



# CROWDFUNDING MOOC FOR CARIBBEAN ENTREPRENEURS (CMCE)

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# Crowdfunding MOOC for Caribbean Entrepreneurs (CMCE)

## COURSE OVERVIEW

"The pooling of small contributions of funds from a group of people for the purpose of making something larger happen." – A Caribbean Entrepreneur's definition of crowdfunding

The flagship Crowdfunding MOOC for Caribbean Entrepreneurs (CMCE) is an exciting and innovative training course that combines unconventional approaches in entrepreneurship financing with an innovative online learning platform. Massive Open Online Courses or MOOCs provide a free open access web-based learning platform to a large number of participants. MOOC platforms such as Coursera, EdX, and Stanford Venture Lab are democratizing education, transforming learning and promoting lifelong learning.

Around the world, national and international institutions, such as the World Bank Group are paying greater attention to the impacts of crowdfunding on local economic development. In the Caribbean, crowdfunding is a relatively new approach to financing entrepreneurship projects that use the power of the 'crowd' to collect small contributions from a number of supporters or customers to help finance start-ups, non-profit initiatives and social enterprises. CMCE aims to provide entrepreneurs with the knowledge and skills to use crowdfunding to test the market demand for their product or service.





*September 12 - 16*

A graphic for the 'Introduction' slide, enclosed in a thin orange border. On the left is a large orange circle containing a white vertical bar, resembling a stylized '1' or a drop. To its right, the word 'Introduction' is written in a bold, orange, sans-serif font. Below the title, three bullet points are listed in a smaller, grey font: '- Articulate some of the basic concepts of crowdfunding', '- Learn the Myths and Realities of crowdfunding', and '- Share your Crowdfunding idea with your peers'.

**Introduction**

- Articulate some of the basic concepts of crowdfunding
- Learn the Myths and Realities of crowdfunding
- Share your Crowdfunding idea with your peers

1. **READ:** *The different types of crowdfunding*

	<p><b>1. Crowdfunders support campaign owners and receive some reward in return for their contribution.</b></p> <p><b>Sites:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Kickstarter</a>,</li> <li>• <a href="#">Indiegogo</a>,</li> <li>• <a href="#">PitchandChoose</a></li> </ul> <p><b>Case Study:</b> <a href="#">Yemanja Caribbean Restaurant, Bar, and Hostel</a>. There were 160 backers who pledged USD\$ 16,656 to make this entrepreneurship idea possible.</p>
	<p><b>2. Crowdfunders donate money to campaign owners and do not expect to receive a tangible benefit from the transaction</b></p> <p><b>Sites:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">GlobalGiving</a>,</li> <li>• <a href="#">JustGiving</a>,</li> <li>• <a href="#">Causes</a>,</li> <li>• <a href="#">FundRazer</a></li> </ul> <p><b>Case Study:</b> <a href="#">St. Vincent Teaching Art to Children</a>. The campaign has the goal of fundraising USD\$12,000 to support local traditional art and culture programs for economically disadvantaged children. The campaign has been active for over 2 years and received 189 donations, including 2 monthly donors.</p>
	<p><b>3. Crowdfunders invest in campaign owners and receive some ownership or equity-like shares in return for their investment</b></p> <p><b>Sites:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">GrowVC</a>,</li> <li>• <a href="#">Caribbean Investment Network</a></li> <li>• <a href="#">Upstart</a>,</li> <li>• <a href="#">Crowdfunder</a></li> <li>• <a href="#">Microventure</a></li> </ul> <p><b>Case Study:</b> <a href="#">Footy Connect App</a> aims to become the most complete football app ever created and its creators are seeking for up to USD\$ 20,000 in capital investments.</p>
	<p><b>4. Crowdfunders lend money to campaign owners and expect the future repayment of a principal with or without interest</b></p> <p><b>Sites:</b></p> <ol style="list-style-type: none"> <li>I <a href="#">Kiva</a>,</li> <li>II <a href="#">Zidisha</a>,</li> <li>III <a href="#">Lendingclub</a>,</li> <li>IV <a href="#">Prosper</a></li> </ol> <p><b>Case Study:</b> <a href="#">Dios Con Nosotros Group</a> is loaning USD\$ 2,800 to help a member to stock her grocery store with products.</p>

