

Top tips for crowdfunding

Why choose crowdfunding?

Crowdfunding is not right for everybody; however it is a good way of building a community of future supporters and engaged followers. It shouldn't just be seen as a fundraising campaign, and should be planned as if it were a marketing campaign.

What type of crowdfunding should I choose?

You can choose equity, lending or reward crowdfunding – all have different requirements and suit different campaigns and legal structures. Many of the crowdfunds in the Arts and Heritage sectors have been reward based crowdfunds, however there is now more of a move towards equity for Arts based organisations. An equity crowdfund will raise money for an organisation; a rewards crowdfund will raise funds for a particular project or idea.

Is crowdfunding right for you?

To help you understand if crowdfunding is right for your organisation, answer these questions before embarking on a campaign:

- Does your whole organisation understand crowdfunding and what it involves?
- Can your Board get behind it?
- Will everybody share their networks, contacts and time to reach the common goal?
- Is there a team of people that can support the planning and management of a campaign, rather than leave it to the fundraiser?

If you can answer yes to all of these questions, then you have a good chance of a successful campaign. The reason we ask these questions at all is that crowdfunding is hard work: the whole culture of an organisation must be involved in the effort.

How to Plan

- Ensure your whole organisation, including your Board, is behind you.
- Set a realistic financial goal.
- Set a realistic launch schedule.
- Identify those people in your organisation who want to actively take on roles in the campaign.
- Ensure your planning also takes into account what we call 'aftercare'.
- Ensure that you can afford to offer what you want to offer in your rewards!

The stages of crowdfunding

