challenges and pain points

Challenges:

Pain points:

Sources of information

Books:

Magazines:

Blogs/websites:

Conferences:

Gurus:

Other

Objections and roles

Possible objections:

Role in the purchase process:



ATB *listens in*