## 2. WATCH: *Crowdfunding*

<https://youtu.be/OI-bTpbkH4Y>

### RESOURCES:

- Business Partners Ltd (2016). What is crowdfunding?
- Inc.com, 7 questions that will help tell if crowdfunding is right for you
- Miller, Z. (2013). What is Crowdfunding? The four main categories of crowdfunding and how they impact investors
- Crowdfund Insider. (2013). Types of Crowdfunding in The Ultimate Crowdfunding Guide.
- Branson Centre of Entrepreneurship -Caribbean (2016). Pioneers of crowdfunding in the Caribbean
- Caribbean News Now! (2016). First Commonwealth crowd-funding initiative targeting Caribbean women entrepreneurs announced.
- World Bank (2015). Six things you need to know about crowdfunding in developing countries
- World Bank (2013). Unlocking the economic potential of the Caribbean diaspora.



## Models & Platforms

- Identify the advantages and disadvantages of using crowdfunding to grow your business
- Explain the differences between fixed vs flexible fundings
- Assess the basic services and fees of major crowdfunding platforms

1. **READ:** *The Caribbean definition of Crowdfunding and the advantages/disadvantages of applying Crowdfunding.*

<p>An option for entrepreneurs to publicly raise awareness and financing from an exponentially expanding network of multiple, disconnected entities/persons to collectively support start up or growth via a structured online marketing campaign.</p> <p>Launching up a crowdfunding campaign can test and validate your entrepreneurial idea, new product or service, and amplifies the importance of campaign marketing and public relations strategies.</p>	<h3 style="text-align: center;">PROS</h3> <ol style="list-style-type: none"><li>1) Test idea faster;</li><li>2) More courage, easier path to fundraising versus traditional funding intermediary;</li><li>3) Help entrepreneurs identify potential customers;</li><li>4) Solves problem of fear;</li><li>5) Get comfortable with using technology to access capital and markets;</li><li>6) Building online presence and brand;</li><li>7) Force entrepreneurs to become more credible and accountable as a CEO raising funding online;</li><li>8) Economic growth in SME market;</li><li>9) Build innovation capacity;</li><li>10) Reach a broad diaspora community.</li></ol>	<h3 style="text-align: center;">CONS</h3> <ol style="list-style-type: none"><li>1) Uncertainty of online payments;</li><li>2) Lack of understanding of crowdfunding;</li><li>3) Poor online networks;</li><li>4) "Donations" should be for charity, not for business.</li></ol>
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2. **WATCH:** *Indiegogo Funding Options: Flexible vs Fixed*

<https://youtu.be/nJ7GymWmGJ4>

- There are two main funding models of crowdfunding:
  - 1) "all-or-nothing" or fixed funding and
  - 2) "flexible" funding. Normally fees are attached to both crowdfunding models and the rates might be different depending on if you reach your goal or not.

The table below provides you with definitions, examples and case studies with regard to fixed and flexible funding.

	<b>FIXED FUNDING</b>	<b>FLEXIBLE FUNDING</b>
<b>Definition</b>	Your will only receive funds from people’s pledges if you meet the fundraising goal. Third-party fees may or may not apply to refunded contributions.	You keep what you earned. Flexible crowdfunding allows the sponsor to keep all the funds raised even if the funding target goal is not reached. This encourages campaign owners to set reasonable goals and promote their campaign. Third-party fees may apply for contributions.
<b>Example</b>	The <b>Kickstarter crowdfunding platform</b> that uses an all-or-nothing funding model. Campaigns will have to meet its funding goal in order for the organizer to receive the funds.	The <b>RocketHub crowdfunding platform</b> is an example of a flexible funding platform, meaning that you keep what you raised. Depending on whether you reached your funding target or not the commission fees may differ, plus a credit card handling fee.
<b>Case Study</b>	<a href="#">The Grenada Goat Dairy’s School Project</a> . This successful campaign was supported by 368 backers who pledged a total of USD\$ 63,160 to help bring this project to life.	<a href="#">Have Tobago’s Corals Survived Mass Bleaching?</a> The campaign successfully raised USD\$ 2,651 from 48 funders to support the campaign organizer’s research challenge in the Caribbean.  *Please note, Rocket Hub's site is under construction*

**RESOURCES:**

- Crowdfunding Dojo. Kickstarter vs. IndieGoGo: Choosing Your Crowdfunding Platform
- Krowdster editions, 5 Massive impacts of Crowdfunding
- Kickstarter’s Creators Handbook – chock full of key insight on running a campaign.
- Indiegogo’s Playbook – Whether you’re running a campaign or just interested in learning more about crowdfunding, this field guide is packed with tips, tricks, and resources to help make your ideas come to life.
- Hacking Kickstarter – How to Raise \$100,000 in 10 Days – Nice article on Tim Ferris’ blog (4-hour series) which outlines some ninja strategy for a successful campaign.





