

Crowdfunding Handbook for Business Funding

Practical guide for SMEs, startups, and professionals

Version 1.0 (English)

Prepared for use by Innovation and Entrepreneurship Support Mechanisms
and their beneficiary businesses.

Contents

1. Purpose and scope	3
Who this guide is for	3
What this guide is not	3
2. Crowdfunding in one page	3
2.1 Main types of crowdfunding	3
Donation-based crowdfunding	4
Reward-based crowdfunding	4
Equity or investment-based crowdfunding	4
Lending-based crowdfunding	4
2.2 Why businesses use crowdfunding	4
Benefits (summary)	4
Risks (summary)	4
3. The crowdfunding process, step by step	4
Step 1. Readiness check and model selection	5
Step 2. Audience mapping and pre-launch community building	5
Step 3. Budgeting and target setting	5
Step 4. Campaign design	6
Step 5. Produce campaign assets	6
Step 6. Launch and active promotion	6
Step 7. Monitor and optimise	7
Step 8. Post-campaign fulfilment and reporting	7
4. Role of the Innovation and Entrepreneurship Support Mechanism	8
4.1 Practical support services	8
5. Monitoring and simple KPIs	8
5.1 KPI table (template)	9
6. How this guide was developed	9

1. Purpose and scope

This handbook is a practical guide for organisations that want to raise funds through crowdfunding. It explains what crowdfunding is, why it can be useful as an alternative financing route, and how to design, launch, and manage a campaign in a structured way. The guide also clarifies how an Innovation and Entrepreneurship Support Mechanism can assist beneficiaries in building strong campaigns and reducing common risks.

Who this guide is for

- SMEs and micro-enterprises
- Startups at early or growth stage
- Self-employed professionals and freelancers
- Social enterprises, cultural and creative organisations, and community initiatives
- Public or non-profit bodies preparing civic or environmental campaigns

What this guide is not

This handbook is not legal, tax, or investment advice. For equity or lending models, users should consult qualified professionals and rely on the requirements of the chosen platform and the applicable regulatory framework in their jurisdiction.

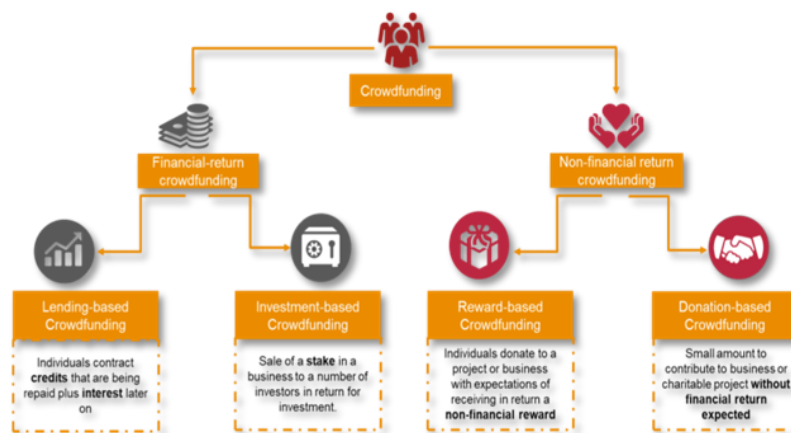
2. Crowdfunding in one page

Crowdfunding is the process of raising funds from a large number of supporters, typically through an online platform. Supporters contribute because they want to support a mission, receive a reward, or obtain a financial return. A campaign succeeds when it combines a credible proposal, clear use of funds, and consistent communication with an audience.

2.1 Main types of crowdfunding

Crowdfunding models can be grouped into two broad families: financial-return crowdfunding and non-financial return crowdfunding. The figure below summarises the typical structure and the four common models.

Figure 1. Overview of crowdfunding models (financial-return vs non-financial return).



Source: European Commission DG Regio (2021)

Donation-based crowdfunding

Supporters contribute without expecting a material reward or financial return. This model is common for civic, social, and environmental initiatives where the primary value is the impact.

Reward-based crowdfunding

Supporters receive a non-financial benefit such as early access, a product, a service, or another perk. This is often used for consumer products, creative projects, and market validation through pre-sales.

Equity or investment-based crowdfunding

Supporters invest in a business in exchange for shares or securities. This model involves more formal disclosures and usually requires the use of regulated platforms.

Lending-based crowdfunding

Supporters provide a loan that is repaid over time, typically with interest. It can work for businesses with predictable cash flows, but it creates repayment obligations.

2.2 Why businesses use crowdfunding

Crowdfunding is not only about money. When designed well, it can also deliver market validation, early customers, visibility, community engagement, and credibility. For some ventures, it complements grants, sponsorship, or private investment by covering non-eligible or hard-to-finance costs such as outreach, community building, or small-scale prototyping.

