About FunderHut

FunderHut is a crowdfunding community that combines collaborative thinking with group funding for projects in sixteen themed categories. The explosive growth of the crowdfunding industry has brought unprecedented opportunity to those once unable to receive funding for various projects via traditional means. A person with a need to fund a goal, whether it's to start a community garden, fund a small business, publish a book, or help a loved one pay for medical bills, can create a pitch on FunderHut and ask for contributions. There are absolutely no upfront costs to sign up and create a project, and funds are transferred quickly and securely through PayPal.

Why Crowdfund?

- Allows for virtually any individual, business, or organization to start a project (whether it is for an art installation, a charity, or a neighborhood café).
- Gives someone the ability to see who their early supporters are and who will most likely keep spending on future updates and releases. These people express the most interest among users.
- No upfront costs; starting a project is entirely free.
- With FunderHut, start-ups keep all of their equity.
- You have control of costs, timing, delivery, creative vision and execution, marketing and customer interactions.
- If the project is very popular, you can make more money than your initial goal (campaigns continue when they reach 100% funding if your end date hasn't been reached).
- You can have multiple rounds of funding
- Free marketing. Your project can not only be seen by anyone on the internet, you can also receive free advice and tips directly from the consumer on how your end product can be improved.

Starting a Project

Before starting a project there are some important questions that you must ask yourself:

- Will people be interested in what I am offering? If so, who would my target audience be that I want to reach?
- Can I express my idea in a simple way that others would get excited about? How would I be able to get others to spread the word and contribute to your project?
- Do I have something tangible or visible to show contributors to present in your project?

- Do I have confidence that I will be able to reach out and connect with potential contributors as well as post numerous status updates?
- Do I have a budget (plan of action) as to how I intend on spending the funds?
- Am I positive that I can fulfill my campaign promises? (These include timeframes, communications, development of my product, sending out Kudos, etc…)
- Do I have some great rewards in mind that would be incentives for people to contribute?
- Am I prepared to commit to my project and put in the effort it takes to get 100% funding?

Pre-Launch Planning

In order to achieve the most success starting a FunderHut Project, you *must* plan ahead. Some things you should try to do before you begin your project include:

- **Do some research:** Be sure to do some research about which campaigns achieve the most success. Understand the numbers. Check out marketing tactics and how to best utilize social media. (E-mail us and ask us about some of the things that you can do).
- **Define a Goal:** Everyone that you are working with and pitching to should know what your final goals/visions are. (And why you are so passionate about this goal/vision).
- **Create lists:** We cannot stress this one enough.
  - Create lists for everything. Before you start your project, create lists for who you will contact (your mailing lists, local newspapers, friends and family, neighbors, local businesses, interested customers, etc…).
  - Create a list of Kudos (Rewards) that you are able to offer at each contribution ($) level.
  - Create lists of specific goals that you wish to achieve.
- **Understanding Kudos:** Kudos are FunderHut's reward system. The higher the dollar amount contributed by an individual, the better the Kudos can be.
  - Remember that you should run the numbers and make sure that you give out as many of each Kudos as you can support after first funding your project.
  - If you are crowdfunding a product, users like to know that they are getting a good price. Let them know if you are offering your Kudos at a discounted price.
- **Budget:** This one also cannot be stressed enough. Not only should you set yourself a budget, but let your audience know what your budget is. The more that the user feels comfortable about your project, the more willing they would be to contribute. Transparency is what makes crowdfunding great.
  - *FunderHut Tip: If possible, shoot for a lower amount the first time so that you would be more likely to hit the 100% mark. Make sure that your project goal is realistic. If your Kudos is a physical product, be sure to factor in the cost to produce/purchase it, as well as the cost to ship it. Don't forget to factor in platform fees and credit card processing fees as well when deciding on your budget and setting your fundraising goal.*
- **Campaign Duration:** The length of projects can be important at times. Normally, we find that projects that are between 30-60 days are the most successful.

