

JAMEY STEGMAIER

A CROWDFUNDER'S STRATEGY



**BUILD A BETTER BUSINESS
BY BUILDING COMMUNITY**



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A Crowdfunder's Strategy Guide

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A CROWDFUNDER'S STRATEGY GUIDE

BUILD A BETTER BUSINESS
BY BUILDING COMMUNITY

JAMEY STEGMAIER



BK

Berrett-Koehler Publishers, Inc.
a BK Business book

A Crowdfunder's Strategy Guide

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To all of my fellow creators who put their backers first.

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PREFACE

This book was supposed to be a young adult dystopian novel set in the year 2094.

In March 2012, I was six months into the design and development of *Viticulture*, the game that would later become the cornerstone of my company, Stonemaier Games. I was burning out. The game was in a pretty good place, but it wasn't ready for Kickstarter, and I had neglected my other creative passion, writing, for a long time.

I had also started to understand how big a commitment it is to design and publish a game, and I was worried that once I went down that path, it would be really difficult to accomplish my lifelong goal of writing a novel.

I'd tried to write novels before. Two of them, specifically. I approached both as epic projects that would take years to complete. I got about halfway through both before I gave up. Other things took priority.

However, I have writer friends who write multiple novels a year. Writer friends with kids. And jobs. And other passions.

So in March 2012, I gave myself two months to write a novel from start to finish. It was my sole focus during that time, other than my day job, eating, and sleeping.

The strategy actually worked! Two months after I started, I put the finishing touches on *Wrinkle*, a novel in which overpopulation results in a significant number of people electively traveling to the future.

As you can see by this book's cover, you're not reading *Wrinkle*. But this book wouldn't exist without *Wrinkle* for several reasons: First, completing a novel after thirty-one years of not completing a

novel felt like a full-body cleanse. (That's an assumption—I've never tried a full-body cleanse, unless you count Taco Bell.) I felt unburdened by that long-overdue personal goal, and I was free to go all-in on my Kickstarter campaign for Viticulture. Without a successful campaign for Viticulture, it's likely that none of this—the games, the company, the blog, this book—would exist.

Second, completing *Wrinkle* helped me realize that I was the only person or entity holding myself back from the joy of creating something new. That is the difference between an imaginative person and a creative person—a creative person actually *creates* things. Crossing that threshold prepared me for the creative process that goes hand in hand with being a crowdfunder.

Third, after writing and revising *Wrinkle* in the summer of 2012, the novel came up in conversation with a literary agent I knew through some contacts in the publishing world. Jennifer Chen Tran read the manuscript, gave me some good feedback, and encouraged me to keep working on it.

I stayed in touch with Jennifer over the next year, during which time I ran two successful Kickstarter campaigns and built a strong audience on my blog about crowdfunding.¹ One day, she e-mailed me and asked, “Have you ever thought about writing a book about crowdfunding?”

I had entertained the idea but hadn't seriously considered it. In terms of total content, I had already written a book—all of my blog entries up to that point could fill a large tome.

Jennifer pointed out that the blog is pretty technical—it is mostly a step-by-step guide on how to create a successful crowdfunding project. It doesn't read as a cohesive whole. It doesn't tell a story.

More important, she added, my blog reaches only those who happen to stumble on it. It's a limited audience, mostly tabletop game creators. “Think of the other people you could help by telling

your story—and the stories of innovative crowdfunders—in a book,” Jennifer said. (I’m paraphrasing here—in reality, about twenty e-mail messages were needed before I fully grasped the concept.)

She was right. The whole goal of the blog was to help other creators, and I was reaching only a very small subset at that point. So I started writing this book for all types of entrepreneurs who are intrigued by the idea of crowdfunding, particularly those who are open to the idea that creating something is less about *them*—the creators—and more about *others*—the backers, customers, fans, and supporters who share a passion for the thing the creators are trying to make.

If you like this book, you can thank Jennifer Chen Tran and my readers for inspiring and encouraging me to create something for you. If you don’t like it, you can blame its existence on the popularity of the YA dystopian genre.

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INTRODUCTION

I've run seven successful Kickstarter projects that together have raised more than a million dollars, and I've consulted on and backed countless others. The success of those campaigns has allowed me to run my board game publishing company, Stonemaier Games, full-time.

Throughout this book I refer to Stonemaier Games in terms of “we” and “our,” since I’m not alone in this endeavor. I have a business partner (Alan Stone), an advisory board, hundreds of “ambassadors,” and thousands of backers (crowdfunding customers).

