

CROWDFUNDING

Finance (Basics)
Oslislo Elise

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

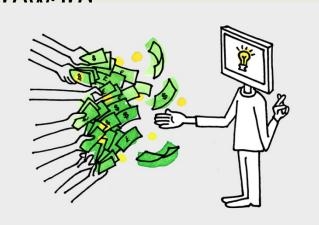


- For the Entrepreneur
 - More accessible
 - You don't lose control of your compagny with venture capital investors
 - Good for marketing
 - Possibility to have feed back
 - Immediate reaction from the market
 - Solid consumer-base



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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