



CROWDFUNDING

Finance (Basics)
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Summary

▶ I- What is Crowdfunding

▶ II- Benefits

- ❑ Investor's view
- ❑ Entrepreneur's view

▶ III- Risks

- ❑ Investor's view
- ❑ Entrepreneur's view



I- What is Crowdfunding ?



- Small amounts of capital from a large number of individuals
- Helped anyone who has an idea through social media
- Inspired by Crowdsourcing = obtaining feedback from the crowd after posting an idea on a network.
- Started in the 90's with art projects
Really exploded in 2009 with Kickstarter
- 900 crowdfunding website today



II- Benefits of Crowdfunding

▶ For the Investors

- Reward-based in advance
- Without any minimal amount of money to invest



▶ For the Entrepreneur

- More accessible
- You don't lose control of your company with venture capital investors
- Good for marketing
- Possibility to have feedback
- Immediate reaction from the market
- Solid consumer-base

III- The Risk of Crowdfunding

▶ For the Investor

- Fraud
- No possibility to follow-up your money
- No possibility to be refunded when you doesn't get your promise reward



▶ For the Entrepreneur

- Incomprehension from the investor/consumer
- Easy fund raising \neq easy commercialisation
- Must know how to balance their funds
- No protection of intellectual property
- Tax law regarding e-commerce are not clearly define.

Conclusion

- ▶ Helpful for people who don't have network
- ▶ Accessible
- ▶ Need some adjustment
- ▶ A change in the economy we know: for a Participative economy ?



Thank you for listening !

▶ Sources

- ▶ <http://www.forbes.com/sites/tanyaprive/2013/02/20/top-9-advantages-of-investment-crowdfunding/#70e80a2a2e14>
- ▶ <https://www.nibusinessinfo.co.uk/content/advantages-and-disadvantages-crowdfunding>
- ▶ <http://www.forbes.com/sites/tanyaprive/2012/11/27/what-is-crowdfunding-and-how-does-it-benefit-the-economy/#1d3e337a4ed4>
- ▶ <http://www.investopedia.com/terms/c/crowdfunding.asp>

