

### 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 throught social media
- Inspired by Crowdsourcing = obtaining feedback from the crowd after posting an idea on a network.
- Started in the 90's with art projets
  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

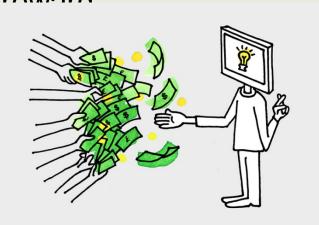


- For the Entrepreneur
  - More accessible
  - You don't lose control of your compagny with venture capital investors
  - Good for marketing
  - Possibility to have feed back
  - Immediate reaction from the market
  - Solid consumer-base



# 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



#### For the Entrepreneur

- Incomprehension from the investor/consumer
- Easy fund raising ≠ easy commercialisation
- Must know how to balance their funds
- No protection of intellectual property
- Tax law regarding ecommerce 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

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