# Target Audience

- Brainstorm who are your stakeholders
- Identify your target audience
- Analyze who is your target audience/supporter

## Stakeholder Analysis and Empathy Mapping

By the end of this module you will be able to:

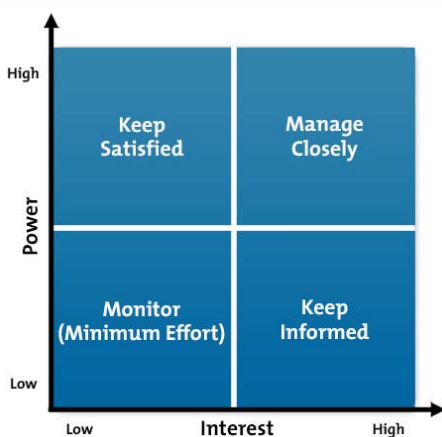
- Brainstorm who are your stakeholders
- Identify your target audience
- Analyze who is your target audience/supporter

### A. Stakeholders Mapping

Stakeholder mapping is about how to identify those crucial to the success of your project and the goals of your business or startup. Stakeholder mapping will help you with the following:

- Gain in-depth understanding of the target audience or investors
- Define your investors more in detail
- Elaborate on your personas
- Capture the behaviors of your investors and supporters
- Identify gaps you did not know about concerning your investors

#### 1. **READ:** *What are the main steps to conduct a stakeholder analysis?*



**Step 1:** The first step in your Stakeholder Analysis is to brainstorm who your stakeholders are. Your stakeholders can be your colleagues, friends, suppliers, existing client, community, businesses, family and anyone who might be able to influence and have an interest in your campaign.

**Step 2:** The second step is to prioritize your stakeholders. Some of the stakeholders you have identified may have the power to either block or help your advance your campaign. Use the Power/Interest grid below to help you prioritize your stakeholders according to their interest and influence (power) over your crowdfunding campaign, which can help you plan how you will communicate and engage with each stakeholder. For examples, those who have high power and high interest in your campaign should be “managed closely” and prioritized over those who have low power and interest. To learn more go to MindTools.



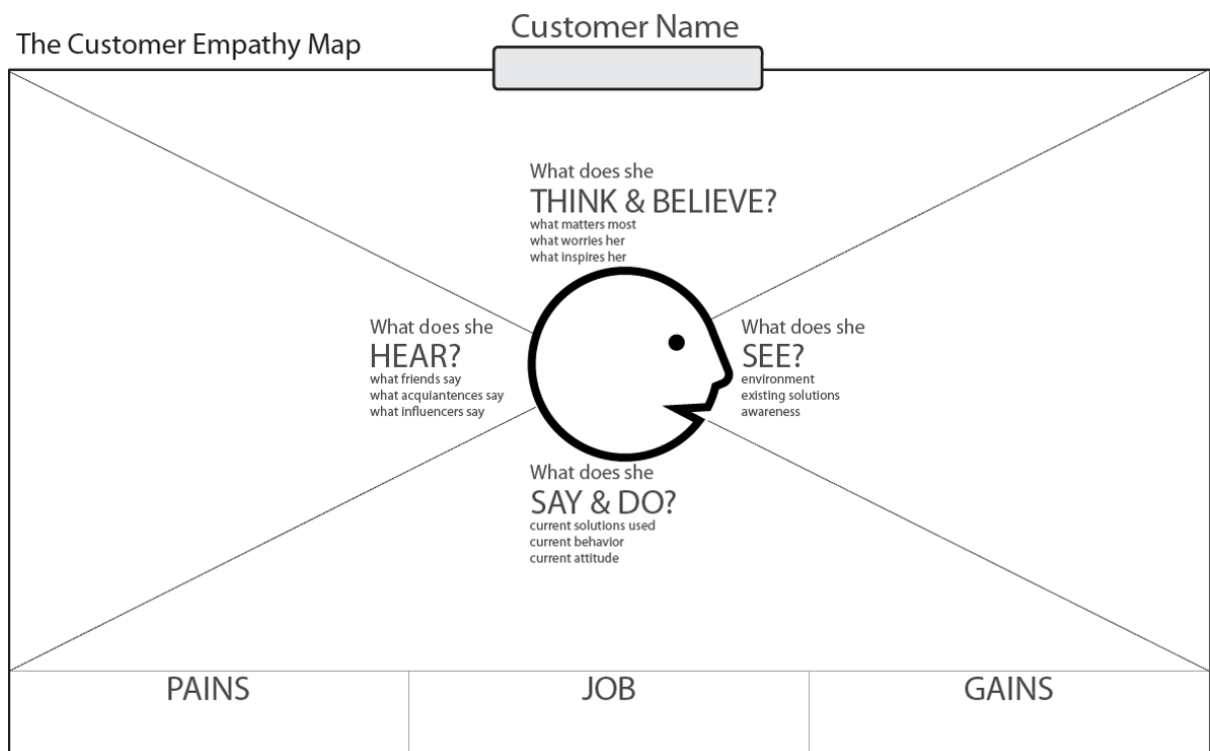
2. **WATCH:** *Stakeholder Analysis*  
<https://youtu.be/9Fzfrccqv5o>

