

+ Pros

Pros & Cons of Crowdfunding (equity/loan/product)

- Cons

Don't give up ownership / take on debt

Opportunity to gauge interest. Do others think my product is as great as I do?!

...

Product (pre-order)

Have to be extremely organized to actually follow through.

Cancellations - people change their mind and back out.

Not raising that much money for the level of effort put in.

May provide flexibility in repayment terms to facilitate cash flow.

Can limit it to a %

Revenue Share (debt)

Can eat up a huge % of margins.

...

...

...

Equity (dividends)

...

...

+ Pros

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Product (pre-order)

Generates excitement!

Exposure

See sales - before going into production

promise to deliver product no matter the cost

Need a good product!!

Might not get to keep your \$\$

Revenue Share (debt)

No equity given - keep 100% ownership

Don't need assets

Get time to pay it back

Might take on more debt than you actually want

Quite complex with the SEC involved

Equity (dividends)

May be able to raise a lot of funds

Might be able to get a good valuation on the equity side

LOTS of reporting - complex accounting plus pressure from share holders

Giving up a % of ownership

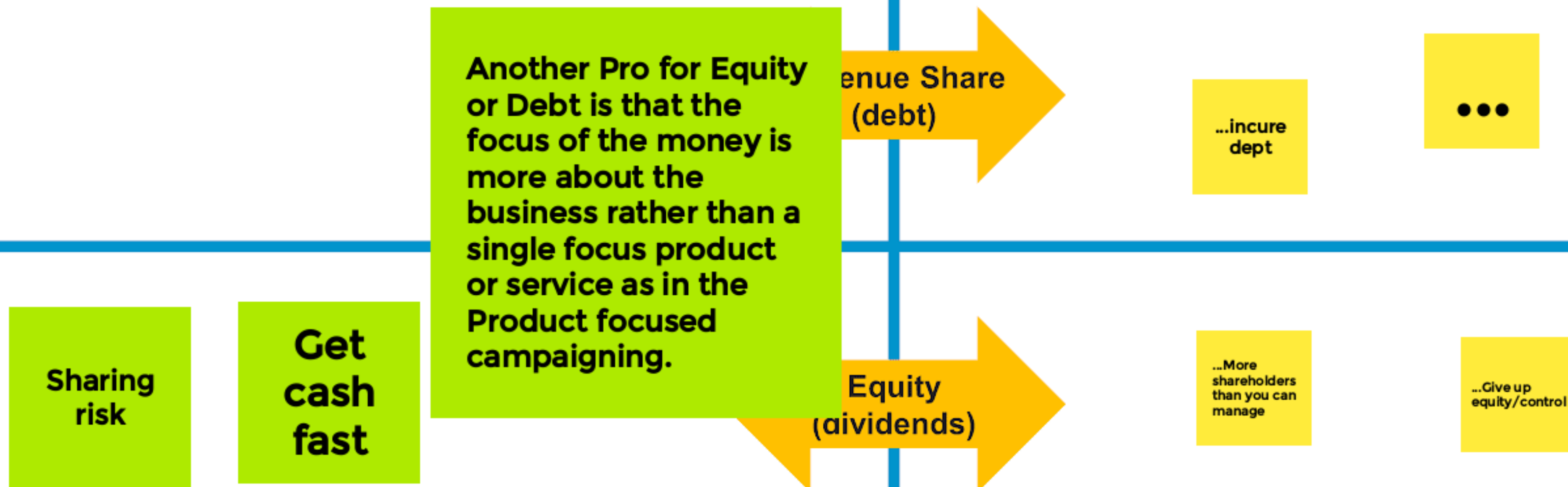
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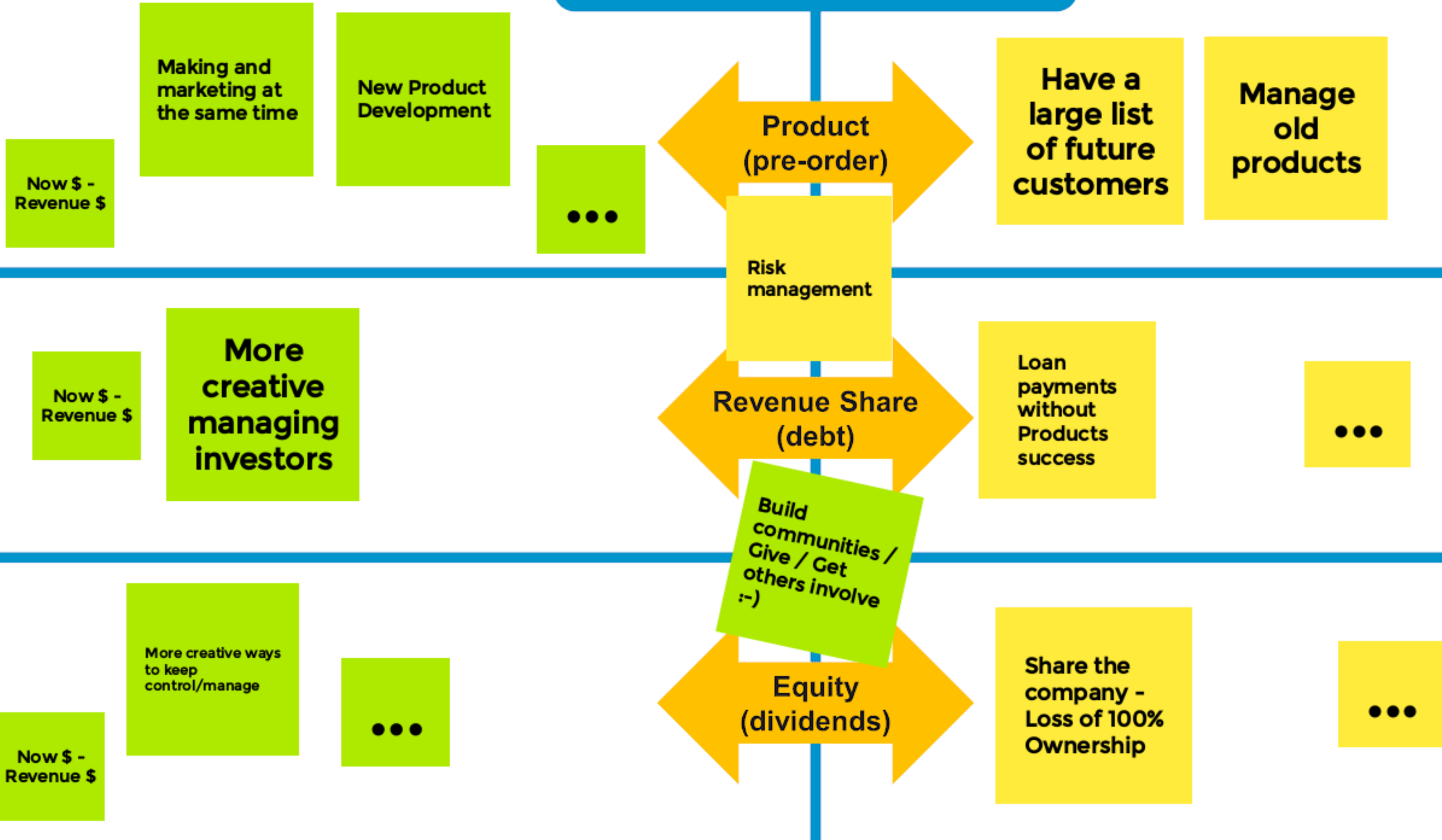
Another Pro for Equity or Debt is that the focus of the money is more about the business rather than a single focus product or service as in the Product focused campaigning.