- **Engage with Fans Early:** Begin initial interest before the project even begins. Let friends, family, and social groups know that you will be starting a project, and where they can find it.
- **Keys to success:** Don't be afraid to venture outside of our network to raise funds. You never know who is willing to help out if you have a project they're passionate about. The key is to establish trust and seek out opportunities to pitch your campaign.

| Compelling Story | ✚ | Well-Presented Pitch | ✚ | Established Trust | ✚ | Active Networking | = |

| Successful Project!! |

Pre-Launch Setup

Your Pitch

This is the most important part of your project. Your pitch must be executed properly because it may be the first time that many users will find out who you are, what you do, and what your project is all about. The pitch must be effective and well prepared.

- Before you create your pitch, check out some pitches prior to yours. Take note of how more successful projects created their pitches.
- Prepare, Prepare, Prepare. Sometimes a pitch can be corky and off the wall and sometimes a pitch can be serious. In any case, make sure to grab the attention of the user by engaging them.
- Keep the video fairly short. You must grab the attention of the user within the first 10 seconds. Try to keep the video itself between 2-3 minutes.
- Your pitch must clearly define who you are, what you do, why you need the funds, examples of Kudos offered, why this project must be successful, and anything else that may be important.
- Pitches do NOT have to be professionally made. It is just important to make sure the video is clear with no poorly lit rooms or choppy audio. If you don't have a video camera, use an app such as iMovie or Videolicious if you have an iPhone/iPad, or Magisto or Vidtrim for Android.
- Be yourself. Keep it simple. People will contribute only if they feel comfortable with you.
- Provide users with a Call-to-Action.
- Spread the word. Make sure that as many people know about your pitch as possible.

Your Project Description

The project description can be just as important as the project pitch. If users are willing to contribute their money, they will want to get more information about your project. Here are some ideas as to what you should provide:

- **Who are You?** Give users a bio of who you are, who your team is, your background, and any other information that may be vital to the user.
- **What Should the Contributor Know?** Let the contributor know all of the important information about the project. Give them all of the details, provide budgets, and be transparent.

- **Focus on Eye-Catching Headlines and Images:** Catch the user's eye right away. Make sure that you have compelling images and headlines so that your audience will want to continue reading.
- **Be Personable-** Do not be entirely technical. You must try to get users to connect with you.
- **Be descriptive if you have to:** The more information that the user has about your goals, your Kudos, and yourself, the better.
- **And speaking of Kudos:** Let users know when they would be most likely able to receive rewards. Set a wide range of price points to entice different levels of contribution. Don't discount the $1 Kudos either, they add up and can be something as simple as a Thank You email.
  - *FunderHut Tip #1: The earlier that a user can receive their reward, the better. Be realistic with timeframes though.*
  - *FunderHut Tip #2: Offer Kudos that let contributors be involved in your project: tickets to a premiere, backstage passes to a show, private tour of your facility, etc.*
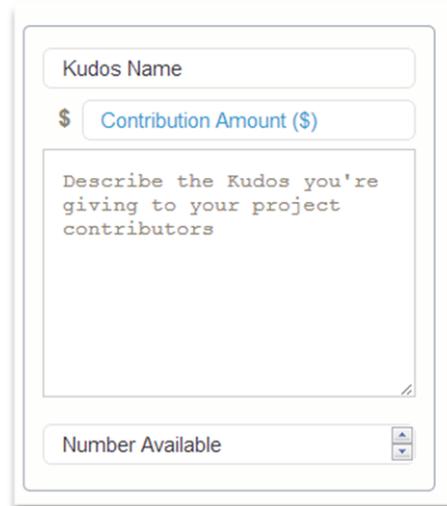
- **Express gratitude:** Let users know that you are thankful for their help, whether it's a contribution or a comment.
- **Combine rewards:** If you are offering sets of Kudos, bundle them to make the contributor excited about receiving multiple rewards.
- **Double check for any errors:** Get a few people to re-read your writing, check your images, scan the page to make sure it is visually appealing, remember, images and video are far more effective at getting the attention of your audience.

Post-Launch

How you execute your project post-launch is crucial. Don't forget, you have limited time to reach your funding goal.

Marketing and Advertising are Crucial: You have to raise awareness to people who would be interested to contributing funds and sharing the project with others. If people don't know about your project, how can they contribute to it?