Benefits (summary)

- Access to funding beyond traditional finance
- Proof of demand through backer behaviour
- Community building and early adopters
- Visibility and communication discipline
- Potential leverage when combined with other funding sources

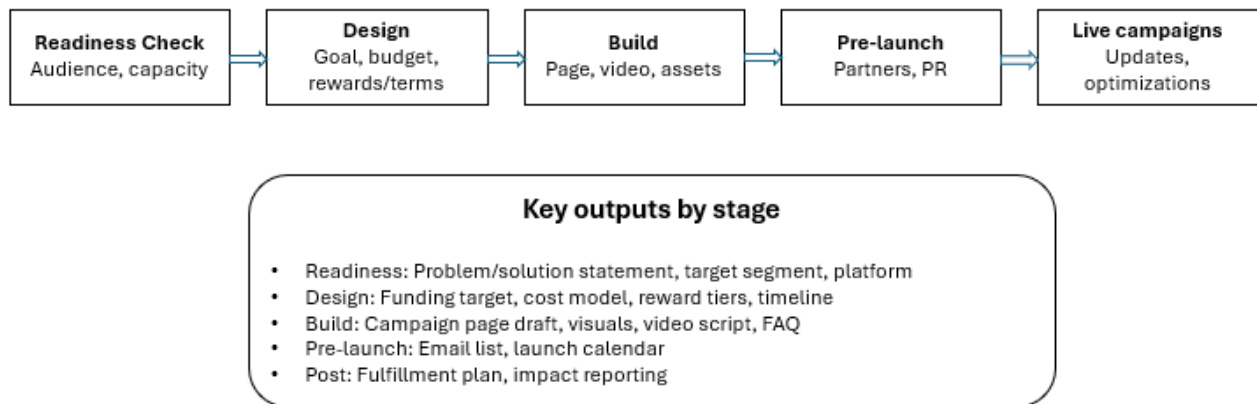
Risks (summary)

- Failure to reach the target, especially in all-or-nothing campaigns
- Underestimating the work required for communication and fulfilment
- Budget gaps caused by fees, taxes, shipping, and reward costs
- Reputational risk if promises are not delivered
- Regulatory and disclosure requirements for investment and lending models

3. The crowdfunding process, step by step

Most campaigns fail for predictable reasons: weak preparation, unclear offer, unrealistic budgets, and insufficient outreach. The process below translates good practice into eight steps. It is deliberately practical and can be used as a checklist.

Figure 2. Typical crowdfunding campaign lifecycle (from readiness to post-campaign).



Step 1. Readiness check and model selection

Decide whether crowdfunding fits your project and choose the right model (donation, reward, equity, lending). Confirm what will be financed, what evidence you have, and what you can realistically deliver.

Checklist item	Done
Define objective and amount to raise	<input type="checkbox"/>
Select the crowdfunding model	<input type="checkbox"/>
Confirm capacity to deliver	<input type="checkbox"/>
Identify key risks and mitigations	<input type="checkbox"/>

Step 2. Audience mapping and pre-launch community building

Map your audiences (customers, community, stakeholders). Build a pre-launch list and secure early supporters. A campaign should not start from zero.

Checklist item	Done
Define 3-5 audience segments	<input type="checkbox"/>
Build pre-launch contact list	<input type="checkbox"/>
Secure early pledges (soft commitments)	<input type="checkbox"/>
Prepare outreach partners	<input type="checkbox"/>

Step 3. Budgeting and target setting

Build a full budget including platform fees, payment fees, taxes, reward production, packaging, and shipping. Set a minimum viable target and optional stretch goals.

Checklist item	Done
List all cost categories	<input type="checkbox"/>
Include platform/payment fees	<input type="checkbox"/>
Include taxes and shipping	<input type="checkbox"/>
Set minimum target and stretch goals	<input type="checkbox"/>

Step 4. Campaign design

Define your core story, value proposition, timeline, and (for reward campaigns) a simple reward structure. Make the use of funds transparent and easy to understand.

Checklist item	Done
Write a clear one-sentence value proposition	<input type="checkbox"/>
Draft campaign narrative (problem-solution-impact)	<input type="checkbox"/>
Define timeline and milestones	<input type="checkbox"/>
Define rewards/terms (if relevant)	<input type="checkbox"/>

Step 5. Produce campaign assets

Create the campaign page, visuals, and a short video if possible. Draft FAQs, updates, and basic press material. Prepare content for launch week and the final week.

Checklist item	Done
Draft campaign page structure	<input type="checkbox"/>
Prepare visuals and a short video	<input type="checkbox"/>
Prepare FAQs and update plan	<input type="checkbox"/>
Prepare social posts and media kit	<input type="checkbox"/>

Step 6. Launch and active promotion

Launch with early supporters ready to back in the first 24-48 hours. Use a clear communications rhythm across channels. Track performance and adjust.

Checklist item	Done
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- Activate early supporters in first 48h
- Publish launch announcements across channels
- Reply to comments/questions daily
- Post at least 2 updates in first week

Step 7. Monitor and optimise

Monitor key indicators: page visits, conversion rate, average pledge, and source of traffic. Introduce updates, new rewards, or events when momentum drops.

