



FUTURE PROOF **PARKS**

Crowdfunding Toolkit

September 2019



Introduction to crowdfunding

Welcome to the Future Proof Parks crowdfunding toolkit. The toolkit has been developed by MyParkScotland with Groundwork UK.

This information sheet and workbook provides you with a comprehensive introduction to crowdfunding: what it is, what makes it different, and how to do it.

1. What is Crowdfunding?

Crowdfunding is described as the practice of funding a project or venture by raising money from a large number of people (*the crowd*) who each contribute a relatively small amount, typically via the Internet. Most crowdfunding campaigns are run on websites called *platforms*. Most platforms charge a fee based on the sum raised by the campaign. Some platforms like Kickstarter and Indiegogo have become so well known that their names are often used to describe the act of running a crowdfunding campaign, so “I am going to do a Kickstarter” means “I am going to run a crowdfunding campaign.”

2. How does crowdfunding work?

The basic principle is that you set a target sum to raise and a timeframe within which to do it. You then place your project on a publicly available platform and encourage people to visit the page through an active and planned outreach program using tools like social media and email. The intention is to appeal to as many of these visitors as possible so that they contribute funds to your project and to share this news with their own network. You collect the financial pledges made with the intention of reaching the target set.

3. What are the different types of crowdfunding?

There are four types of crowdfunding. These are:

- **Donation** - Funds collected are gifts or donations with no tangible return to the provider. Platforms which use this model include GoFundMe, Crowdfunder and JustGiving.
- **Reward** - “Rewards” or “Perks” of different value are offered to supporters to “purchase”. Platforms which use this model include Indiegogo and Kickstarter.
- **Lending** - A loan is constructed from many small loan parts collected from the crowd. Most are interest bearing. It is also sometimes called Crowdlending, Peer-to-Peer lending or P2P. Platforms which operate this model include Zopa and Funding Circle.
- **Equity** - Shares, or other types of financial instruments like bonds, are sold in small parcels to a large group of investors. This model also includes Community Share Issues which are special types of shares issued by Cooperatives and Community Interest Companies (CICs)

The other important variation in crowdfunding is the distinction between what are known as the “Keep It All” and “All Or Nothing” models.

- In a **“Keep It All”** campaign, you keep everything you raise regardless of whether you reach your target or not.
- In an **“All Or Nothing”** campaign you only get to keep what you raise if you succeed in reaching your target.

Both the Lending and Equity models are regulated in the UK by the Financial Conduct Authority and are subject to strict rules of operation. The UK allows all four models to operate, many countries do not.

Crowdfunding can be undertaken by both individuals and organisations.

4. How big is crowdfunding?

In 2015, crowdfunding raised \$34 Billion worldwide (*Source: Massolutions*) and the total had doubled every year for the previous four years! Many crowdfunding campaigns are for quite small sums but some are very large. The model of crowdfunding which raised the most money is the lending model. In the UK crowdfunding in 2015 totalled £1,112

million and this figure is expected to continue to rise.