## B. Empathy Mapping

The empathy map can be used to gain a deeper understanding of the stakeholders, by projecting oneself into the experience of the stakeholder. The empathy map consists of four different entry points: 'think & feel', 'say & do', 'hear', and 'see'.

Further, the map contains a 'pain' and a 'gain' section.

1. **READ:** *How can I do an empathy map?*



Check out the following resources:

- Bland, D. (2012). [Agile Coaching Tip: What is an Empathy Map?](#)
- Sosa, S. (2012). [Empathy Map](#)
- Gray, D. (2009). <http://gamestorming.com/empathy-mapping/>

2. **WATCH:** *What is empathy mapping all about?*  
<https://vimeo.com/92560622>



## Defining your communication strategy

By the end of this module you will be able to:

- Setting your communication goals and objectives
- Create a campaign message
- Apply practical tools for online storytelling

### A. SMART objectives

A crucial part of establishing a crowdfunding campaign is getting the communication strategy right from the outset. The best way to start your crowdfunding communication strategy is to define your goals at the end of the finish line and set "SMART" objectives and tangible steps to help you get there. Remember to put your target customer or investors at the centre when you are planning your SMART Objectives.

1. **WATCH:** *How to write a SMART goal*  
[https://youtu.be/0Mi9\\_XEXQqc](https://youtu.be/0Mi9_XEXQqc)

#### Resources:

- University of Connecticut. (2014). Assessment Primer: Goals, Objectives and Outcomes
- Tulane University. (2014). Tips for Writing Goals and Objectives

### B. Storytelling

Storytelling creates connections, helps people understand, holds people's attention, encourages people to act. Stories structure data and key information in a meaningful way. Normally stories are 3-6 minutes in length.

1. **WATCH:** *Powerful Presentations: How to Tell Visual Stories*  
<https://youtu.be/yhQxwnT11Tw>
2. **READ:**
  - Stories convey 4 main elements

<b>History</b>	No one else, no other business has the same story that you have. Tell the story of the individual who created your organization and what they experienced that inspired the creation of this organization
<b>Identity</b>	You tell people the safe or reliable stories first – deciding the identity you want to create for your business
<b>Memory</b>	Give us the elevator pitch – but don't talk in acronyms, themes – instead explain why what you do matters
<b>Culture</b>	A picture carries with it an overwhelming sense of culture - the culture of an organization is driven by the stories that you tell

- **4 ways to tell your story:**

A good elevator pitch contains: who you are, what you do, why it matters and how others can be part of our story. What are the most important pieces of your story?