I designed three of our games—Viticulture, Euphoria, and Tuscany—as well as a game accessory, the Treasure Chest, all four of which have a total of nearly fifty thousand copies in print. To put it in perspective, that’s really good for a small publishing company that has been around for about two years and really bad for, say, Hasbro.

I write a crowdfunding blog where I share my insights, mistakes, research, and observations to provide a detailed template for how other crowdfunders might, I hope, achieve success. When I refer to “the blog” in this book, I’m talking about the Kickstarter Lessons website, not my personal blog.¹ That blog is mostly about my cats.

The crowdfunding blog serves as a complement to this book, but the two are very different. The blog is a step-by-step guide to creating a crowdfunding project and running a campaign. I’ve been told that it contains an almost overwhelming amount of information. So for the readers of this book, I’ve condensed those 125 lessons down to 125 sentences (well, I *tried* to limit myself to one sentence per lesson), found in the Resources section of this book.

They're not a replacement for the full entries, nor do they explain the logic behind the lessons, but if you trust me by the time you reach the end of this book, they're there for you to consider.

A Crowdfunder's Strategy Guide is much more anecdotal than my blog. Whenever I read a book like this, I find myself skipping over the pedantic parts to get to the concrete, real-life examples. So I've tried to fill the book with stories, not lessons.

Several projects I feature in this book fall into the category of "megaprojects." These are projects that wildly overfunded. You can learn a lot from these projects, but it's important to remember that correlation does not equal causation, especially when comparing your project with these. Just because megaproject A launched on, say, July 8 and raised \$10 million does not mean that if you also launch your project on July 8, you will raise \$10 million, too.

When you research megaprojects, dig under the surface a bit before drawing any conclusions. Read the project updates, poke around for a postmortem or lessons-learned post, look into past or future projects to see how their creators' methods changed over time, and so on. Megaprojects are often successful *despite* their flaws and deviations from best practices, and it's up to you to distinguish how they deviated and the resulting impact.

The one common thread between the blog and this book is my belief that you will significantly increase your odds of crowdfunding success if you focus on building community, empathizing with supporters, and developing trust-based relationships. Whenever you're faced with a decision—big or small—simply ask yourself, "What's the right thing for my backers?"

I will systematically prove to you in every chapter of this book that by putting your backers first and connecting with individual backers, you will be a better, happier, more successful creator.

Even though the stories and lessons in this book will increase your odds of crowdfunding success, nothing is guaranteed. This

is actually the great thing about crowdfunding: the crowd will vote with their dollars to tell you whether there is demand for whatever it is you're trying to create. If you put in the legwork and present your idea well, but it still doesn't successfully fund, that's a sign that the world isn't interested. And that's okay. It's a lot better to determine what the demand is before you invest thousands of dollars to make something.

Last, it's important to note that a lot of the examples in this book are tabletop game projects. I run tabletop game projects and own a board game company, so it makes sense that I pay more attention to that category and hobnob with other tabletop game creators more than others. However, the vast majority of the examples I use can apply to *any* category, and I've made sure to include plenty of stories from other categories, not just to reach various types of creators, but also because these stories fascinate me. I've learned just as much from campaigns unrelated to games as I have from those that are.

Now, my friends, it's time to make this book all about *you*.

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You Don't Need to Launch Today

The second-most successful Kickstarter project of all time originally launched six months too soon and failed. But when the Coolest cooler relaunched half a year later, it raised \$13,285,226 from 62,642 backers.

One of the biggest mistakes people make when launching a crowdfunding project is to launch too soon. While the Coolest cooler is an outlier, given its epic level of success, it serves as a great example of how *not* launching today can make a huge impact on your dream project.



FIGURE 1. The Coolest cooler, the product behind one of the most successful crowdfunding campaigns ever held. Reproduced courtesy of Ryan Grepper.

Ryan Grepper is an inventor in Portland, Oregon, who came up with the idea of the Coolest (fig. 1). With his innovative design, which features a built-in blender, a Bluetooth speaker, an LED light under the lid, a phone recharger, and more, he targeted Kickstarter as a way of gauging demand for the product. Ryan calls Kickstarter the “Skymall of the future,” where people go to find and influence tomorrow’s products today.

Ryan Grepper launched the original Coolest cooler Kickstarter campaign on November 26, 2013. With a goal of \$125,000, the project raised a fair amount (just over \$102,000)—enough to indicate market demand—but ultimately it didn’t fund.

When I spoke with Ryan in October 2014, he was candid about the experience. He confirmed that seasonality had a huge affect on the popularity of the summer campaign for the Coolest cooler. His original strategy was to schedule the crowdfunding campaign so that the product could be manufactured and delivered in time for the relevant season, but he realized that people aren’t really thinking about keeping things cool when they’re shoveling snow off their driveways.