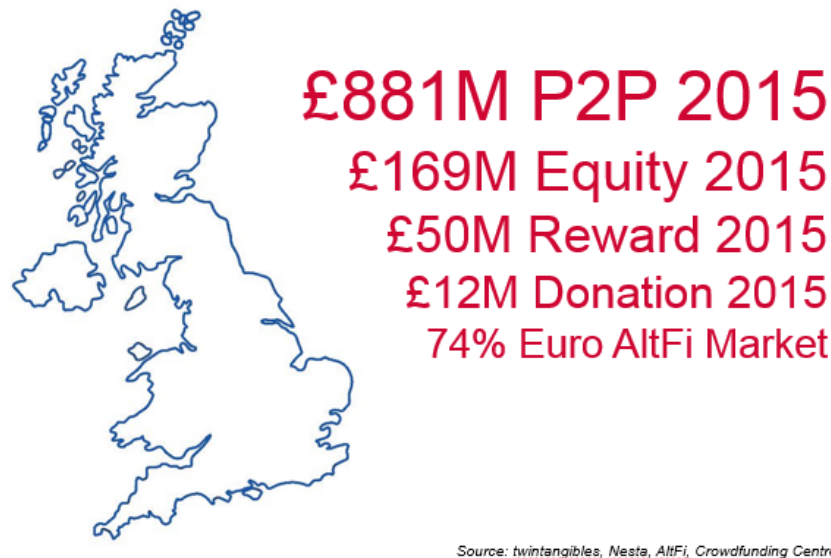


Figure 2: Scale of crowdfunding in the UK

5. Why is crowdfunding growing?

Making a public call to fundraise from the crowd is not a new idea but crowdfunding as we now understand it has grown very quickly for a number of reasons since its emergence in the 1990s. These include:

- **Technological developments** - The emergence of wide and low-cost access to the internet and communication tools like social media mean it is easier and cheaper for us to reach out to much more widely dispersed and larger groups of people.
- **Societal changes** - These technical changes have also empowered us to take on new activities which were once controlled by gatekeepers. We can see this in the way people write and publish books, publish music, writing blogs, and the general sharing of our lives online. Crowdfunding is just the financial manifestation of this sense of empowerment and the ability to take “ownership” of a process. At the same time, we are also increasingly comfortable with transacting financially online be it shopping and e-commerce or checking our bank balances. This confidence to use money online is essential for the growth of crowdfunding.
- **Economic factors** - The other key factor in the extraordinary growth of crowdfunding is that after the financial crisis of 2008 access to funding has been more problematic and so people are exploring alternatives to the traditional sources. At the same time interest rates have fallen to historically low levels and so “retail investors” are looking for better places to put their investments and some crowdfunding campaigns seem to offer better returns than would be available on the high street.

6. What makes crowdfunding different from other funding?

Crowdfunding reaches widely by using technology and reduces the size of funding each individual contributor has to come up with. This means that more people can take part. Making it easy for a wider group of people to support a business or project introduces a wider range of motivations for people to back a campaign. This means that there is a range of reasons why people might support you and not simply for a financial return.

The idea of many small contributions making a difference (as opposed to a small number of large contributions) is a concept underpinning lots of online activities which have disrupted traditional industries and it is called “The Long Tail”.

Because the process of crowdfunding is a very public one and involves many people it can, and does, bring many more advantages than simply money. It can be a powerful campaigning tool, it can build networks, validate an idea,

build awareness and many other things all of which can be very valuable and useful. A good crowdfunding campaign will recognise and target these additions.

For some entrepreneurial projects, it has the advantage of accelerating the process of setting up a business by allowing the entrepreneur to run in parallel a series of processes like market research, publicity and marketing and fundraising, which have often traditionally been seen as sequential.

7. Advantages and disadvantages of crowdfunding

As with all forms of fundraising, there are advantages and disadvantages. This section looks at some of the main advantages and disadvantages of raising funds through crowdfunding.

What are the advantages?

- It is a very accessible process which is open to all and can be carried out on your terms – you decide on the amount you want to raise and the timescale to raise the funds.
- You are in control – the promotion and selling of the project is the responsibility of your group.
- It can bring much more than money – can attract new people and support (non-financial) to your group.
- What money it does bring can be very different from traditional investment – funds raised through crowdfunding are unrestricted and can be used for all elements of your project.
- It can be quick – as you are in control you are able to work quickly to start raising funds.
- You will also produce a very valuable asset for you or your organisation as you run a campaign and that “crowd asset” can be a very useful and enduring resource – people who support your project are also likely to support your group. **What are the disadvantages?**

- It is not easy – to be a success takes a lot of time and effort to carry out continued promotion of your campaign.
- Many campaigns are unsuccessful and the successful ones take work, preparation and effort to make them happen – there is no guarantee of success but work, preparation and effort can increase the chances of success.
- It is also a very public process and so you must be prepared to be open and honest in a public arena and expect brickbats and bouquets in equal measure – it is important to accept that there may be public scrutiny of your project and prepare for this.

But please don't let this put you off!

Lots of groups have already found that crowdfunding is an ideal way to fund all or part of their project.