This means that the types of stories you tell will change depending on who you are talking to, as we now come from different sub-cultures that overlap in multiple ways; there are four universal ways - two are positive and two are negative:

<b>Mob at the gates</b>	Somebody out there is a threat to your way of life, looking to take what is yours, what you deserve, what you own (i.e. resource extraction in Guatemala or politicians use the threat of illegal migrants as mob at the gates)	Kaieteur News (2016), <a href="#">“Trinidad forum to ‘stamp out’ corruption in the Caribbean”</a>
<b>Rot at the Top</b>	Someone who has great power and abuses it (i.e. corrupt politicians and transnational criminal activities)	The Guardian (2016), <a href="#">“Mossack Fonseca: inside the firm that helps the super-rich hide their money”</a>
<b>Benevolent Community</b>	The people coming together for the benefit of all – people doing good knowing that no one will see you do it (Big Brothers Big Sisters of Bermuda, May Pen Hospital and others)	Jamaicans (2016), <a href="#">“Food for the Poor Celebrates 25 Years of Love and Loyalty in Guyana”</a>
<b>Triumphant individual</b>	People who overcome great obstacles to achieve great things (i.e. Marcus Garvey, Nelson Mandela, Aung San Suu Kyi, Mothers)	Jamaica Observer (2007). <a href="#">“Dr. Sandra Palmer-Peart A Vision for Excellence”</a>

- **10 triggers for a good story:**

Emotional triggers in a narrative bring us closer and connect us with the characters in the story and with the storytelling. A good story will normally deploy 2 to 3 triggers to keep your reader's attention.

1. **Suspense** - The mystery of not knowing what might happen next
2. **Dignity** - The self-respect one gets from being gainfully employed
3. **Empathy** - The ability to see and relate to the common humanity of others and yourself
4. **Ownership** - Listener has invested in the story, emotionally and identifies with the cause or campaign
5. **Outrage** - Listener shared the extreme anger elicited because of something bad, harmful, or morally wrong
6. **Surprise** - Capture viewer interest by an unexpected event, piece of information
7. **Humor** - Provide the viewers an opportunity to decompress emotionally when engaging in difficult and life and death topics
8. **Uniqueness** - Give something or someone very special or unusual that is unlike anything or anyone else
9. **New Developments** - Give event, character, and problem growth and transition
10. **Worthy** - Make your story deserving of respect, praise, or attention. Create content worth sharing. Let fans and clients tell your story

**Resources:**

- NetworkforGood. (2014). Storytelling for Nonprofit How to Present Stories That Attract Donors, Win Support, and Raise Money
- Directr, Storyboarding your crowdfunding video

**C. Defining your communication strategy**

**1. READ:** Take a few minutes and reflect on Crowdfunding Idea template in Module 1 and write down your campaign communication goals and objectives

Here are some guiding questions:

- What purpose does it serve—i.e. what is the unique value proposition?
- How does it fit with your overall fundraising or marketing strategy?
- What is the crowdfunding objective and timeframe?

What are the various funding options for the project?

<b>GOALS</b>	<b>OBJECTIVES</b>
Long-term aims that you want to accomplish	Concrete attainments that can be achieved by following a certain number of steps. Objectives further define the objective and are normally measurable.
Examples: <ul style="list-style-type: none"> <li>• Grow my online hotel booking business in new markets</li> <li>• Create best Indian cuisine dining experience in Paramaribo, Suriname</li> </ul>	Examples: <ul style="list-style-type: none"> <li>• Target Brazil and Mexico to grow my online hotel booking business this year</li> <li>• Raise funds to get professional chef training in Suriname in 2 years</li> </ul>

October 10 - 14



## Campaign tools

- Learn good and bad practices in crowdfunding campaigns
- Recognize the basics of commonly used campaign tools
- Build essential communication strategy for your campaign

1. **WATCH:** *Keys to Crowdfunding Success: by Indiegogo Founder Danae Ringelmann*

<https://youtu.be/4r4uFiNtdL4>

2. **READ:**

### A. What makes a crowdfunding campaign successful?

After determining the message of your crowdfunding campaign, you will need tools to get it out there. While there are many tools available, you will need to know what works best and when.

Let's start off by visiting and studying some successful and unsuccessful campaigns.

- 1) What makes the former different from the latter?
- 2) What factors or differences made them successful or unsuccessful?
- 3) What makes them resonate (or not) emotionally with you as the audience and potential investors?

Successful Campaigns:

- Kickstarter (2014). Alpha Boys School Radio
- Kickstarter (2012). The Goat's Diary School Project
- Unsuccessful Campaigns:
- Indiegogo (2016). Dream Tours
- ISupportJamaica (2016). IntoGo Comes to Jamaica

Below is a list of *do's* and *dont's* appearing in the successful and unsuccessful campaigns from above.