After the unsuccessful campaign, Ryan got to work. He improved the design of the cooler and refined the project page, all while continuing to engage the original backers. Before relaunching the campaign in the summer, he used a service called PressFriendly to connect with bloggers and journalists who had written about innovative summertime products in the past. He identified a few key media targets and, as a nod to the cooler’s built-in blender, sent each of them a package containing margarita mix, a small bottle of Jose Cuervo, and a bag of water, with a note saying, “If you had a Coolest cooler, you’d be drinking a margarita right now.”

After the unsuccessful funding of the first campaign, Ryan was nervous leading up to the relaunch. His concerns were quickly assuaged, though, as all of his hard work the previous seven months

translated into more than \$300K on the first day, in early July 2014. In the peak of summer, keeping things cool was a top priority for anyone living in the northern hemisphere. The project rocketed past the million-dollar mark on day 2 and past \$2 million on day 3.

Ryan had planned to send personal thank-you messages to each backer, but he soon realized that wasn't feasible. In fact, despite his careful planning, he was deep over his head in replying to the flood of comments and messages he was receiving.

So he took action. It was summer break for college students, so he hired some neighborhood kids to form a customer-service team. He also tapped some international connections to provide 24/7 support to backers while the lights were out in Portland. Working off an FAQ and a shared Gmail account, Ryan and his team worked through the backlog of thousands of messages in a matter of days.

With thousands of backers joining the project every day, gathering feedback and involving backers in product development—standard methods for building community on Kickstarter—were quite a challenge. The top request that Ryan and his team received was to add a solar panel to the top of the cooler, but Ryan determined that doing so wasn't feasible. Instead, his team tried to concentrate all of this creative energy into backer polls, like the one team members ran in the middle of the campaign for new cooler colors. Ryan made sure to let backers know through project updates and videos that he was listening to their input, and several suggestions made during the campaign (hinge strength, handle configuration, phone dock design, etc.) would impact the final model.

The campaign showed no sign of slowing down. It eventually eclipsed the previous top-funding project, the Pebble smartwatch, and the campaign ended with more than \$13 million. Pretty impressive for a project that didn't reach its \$125,000 funding goal just six months earlier.

When You Control Time, There Is No Such Thing As “Last Minute”

Launching too soon is one of the most common mistakes made by crowdfunders—and perhaps the easiest to avoid. Creators contact me regularly asking for the same advice: “I’m launching my crowdfunding project today, and I just found your blog—do you have any last-minute feedback?”

Yes, I have some last-minute feedback: Don’t launch today if you’re doing anything “last minute.” Simply shift your artificially determined launch date to another day. Easy. Done.

Ninety-nine percent of the time when I get a message like that, I know something is wrong without even looking at the project page. Because if you have the mindset that you’re somehow on a deadline for launching your project, you’re setting yourself up for failure from the start. Not necessarily catastrophic failure, but you’re not doing everything you can to make your project a success.

A growing wealth of resources is out there for the steps you can take to increase the chances that your crowdfunding project will be successful. It’s important that you discover them *months* before you launch your campaign. So if today is the day you’ve discovered a key resource, add two to three months to today, and you’ll have your new launch day.

Not convinced? Here’s a list of some of the things you need to do before you launch your project. If you have not done these things, do not launch your project today.

The Definitive Prelaunch Checklist

- **Start a blog** focusing on creating content that is interesting and useful to other people and write one to three entries per week for three months.

- **Hunt down and subscribe to at least twenty blogs** related to your project. Read them every day. Comment on at least one a day. Do not think of this as networking. Think of it as reading about a subject you love and interacting with people who share your passion.
- **Read every Kickstarter Lesson on my blog**, listen to a number of Richard Bliss's Funding the Dream podcast episodes, and read James Mathe's blog about Kickstarter.¹
- **Back ten to twenty crowdfunding projects** and read every update in real time, taking note of when you reach the point at which you have the intense desire to unsubscribe. According to statistics pulled from John Coveyou's extensive Kickstarter data mining,² your chance of successfully funding your first project if you've backed only one project is 23 percent. If you've backed between eleven and twenty-five projects, your chance nearly doubles, to 55 percent. This isn't a token correlation—it's an indication that creators who take the time to back other projects and learn from them day by day are significantly better prepared.
- **Add value to something that's important to a stranger every day**, for at least two months. Share a crowdfunding project you love. Be active and positive on a message board or comment section. Send a message to a project creator and tell her what you love about what she's doing. Proofread and offer feedback on another crowdfunder's preview page. Contribute to a conversation on the Kickstarter Best Practices Facebook group. Play-test someone else's game. Do all these things without asking for anything in return or even mentioning that you are working on your own project.