Running your Crowdfund Campaign

This section will walk you through how to run your crowdfund to increase the chance of success. This should be used in conjunction with the Crowdfunding Campaign Planning Worksheet to help plan and execute your crowdfund campaign.

1. Before you start

A significant amount of work should go in to your crowdfund before you launch a public appeal for donations. Before pressing 'go' on a Crowdfund Campaign, it is vital to undertake some planning regarding

As you read through this information sheet, it might be helpful to have to Campaign Planning worksheet to hand to jot down ideas for your project.

2. How to run your Crowdfund Campaign

Create a plan to bring structure to the process. This makes it more manageable and ensures that you pay attention to all of the aspects that you need to consider.

We describe the process as having four stages which we refer to as

1. Targeting
2. Auditing
3. Choice of Method
4. Planning and Preparation

This process can be shortened to the acronym of **TAMP**. Let's look at each of those stages in more detail.

2.1 Targeting

It is important to establish clarity around some key targets early on as these will influence many of your subsequent decisions. Typical targets to concentrate on are:

- **How much do you want?**
You must not be vague about this. Work out in detail how much you need and factor in all of the costs of running a campaign. It is important that you have properly costed this and worked out all of the precise financial requirements. Badly costed projects run the risk of hitting their targets and not having enough to deliver the project. It is also worth considering stretch targets at this point. A stretch target is an additional target beyond your original one which can be introduced if the campaign is going well. Do you want them and if so what are they? It is best to consider this now as it is hard to cost them, develop the narrative associated with them and promote them from scratch in the middle of a campaign.
- **When do you need it by?**
If you have little time and there is no possibility of shifting that deadline you might not have enough time to prepare properly. By the same token if you aren't prepared and you can shift a deadline it might be the best thing to do. But it is important to be clear about your timing.
- **Why are you doing this?**
This is more of a strategic question but it is important that you think about what other goals you have and how this project fits in with them because it can help you identify other things which can be won in the course of running a crowdfunding campaign (e.g. raising profile, recruiting volunteers).
- **Who are you trying to reach?**
By this we mean not only individuals but also types of people - members of the local community, volunteers, partners, suppliers, customers or what?

Being clear about these types of ambitions will help you integrate the project into your wider aims and so avoid the "tail wagging the dog."

2.2 Audit

The purpose of an audit is to explore what you have at hand to run a campaign. It will help in the planning phase and it is a way of identifying gaps you might have that will need to be filled. Typically, we would audit for what we call Assets, Skills, Resources and Tools.

- **Assets** - These are usually items that will enable your group to spread the word about your project. One of the most important is the networks and connections you currently have. These might include mailing lists, newsletter recipients and social media followers, client lists and many other groups of people and organisations that you have a relationship with. This could also include physical locations such as noticeboards where information can be displayed about your project. Sorting these out and tidying them up into groups of usable points of contact is a very important process as this is the beginning of your *crowd*.
- **Skills** - You or your group will need to undertake a wide range of activities through the course of a campaign and so understanding who can do what based on their skills is worth knowing. Who can use social media? Who knows how to write a press release? Who can blog? Who can take a photograph? Who can make a video? These are just a few of the things you might need to do, so check which skills your group already have and match them against what will be needed and then try to fill any gaps.
- **Resources** - These are time, money, facilities and people. Crowdfunding takes time - have you got enough? Who will do your job or tasks if you have to spend time running a crowdfunding campaign? Do you have any money? This may seem a strange suggestion for a crowdfunding campaign but what if you need to hire someone like a lawyer, video maker or copywriter to help you. Can you afford it?
- **Tools** - In most cases, these are technical tools like a computer or software to run an email campaign. But sometimes it can include more practical physical tools like cameras, collection tins or even musical instruments if that is important to your campaign.

The audit process is a stocktake of the resources you have to run a campaign. You might be surprised what you discover, but if you find gaps you need to plan how to fill them.

2.3 Method

We know there are four basic forms of crowdfunding (see Introduction to Crowdfunding) and for each one there are many platforms and, within the bigger platforms, lots of categories where you can host your campaign. Choosing the right one is an important factor in determining your success.