- | Checklist item | Done |
|--|--------------------------|
| Track visits, conversions, pledge size | <input type="checkbox"/> |
| Adjust messaging based on analytics | <input type="checkbox"/> |
| Add a mid-campaign event/update | <input type="checkbox"/> |
| Plan end-of-campaign countdown | <input type="checkbox"/> |

Step 8. Post-campaign fulfilment and reporting

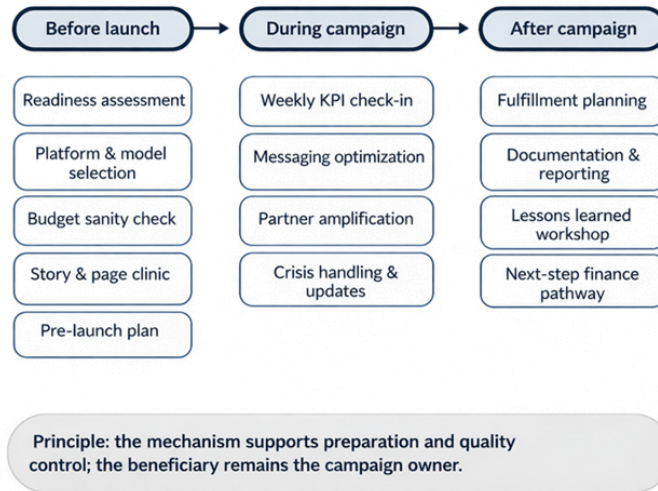
Deliver rewards or reporting obligations. Communicate timelines honestly. Capture lessons learned for future rounds and for funders.

- | Checklist item | Done |
|---------------------------------------|--------------------------|
| Confirm fulfilment plan and suppliers | <input type="checkbox"/> |
| Send backer surveys (if needed) | <input type="checkbox"/> |
| Deliver rewards / provide reporting | <input type="checkbox"/> |
| Document lessons learned | <input type="checkbox"/> |

4. Role of the Innovation and Entrepreneurship Support Mechanism

A support mechanism does not replace the beneficiary. It reduces avoidable errors and improves campaign quality by providing structure, feedback, and targeted expertise. The model below is a pragmatic service package that can be adapted to local needs.

Figure 3. Typical support package offered by an Innovation and Entrepreneurship Support Mechanism.



4.1 Practical support services

- Orientation: introduction to crowdfunding models, typical costs, and success factors.
- Readiness check: assessment of fit, audience, and deliverability.
- Campaign clinic: review of story, budget, rewards/terms, and campaign page.
- Launch mentoring: communications plan, KPI tracking, and weekly check-ins.
- Post-campaign: fulfillment planning, reporting templates, and lessons learned.

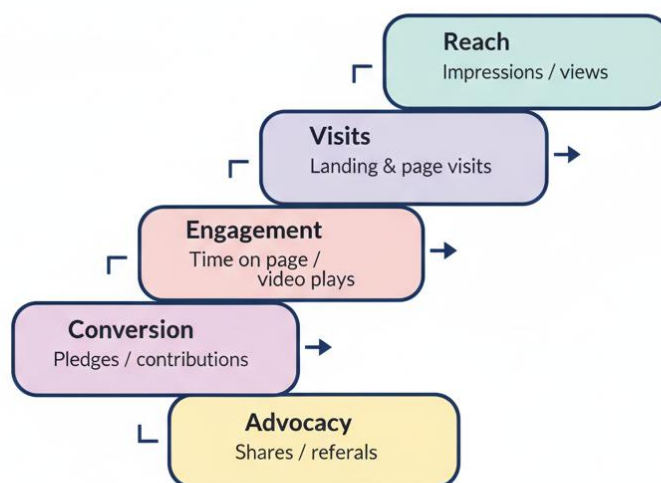
5. Monitoring and simple KPIs

To manage a campaign professionally, use a small set of indicators. You do not need complex dashboards. A weekly review is usually sufficient.

Figure 4. Campaign funnel from reach to conversions and advocates.

Campaign funnel (from reach to advocates)

Use simple weekly metrics to identify where you lose people



Typical actions

- Improve targeting and channels (reach)
- Strengthen landing page clarity (visitation) (visits → engagement and trust (conversion))
- Ask backers to share; add referral nudges (advocacy)

Minimal KPI set (weekly)

- Page views
- Conversion rate
- Average pledge
- Number to shares
- Email list growth

5.1 KPI table (template)

KPI	Why it matters	How to measure	Target / note
Page visits	Shows audience interest	Platform analytics / UTM links	Track trend weekly
Conversion rate	Quality of page + offer	Pledges / visits	Improve with clearer story and CTA
Average pledge	Indicates reward design and pricing	Total pledged / number of backers	Adjust reward tiers
Share rate	Signals advocacy	Shares / visits (approx.)	Prompt backers to share
Update engagement	Maintains trust and momentum	Comments, views on updates	Plan weekly updates

6. How this guide was developed

This guide builds on practical experience gained through the CROWDFUNDMATCH Project (Interreg Europe 2021-2027) and the hands-on support of businesses and practitioners involved in crowdfunding campaigns across different contexts. Rather than presenting a theoretical model, it reflects lessons learned from real campaign preparation, execution, and post-campaign follow-up, distilled into a structured and practical

reference. Its purpose is to translate this accumulated experience into clear guidance that can support businesses and support mechanisms in designing and implementing effective crowdfunding campaigns.