Social Media: FunderHut created a short guide to help out with social media. We included various tips and tricks around using social media to ensure that you receive the best feedback for your work. To request the guide, simply email us at Info@funderhut.com and we can send it to you electronically.

Interact with Users: Make sure that you are constantly updating your audience with status updates. On the tab on the top right of right of your homepage with your name, bring the dropdown and go to your My FunderHut page. Click on your project to see your internal project information and at the top right submit any updates you may have.

Say Thank You: Don't forget to thank anyone who participated, shared, or contributed to your project.

Prepare Kudos ahead of time (if possible): This can save you time in delivering your Kudos to contributors.

Stay Connected: It is very important that you constantly engage with your users. You must build credibility before someone is willing to contribute funds to your project.

Tap into Your Network: Utilize friends, family, colleagues, and anyone else you can think of. Ask them to help you spread the word and let them know how important this project is to you. You may feel uncomfortable, but ask for small donations - your friends and family want to see you succeed just as much as you do and they usually give the first 30% of contributions. If you own a business, tell your loyal customers about your project.
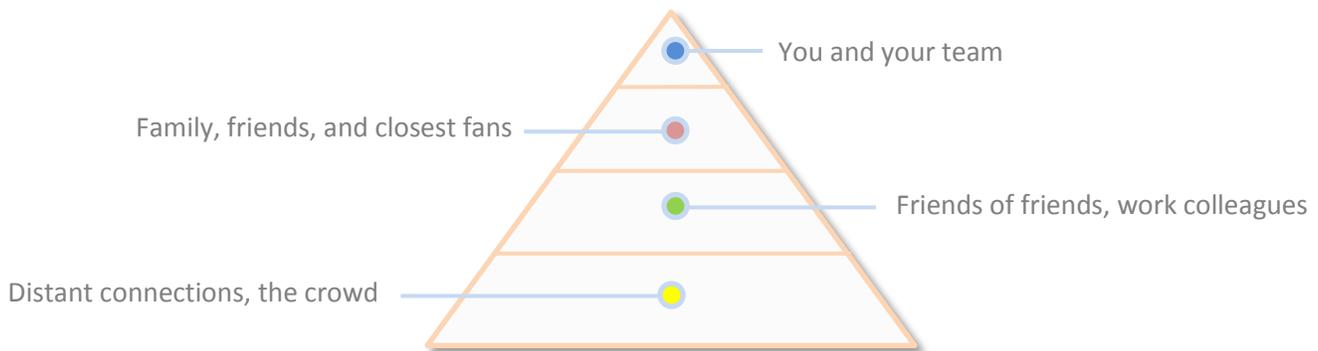
- **You and your team** – create a list of everyone you'll contact and ask to contribute. This includes your personal networks, social networks, email lists, outside organization members, friends, family, etc.

- **Family, friends, and closest fans** – These people will most likely be the first contributors to your project since there is already an established relationship and they know why you're fundraising. Reach out to them first to get your project rolling from day one.

- **Friends of friends, work colleagues** – Your next level of contributors. These people are more likely to contribute when you or your primary friends reach out to them directly and when they see your project is gaining some traction.

- **Distant connections, the crowd** – Chances are this group doesn't know as you personally, so it is important to establish trust. Explain why you're fundraising, be transparent, personable, and don't be shy to ask them to help you with your fundraising campaign.

Don't discount the importance of any one of these groups. They each play a crucial role in the success of your campaign, whether it's through a contribution or helping you spread the word outside of your immediate network.

Project Completion

Completing a project doesn't necessarily mean the work is over. There are still a few things left:

Fulfill Kudos: Under the My FunderHut section in your internal project page, you can find a tab that says "Contributors." The dropdowns will show which Kudos are owed. Fulfill your Kudos promises in a quick and orderly fashion so that you can maintain a happy user-base of contributors.

Be Thankful: Make sure that you thank all users for taking their time out and contributing to your project.

Talk to FunderHut: If your project was a success, we would love to feature your success story on our website. This will build further publicity for your project and get people interested in your story.

Project Not Successful? Talk to us and we can work together to try and make your next project a success. Remember, you can always change your pitch and try again!

If you have any questions visit our website at www.funderhut.com or email us at info@funderhut.com