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### *TO DO's*

- 1. Run a Pre-Campaign*
- 2. Legal & Taxes: make sure to get a bank account for your project*
- 3. Build Social Media presence*
- 4. Research and Picking the Right Platform*
- 5. Set Funding Goal*
- 6. Set Reward Tiers*
- 7. Craft Your Story*
- 8. Make a Video*
- 9. Secure the First 30%*
- 10. Prepare PR & Media Outreach*

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*"Crowdfunding success is a result of preparation and there are no short cuts."*

Josef Holm, Founder of Krowdster.co

**Resource:** <https://www.krowdster.co/blog/crowdfunding-checklist.html>



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### DONT's

1. *Not reaching out to your own offline and online networks for funding.*
  2. *It takes over 3 minutes for people to understand your project.*
  3. *Not being receptive to changes in your target audience's suggestions and needs*
    4. *Leveraging only online communities for support*
    5. *Starting with "Please help" - it sounds a little bit like begging.*
  6. *When the business idea does not indicate how income will be generated and how people will benefit from it.*
  7. *The video of the campaign is poor quality and only showing one person talking.*
  8. *The rewards are only "thank you" on digital platforms. Don't underestimate that many people want rewards sent to them offline!*
    9. *Appearing condescending and patronizing will significantly limit support*
    10. *Failing to understand the needs of the target community before launching.*
  11. *Not being aware of local and national legislations around crowdfunding and donations.*
  12. *Too much of a focus on the campaign owner and not the cause or idea.*
    13. *Video is too long*
    14. *Don't use words like I'm desperate for funds.*
    15. *Not being fully honest of the project's obstacles.*
-





## How to pick Key Performance Indicators (KPIs) for your campaign

- **Basic Concepts:**

Take a look at Kaushik's (Google) Web Analytics 101 Guide to learn some important concepts such as goals, KPIs. Keep note on how they relate to each other.

### **Summary:**

First off, a business objective is something that your project such as a website or a campaign aims to achieve. In other words, why does your website or campaign exist?

Make sure your objectives are D.U.M.B (Doable, Understandable, Manageable, and Beneficial).

After objectives, you will have goals. While objectives are strategic and high level, goals are tangible and deliverable. These goals help you achieve objectives. If you are trying to sell more goods, than you will need to do, improve or reduce something.

A metric is simply a number. Metrics are often Counts or Ratios. An example of a metric that is a Count is the number of page visits. An example of one that is a ratio is the task completion rate.

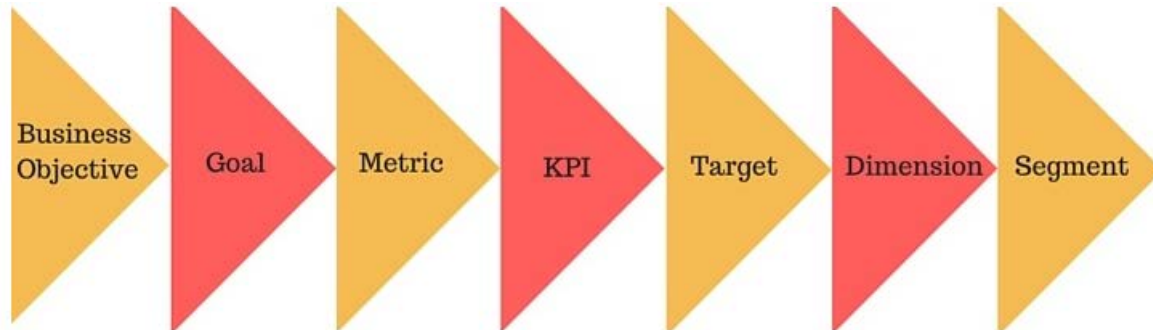
Key Performance Indicators (KPIs) are metrics but important ones that help you understand how well you are doing against your objectives. Often for businesses, it would mean a certain amount of revenue or funding.

A Target is an important number that you want your metric to reach. It is important to ensure you have a target that is realistic but also significant.

A Dimension is an attribute of a visitor to your website. For example, this may mean anything from the visitor's country of origin or whether they arrived at your site from google search. A Segment is a grouping of dimensions that have some value to your KPI.

For example, you may be interested to see how many of your visitors are from the Caribbean versus Canada.