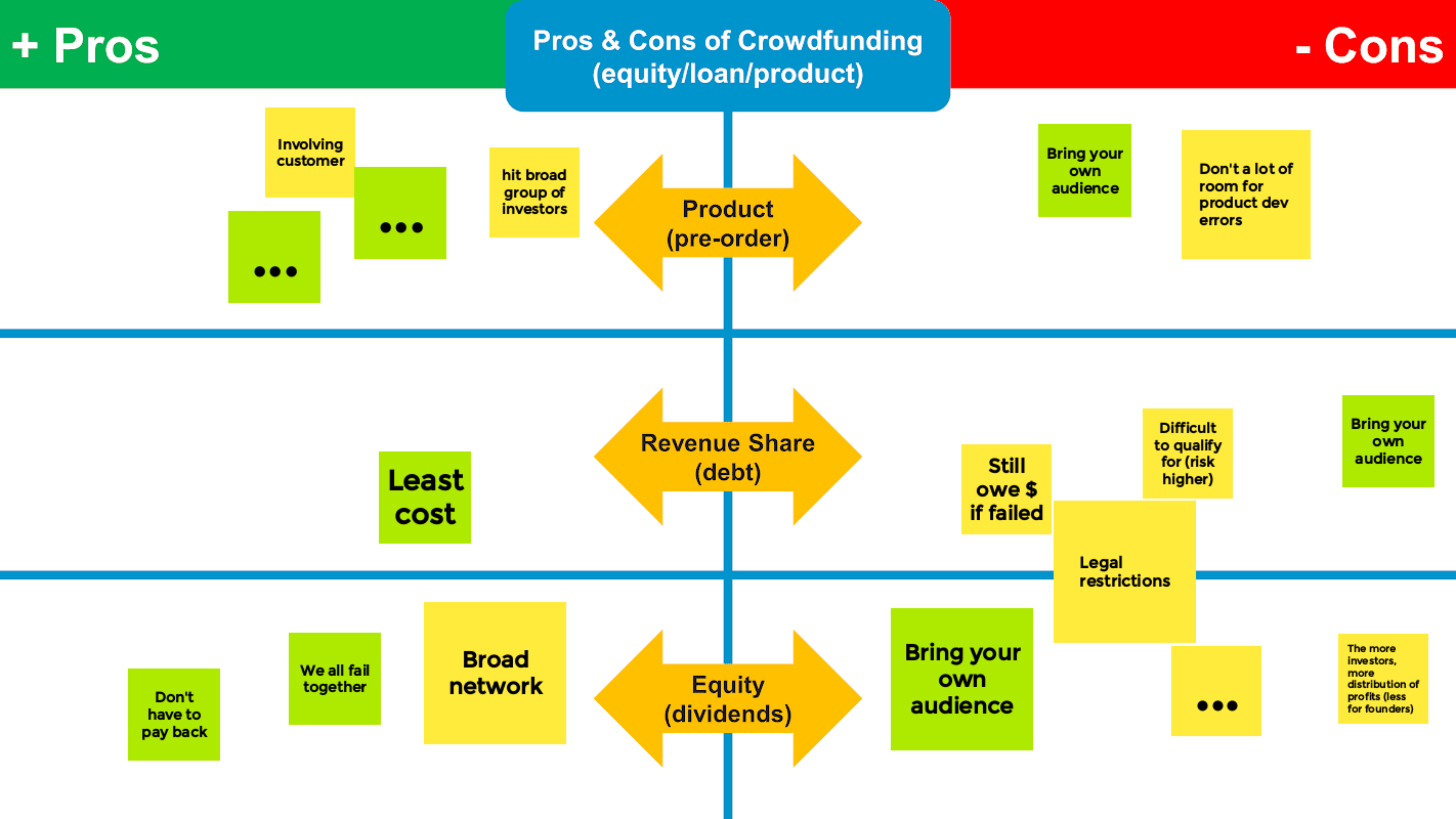


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+ Things to Do

Business Preparation for Distribution / Retail

- Things NOT to Do

Know the lingo (i.e. 2/10 Net 30, MAP, Return Goods Handling, etc.)

Consider Promos

Consider product placement in retailer (costs \$)

Know your margins!

Build in room for returns

Make sure there's a lot of room in margins

...

Not negotiate with suppliers

Forget to specify MOQ (minimum order quantities) for free shipping...

Don't put all eggs in one retailer's basket

+ Things to Do

Business Preparation for Distribution / Retail

- Things NOT to Do

Know the
lingo (i.e. 2/10
Net 30, MAP,
Return Goods
Handling, etc.)

Cash Flow /
COGS /
Margins are
important.
Know them!

Branding

Marketing

Plan
for
Growth

...

Don't
leave your
investor
behind

Forget to specify
MOQ (minimum
order quantities) for
free shipping...

Don't
over-promise

...

+ Things to Do

Business Preparation for Distribution / Retail

- Things NOT to Do

Know the lingo (i.e. 2/10 Net 30, MAP, Return Goods Handling, etc.)

...Understand margins

...

...Evaluate if it's a good move

...Talk to retailers

Forget to specify MOQ (minimum order quantities) for free shipping...

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