

# How to use the TEN Funding Portal to Crowdfund your Startup

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# Agenda

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Crowdfunding– what it is and how it works

Crowdfunding models & new Intrastate ruling

Elements of a crowdfunding campaign

The Pitch video

Campaign planning

Five most common mistakes in crowdfunding

Q&A

# What is crowdfunding?

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Sourcing funds for a startup through the internet

It is a new source of capital

The funding comes in smaller increments but from more investors

# How does it work?

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1. Choose a crowdfunding site based on your project
2. Submit your application
3. Prepare your campaign
4. Launch your campaign
5. Promote your deal to your network
6. Respond to questions and feedback
7. Raise your funds

Remember: You are running a campaign

# Crowdfunding Models

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Rewards/Pre-payment—Kickstarter-style

Equity—Accredited Investors vs. Intrastate

Donations

Peer to Peer lending

# Texas Intrastate Crowdfunding Law

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A lower cost version of the JOBS act

Allows non-accredited investors to invest for equity

Each person in Texas can invest up to \$5K/year in a startup

The startup must run the campaign on a registered Texas Crowdfunding Portal

A raise up to \$1M requires only CEO certification

Goes into effect in August/September of 2014

# Crowdfunding campaign

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Pitch Video

Description

Biography

Funds Target and Timeline

Updates

# Why make a pitch video?

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- Pitch sessions are moving online
- Investors want to know what you are doing
- 2x the click-thru rate for deals with videos



# What's the objective?

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- Tell them what you are doing in less than a minute
- Demonstrate the credibility of the team

# What to put in the video?

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- Show yourself--introduce your name, position, and company
- Show the product/concept so people get it
- Follow up with the competitive advantage, target market, intellectual property, and the team
- Talk about how much you are raising and how the funds will be used
- Close with a Call to Action

# Tips on video production

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- Keep it short-- no more than 2 to 3 minutes
- Open with an attention getting line
- Show passion and enthusiasm
- Use high quality audio
- Avoid distracting backgrounds and noises

# Description

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5 word tag line

250 word description of the deal including

What it does

Why it is important

How you will accomplish it

What is unique about it

How much funding is required

# Biography

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50 to 100 word description of yourself

Demonstrate your capability and experience

# Fund Raise Target & Timeline

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Raise 20% of your funds target before you launch

Set a campaign that lasts 30, 60, or 90 days

Consider breaking the campaign into smaller mini-campaigns and using different models

# Updates

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Identify updates to share with the investors

Create a sense a momentum

Demonstrate traction with customers

# Campaign Planning

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Pre-Campaign— start 3 months before launch

Campaign—30 to 90 day campaign

Post-Campaign—1 month follow up work



# Pre-Campaign

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## Prepare your materials

Create Pitch Video, 250 word description, etc

Develop an Executive Summary/Pitch Deck

Setup blog/Facebook/LinkedIn/Twitter pages

## Prepare your network

Identify core & secondary network contacts

Setup a mailing schedule (every week a new mailing)

Identify broader media targets for PR

# Pre-Campaign cont.

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Develop an Updates plan

Product developments

Team

Fund raise status

Customer traction

# Running the Campaign

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It's a full-time Job

Follow up promptly on emails about the campaign

Monitor the campaign mailings

Adjust the product, pitch, and program based on feedback

“No battle plan survives first contact with the enemy.” -- Eisenhower

# Post-Campaign follow up

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Fulfill the promises made

Finalize documents

Remember to thank those who supported you

# Five most common mistakes

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## 1. Not making the pitch compelling enough

You need a great team doing something great

Mediocre projects don't attract much attention

# Five most common mistakes

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## 2. Not promoting the raise

Engage your network to start

Leverage your social network to expand

Develop and run a broader PR campaign

# Five most common mistakes

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## 3. Not demonstrating a detailed plan

You need to show how the funds will be used

The plan needs to look realistic and achievable

Vague or fuzzy plans do not get funded

# Five most common mistakes

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## 4. Not asking for realistic amounts of funding

You need to raise enough funding to accomplish the project

Asking for too much or too little will kill the raise



# Five most common mistakes

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5. Not responding to questions nor asking for feedback

Respond to questions quickly and with competence

Start a dialog and then build a relationship with the investor

# The TEN Funding Portal

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Submit an application

Discuss the fund raise strategy and campaign

Develop a campaign

Shoot a pitch video

Run the campaign

Raise your funding

# Crowdfunding

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New way to raise funding for your business

Place your pitch video, project description, and financial plan on a web portal

Leverage your network to fund it

Spiral out to the broader media to finish the raise

# Questions

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To learn more about fund raising checkout  
[txenetworks.com](http://txenetworks.com)  
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