### In conclusion:



- **Six Key Performance Indicators:**

Now that you have the basics, it's time to explore some common KPIs. Here are 6 common KPIs that you may want to use for your campaign. Remember to watch each video tutorial under each KPI.

For further reading and more examples of KPIs, you can read Hayes's 32 Key Performance Indicators (KPIs) for eCommerce.

### Summary:

1. The **Unique Visitors KPI** refers to the number of individuals, filtering for robots and spiders, within a designated time frame, with at least one visit to your site. Each of these individuals are only counted once. Related, New Visitor KPI is the number of unique visitors whose activity includes a first-ever visit to your site.
2. **Conversion Rate of Visitors** refers to how many visitors who visit your site also complete a target action such as donating or investing in your campaign.
3. **Referral** is how a another URL led to a page view on your site. For example, referrals often happen through Facebook, email or Twitter.
4. Related to the **Referral KPI** is the **Unique Visitors Referred by Social Media**.
5. **Bounce Rate** refers to the percentage of website visitors who visit your web site and leave without exploring other pages in your site.
6. **Audience** KPI provides in-depth and segmented information about the demographics and interests of your audience

- **Vanity Metrics vs. Actionable Metrics:**

Not all metrics will be equally useful for your campaign. Make sure you will be picking and tracking the best ones. Learn the difference between a metric that is for vanity and one that meets a goal with these tips.

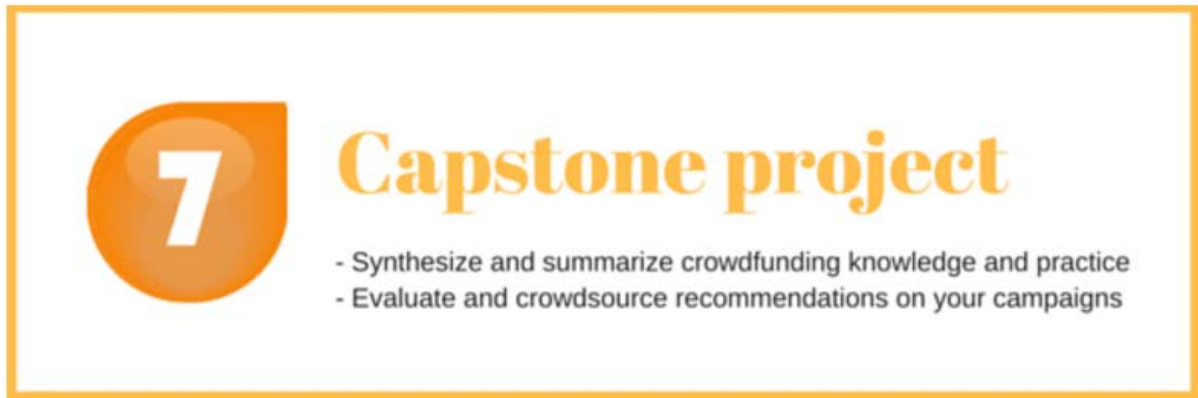
**Summary:**

There are many web analytic metrics out there that one can track. However, not all are equally useful or relevant to your campaign. In this sense, some metrics are vanity metrics and some are actionable metrics.

A vanity metric is a number or stat that appears to be useful to your campaign but mainly only looks good on paper.

An actionable metric is one that can be tied to a specific and repeatable task related to your goals and one that you can improve. If you cannot action and improve your metric, there is little point in tracking it in the first place.

October 24 – 28



**7** **Capstone project**

- Synthesize and summarize crowdfunding knowledge and practice
- Evaluate and crowdsource recommendations on your campaigns

Where can you find further support to bring your crowdfunding campaign to the next level?

To start please read the article below asking *"should you consider hiring a crowdfunding consultant?"*

<https://www.entrepreneur.com/article/242689>

Example of Crowdfunding Consultants	Pricing Structure	Website
Funded Today	Success fee only	<a href="https://www.funded.today/">https://www.funded.today/</a>
Command Partners	\$150/hour (13.2k/150= 88 hours)	<a href="http://commandpartners.com/">http://commandpartners.com/</a>
GoGo Starters	Options to pay by percentage, upfront or in monthly installments.	<a href="http://gogostarters.com/">http://gogostarters.com/</a>
CrowdBooster	One-time fee, \$199-499	<a href="http://crowdbooster.com/">http://crowdbooster.com/</a>