What is Crowdfunding?

A collective effort by people, connected through the internet, who pool their money together to invest/support a project.

What are the preparations?
1. Set project budget and targets
2. Build a network of potential investors
3. Develop a communication strategy
4. Choose a crowdfunding platform based on the nature of your project

What are the benefits?
- Full transparency and communication
- Democratic (anyone can participate)
- Improves financial efficiency
- Improves real economy efficiency

How does it work?
1. Contract is made between the project developer and the crowdfunding platform
   - includes fees and conditions
   - compensation to investors
   - some platforms may charge for marketing services
2. Conditions are set
   - Length of campaign
   - Target funds
   - Terms and conditions
   - Risks warning
3. Project is listed publicly on the crowdfunding website
4. Fundraising campaign is carried out
   - Pre-kick-off presentations
   - Public announcements
   - Kick-off
   - Continuous updates to investors
5. Crowd pledges an amount of money
6. If target is reached, project is implemented
   - Communication with investors continues through the platform
   - Compensations are paid to investors

Where has it been applied?

Example
Bettervest is a German crowdfunding platform developed for energy efficiency programs.
- It can be used for companies, NGOs, and local authorities.
- Savings are distributed back to investors until investment + specific profit is paid back.
- Bettervest also functions for sales and marketing.
- Bettervest receives a percentage of funding.