- **Create a spreadsheet of at least ten successful crowdfunding projects** that are similar to your project to compare them with one another.
- **Create an extensive budget for your project**, factoring in a number of different outcomes and what they mean for production and shipping. This step is where you need to figure out how you're going to ship your product around the world in a way that is efficient and cost-effective for you and your backers. Don't wait to do this after your project has funded or launched.
- **Pay a professional artist and designer** to create some really attractive, eye-catching art to show off on your project page. Find an artist you love and pay him. Don't go cheap on art. Make sure that art is actually good by seeking feedback from people who don't care at all about your feelings (i.e., not friends or family).
- **Send out samples of your product to several high-impact bloggers**, podcasters, or YouTube channels. For game creators, this means sending full game prototypes. Don't send the samples out of the blue—send them only to people you've been a fan of for a while and have interacted with in some context.
- **Share your project preview page with at least twenty people**, asking for their feedback. Ask three specific questions and two open-ended questions. If there are inconsistencies in the answers you get, pay really close attention and do something about it even if you disagree.
- **Send out personalized press releases to fifteen to twenty blogs** and relevant news outlets at least one week before your project launches.
- **Clear your schedule for launch day** so that you can spend all

day sending personal invitations to share your dream with your friends and family and respond to individual backers as they pledge.

If you have not done these things, you are significantly decreasing the chance that you'll reach your funding goal. Period. All of the reasons you have for launching today are nowhere near as important to the success of your project as tackling all the steps on this list.

Let's look at some of the reasons people give for sticking with a self-created deadline even when it no longer makes sense:

"I already told everyone it's going to launch today."

The idea behind announcing an upcoming launch day is good—you build anticipation for your project, you release it to the world as announced, and then you hope to have a successful launch day. In essence, that's a good thing.

But the trouble is that you can sometimes forget that you're the one who creates those deadlines in the first place. No one is holding you to them, yet I get that sense from a number of project creators. They've been giving people a certain date for a while, and if they miss that artificial deadline, they feel like it ruins everything.

Let me assure you: nothing bad will happen if you don't launch on the day you said you would.

Plus, crowdfunding sites now allow people to press a button on your preview page and get a notification when you launch your project. So if you've shared your preview page with your friends and fans, they're going to get an e-mail when you're ready to launch.

"I have to launch today or I'll run into a bad time of the month or the year for a crowdfunding project."

Perhaps you've read somewhere that projects make more money or get more backers if they're launched at a certain time of the

year—that you should avoid launching in certain months or times of the month. Well, I'm here to tell you that if you have a great project and you've put in the legwork, timing hardly matters at all (with the exception of seasonality, as you saw with the Coolest). There's no magical formula for the month or time of month, so stop focusing on that and focus on making an awesome project.

"I have to launch today because I need the money ASAP."

Your livelihood should not depend on a single crowdfunding campaign. You're raising money to create something, not to fund your personal expenses. Most people will have tough financial times at some point in their lives. Those times suck, but they're neither the time nor the reason to launch a crowdfunding project. Figure out your personal finances and keep them separate from your project when it's ready to launch on its own merit.

"My project isn't 100 percent ready, but I'll fix it during the campaign."

It's a good thing if your *product* isn't 100 percent complete. Leave some wiggle room for feedback from backers and improvement. But the *project* should be 100 percent complete when you launch. Sure, it will evolve over time, but the first few days of a project are important. Don't waste them on a subpar project page.

"I have to launch today or my production schedule is ruined."

I saved this one for last because *I did this*. I wanted to get Euphoria to backers before Christmas, so I had to finish the project on June 12 and send it to my manufacturer by June 22. It was such a tight schedule, and we barely managed to make it for 95 percent of backers.

But here's the deal: No matter how well you've planned your project, you simply do not know what awaits you in production and

shipping. There are so many variables. If you really want to target certain dates—say, a release at a big convention—your production schedule should have at least one to two months of buffer room.



I wrote this chapter just in case someone recommended this book to you the week you planned to launch your project. It's going to be okay. You don't need to launch today. You have this book now. You have the gift of time: two to three months extra to prep your project for a successful launch. You have the definitive prelaunch checklist of easy-to-accomplish steps. In this book's Resources section, you have the "One-Week Checklist," a list of things to do in the final week leading up to your project.

After all of that prep work, when you finally press the Launch button, it's going to be spectacular.

Thank You For Reading

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