You need to consider the rules of the platforms and what they will allow you to do. Many have long and complicated terms and conditions that can impinge on your plans. You might need to consider payment methods, language or even platforms that are very niche to your project.

Some people do what we call DIY crowdfunding where instead of using a platform they run the campaign on their own website. This can be very successful and has some real advantages for certain types of projects, but it also brings its own challenges and needs to be selected with care.

2.4 Planning and preparation

Planning is very important for a crowdfunding campaign. Done well it will help you manage your time and resources, and play a big part in your success. You need to understand what tasks you have to do, who is responsible for doing them and when, and that you have all you need to do them. There are three phases to a crowdfunding campaign and you will undertake different types of activities for each phase. The phases are before the campaign begins, the duration of the campaign when it is live, and the post-campaign period.

Before the campaign is live you will be building awareness, checking your messaging and marshalling all of your communications material.

This could include:

- Preparing a press release
- Recording a project video

- Setting up a facebook page
- Setting up a page on your website
- Preparing a leaflet
- Taking and sharing photographs

During the campaign, you will be maintaining the momentum of the campaign, continuing your outreach and responding to questions and communication from your crowd.

This could include

- Newsletter articles
- Emails to supporters
- Social media updates and activity
- Blog posts
- Crowdfund updates
- Taking and sharing photographs

Afterwards, you will be thanking your crowd, fulfilling your obligations to them and managing the ongoing relationship with this asset you have built.

This could include:

- Preparing a press release
- Saying thank you! In whatever way is appropriate
- Inviting supporters to open days or activities
- Celebrating success – photographs, videos, blogs

Each phase will involve different activities, skills and possibly different people.

3. How can I build up my “crowd”?

Lots of people struggle to think about how to develop a *crowd*. It is best to try to break the crowd into a series of groups each of which has a different purpose for your campaign. This will help you to identify and target them, to connect with them and to do that with the right type of material. We usually break the crowd into three groups: Friends and Followers, Influencers, and Communicators.

- **Friends and Followers**

Friends and followers are individuals and groups whom you already have some connection with or know of you. This might include mailing lists, contact lists, volunteers, your Board or Trustees, client or customer lists, social media followers and potentially many others. This is a group which will form the basis of your initial crowd and you will want to both grow it and to deepen your relationship with members of the group.

You will have some established method (membership, newsletter, blog, website, social media) for communicating with them and this will probably form the core approach and channel you take in terms of how you build awareness and following for your crowdfunding campaign.

The process of pooling and tidying these lists of contacts is an important process ahead of a campaign.

- **Communicators**

Communicators are individuals or groups who help you to get the message of your campaign out to a new network. This might be, for example, via a press release and so media outlets and similar groups need to be targeted and readied, and you need to understand how to speak to these groups in terms they use and understand.

Another role for communicators is to link you into networks that you do not easily or readily communicate with. This is an important process if you are to reach out widely.

- **Influencers**

Influencers are very important parts of the crowd for a crowdfunding campaign. An influencer is someone who carries weight, influence or trust in a sector or topic. They can encourage others who have not heard of you to trust and take an interest in your project. We say these people have a “trust tag” which they can pass to their connections on your behalf.

There may be many influencers for your project based on the range of “elements” or aspects that the project has. We talk about *elements* below. Influencers might be bloggers, public personalities, recognised activists and experts. The process of engaging with them and gaining their trust and endorsement must begin ahead of your campaign. You must find them and court them.

Working out the elements of your crowdfund

Elements are the different aspects of a campaign which could each be an area of interest in your project for any supporter.

It is not essential in crowdfunding for all of your supporters to support everything that your project is about. Therefore, it is possible to break your project into a series of parts that might interest different people. For example, a project to build an orchard for local people in a park will interest supporters due to the orchard's location, but also because of the aspects of growing and gardening, food and nutrition, or greenspace improvement. We call these different angles of interest facets or elements.

Each of these facets might open up an avenue of outreach, a new set of influencers and potentially a new set of supporters who might be inspired by just one of those aspects to back your campaign.

4. Why is messaging so important?

Getting your messaging and pitch right is very important. Clarity and consistency of communication is most important. If people don't “get it” they won't back it.

When you are close to a project it is very easy to believe that everyone sees it in the same way as you do. But you need to remember that many people will have none of the contextual information that you have. So, it is very important to check and test your messaging with other people **BEFORE** you start your campaign - and do not be afraid to change and adjust it to meet the needs of the crowd based on that feedback.

You also need to think about how you convey that message in different channels. For example, can a picture capture it? How do you communicate it for twitter?



5. I hear it's not easy - what are the common mistakes?

Crowdfunding is not easy and many projects do not reach their targets. Here are some of the key reasons people fail:

- Lack of preparation - in our experience, most projects are won and lost in the preparation. There are many things that can be overlooked but not building anticipation or being prepared to maintain the activity required for a project will usually mean you fail.
- Not updating - you need to maintain awareness and interest in your campaign. One communication at the launch will not deliver a project.
- Thinking one celebrity endorsement will swing a project - whilst it is helpful to have high profile support one tweet from Stephen Fry will not sort your campaign!
- Not checking messaging - it is extremely important to make sure that you get your message across in terms the crowd understand. To do that you **MUST** check that they do before you start.

6. Can you give me some tips for success?

- Get off to a good start - you will know people who will want to back your project. Make sure that they are ready and able to do so the second you go live. If you reach a decent percentage of your project total quickly you are much more likely to succeed.
- Keep updating - you need to build awareness and maintain it. Develop a publishing plan which ensures that you have a structured, consistent and regular approach to driving your communication process.
- Check your messaging - we have already said that this is a key point of failure and so logically it is a key point of success.
- Don't go on too long - a 30-day campaign is a lot of effort and inevitably the demand takes its toll on the enthusiasm you and your crowd can maintain so don't go on too long.
- Be sure to build “collateral” or publicity material for your campaign - a sustained publication and communication process takes effort and material so be sure to build a stock. These might be photos, newsletters, blogs, tweets, infographics, etc. You may need different types for use in different circumstances and channels. Produce a good deal of material beforehand as it will make the project more manageable.

7. Ready to get started?

Use the Crowdfunding Campaign planning worksheet to get started on planning your crowdfund campaign.

If you've got a great idea for a project, event or activity in your park or greenspace, then **please get in touch with your local Groundwork Youth or Community worker**. MyParkScotland would love to help you raise funds for your project too.



Crowdfunding Campaign Planning Worksheet

You might find it helpful to refer to the Running your Crowdfund Campaign section as you complete this worksheet.

PROJECT OVERVIEW

Project Title	
Group/Organisation Name	

Contact:	Name:	
	Email:	
	Phone:	

Area:	
Park/greenspace/site	

Necessary funding for complete project	this should include the costs associated with any rewards that will be offered
Funding already secured	include any funding already secured for the project
Funding to outside the crowdfund campaign	this could be from grant funding or other funding sources

Campaign Start Date	
Campaign End Date	
*Project Start	*When you have raised the funding do you plan to start your project?
Project End	

Campaign Pitch – short summary of what your project aims to achieve and why it is important.

Let's get started – the TAMP process, your crowd and costs

1. TARGETS

Use this section to define some overall targets for your projects, you will break these down to more specific areas later in this document.

Targets	
What do you want to raise?	How much is the total project cost and stretch target?
When do you need money by?	Is there a deadline by when funds need to be raised?
Why are you doing this?	Why is this project important?
Who are you trying to reach?	Longlist of potential audience for project (include anyone you can think of)

2. AUDIT

What assets, skills, resources, and tools does your organisation have to run a crowdfund campaign? Be honest so that gaps can be recognised...

Item	Available?	Who or what (include things that you may be missing to identify any gaps)
Assets		
Skills		

Resources		
Tools		

3. METHOD

Crowdfunding Platform:	use Crowdfund Platforms option worksheet
Type of crowdfund	Donation / Reward
Type of crowdfund:	Donation based / Keep it All campaign
Status of other funding sources approached (e.g. approach made, application submitted, discussions had) <ul style="list-style-type: none"> • Grant Funders • Statutory Bodies • Businesses 	

4. PLANNING

Friends and Followers

– people who know you and are interested in what your group/organisation does

What existing relationship have you got with Friends and Followers? These could be, for example, volunteers, park users & visitors, social media followers

What are the best ways to communicate with them?

What do you need to create to communicate with them? – newsletters, noticeboards, social media

Influencers

- people who have influence/sway with your audience of potential supporters and donors

Based on your project elements, and possibly existing connections, who might be your influencers? (include even if no current relationship with)

What are the best ways to communicate with them?

What do you need to create to communicate with them?

Communicators

- people/groups who could spread the word about your project

Who might be your communicators? (include even if no current relationship with)

What are the best ways to communicate with them?

What do you need to create to communicate with them?

5. BUILDING YOUR CROWD

Thinking about the project, what are the key elements within the project? This will help identify different audiences who will be interested in supporting your goal.

Communication Overview

Campaign Elements – what are the distinct elements of your projects that would appeal to different audiences?

Key Words/Phrases – what keywords/phrases should be used when talking about these elements? (Remember, they may be different for different audiences)

6. COSTS

Although most crowdfunding platforms charge a fee on donations there may be other costs associated with your crowdfund campaign. This could include printing of leaflets, flyers for offline promotion, organising a launch event for the project once funded.

No matter how small it is important to outline these costs at the outset of the campaign to either include in the overall project costs or for your organisation to cover.

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Other jotting, ideas and thoughts

Moving on to ACTIVITY PLANS

Following on from the TAMP process it is vital to develop Activity Plans for the crowdfund campaign. This is split in to three sections – before, during and after the campaign.

Stage One: BEFORE – Foundations and momentum building

List all the key tasks such as developing your project, talking to group members about the project, liaising with partners, developing press release publicity material.

It is important to list all tasks so that nothing is missed.

	Task	Action	By date	Completed
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Stage Two: DURING – The Campaign

As well as the marketing of the project (see Publishing Plan) there are a number of other tasks that need to be allocated during the campaign.

These can include monitoring donations to the project, identifying additional potential donors, preparing materials for publishing.

	Task	Action	By date	Completed
1				
2				
3				
4				
5				
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7				
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12				
13				
14				

Stage Three: AFTER – Post Campaign

Although the crowdfund campaign may be complete in terms of raising funds, this is not the end. It is important to identify tasks for after campaign completion.

These tasks include simply thanking donors through to how to retain the involvement of donors with your group. This is important not just for this project but also for the future development of your group.

	Task	Action	By date	Completed
1				
2				
3				
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14				

Thinking about your PUBLISHING PLAN

It is essential to have a plan for the content that will be published in the few days before launching the crowdfund campaign and then during the campaign itself. Use this publishing plan to record content that is being published both online and offline as well as content published by others on your behalf.

Include “trigger events” in your plan – these are events that trigger either on-line or off-line publicity, such as press releases or Facebook posts. It could be a park fun day, community events or the receipt of grant funding. Any of these and many more would give you an occasion to let your Crowd know about how the campaign is coming along and to reach out to new audiences. If you know of any events coming up, it’s also important to have developed material such as flyers and posters that allow you to publicise your crowdfund.

The Publishing Plan will be the ‘go to’ document during your crowdfund campaign and so it should be used to plan in advance but also as a check that promotion is happening, to monitor success and change or alter campaign as required.

Date	Time	Channel/materials needed	Message/theme - keywords	Content -include content or link to where content	Tracking - monitor to see what is working

Date	Time	Channel	Message/theme - keywords	Content -include content or link to where content	Tracking - monitor to see what is working

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Date	Time	Channel	Message/theme - keywords	Content - include content or link to where content	Tracking - monitor to see what is working

Date	Time	Channel	Message/theme - keywords	Content - include content or link to where content	Tracking - monitor to see what is working

This Toolkit has been produced for Groundwork Future Parks project by MyParkScotland, based on the MyParkScotland Crowdfunding Resource Kit developed in conjunction with twintangibles.