

DRAFT WORKSHEET

Pro's & Con's for Crowdfunding & Integrated Open Crowdfunding (IOC)

What is Crowdfunding?

Crowdfunding is a current popular internet based fundraising process to encourage small donations from lots of people to fund new ideas and experiments that may not be applicable to be funded through traditional philanthropic avenues.

What is Integrated Open Crowdfunding (IOC)? [note: open to a new name]

Integrated Open Crowdfunding is a intentional system that simultaneously prioritizes, funds, and staffs ideas and projects in an open and collaborative relationship with existing crowdfunding platforms, as well as non-traditional and traditional philanthropy foundations and networks. Additionally our intention is applying IOC to movement based organizing, creating the concept of "Movement Based IOC (MBIOC).

Pro's of current Crowdfunding Platforms that IOC wants to build on.

Accessible Micro-Funding is big money:

Crowdfunding allows access to millions of people around the globe to both launch fundraising campaigns and give small amounts that add up to big funds for ideas that otherwise would not be fundable in the standard philanthropy foundation networks. This is especially important for new social movements that may not be established enough to engage existing philanthropy networks, or choose to work outside of them.

Diversity of Ideas:

Currently there is a crowdfunding platform for pretty much any idea. You may not be able to put your idea on Kickstarter, but there are 100's of platforms out there and your idea always fits into one of them. Some platforms are even beginning to accept any idea no matter what its cause is. This was not the case just a few years ago, where you were pretty much stuck to going to a few platforms and if your idea didn't fit into their funding protocol you couldn't launch it.

Public Engagement:

Crowdfunding platforms offer an excellent way to connect and engage with new supporters and the public at large. Interested individuals can give feedback, make suggestions, and of course support a project. This gives an idea creator an essential avenue to build the idea after a successful crowdfunding campaign.

Con's of current Crowdfunding Platforms

Cf Con - High Bar for Successful Campaign

Most crowdfunding platforms are built with the intention of making money, not to support ideas and movements. Therefore the ideas that win aren't always the best, but instead the most developed and presentable. Many platforms expect fully developed videos and complicated online forms with existing financial systems set up before an idea campaign can be launched. This is not how social movement work, as leaders within social movements, and people in general are busy, tied up on different projects, and may not have time to develop an idea to the level that it is ready to launch on Kickstarter, Indiegogo or other online platforms which can take 5 even 10+ hours of time to create a campaign. That does not mean that the idea itself is bad.

Pro's offered by MBIOC

Open System allows for idea development

IOC's process is to collectively collaborate to develop the best ideas, therefore there must be an open idea input model where anyone can input any idea at anytime from anywhere in as little as 1-3 minutes. In participatory meetings, ideas come at random when someone raises their hand and shares, or clarifies someone else's idea so others understand it. That person may never return. IOC is based on a multi-level process, and the bottom level is a simple phrase or even just the name of the idea to get started. Ideas that are just a name, phrase or sentence can bubble to the top to become paragraphs, pages, and continue to get more and more support and become fully developed into platform based campaigns, and eventually even full foundation grant proposals if applicable.

Con's of current Crowdfunding Platforms

Chaos of Competition

Even if you do find the time to create an awesome video and copy edited campaign, many times you launch your idea, and it becomes one of thousands and it is lost a few days later, with little hope of getting funded. If you are trying to help a movement, where do you donate your money? Who knows unless the idea has already been funding to a high level. Most of the current platforms are created for existing communities that already have the connections to the people who will get their funding campaigns started, with the hope of jump starting the campaign so that the masses will see it. This model has many flaws, including forcing existing community funds (money already being planned to be donated) to go through a for-profit business, and many times an organization membership must donate more than they intended to reach their target goal or they loose it all, further increasing the pockets of for-profit corporations and investors.

Fragmentation of movements and time:

Current Crowdfunding platforms encourage fragmented ideas from all over the place . This isn't necessarily a bad thing for humanity as a whole, but for a social movement, it creates a lot of duplication and wasted efforts. An other way of looking at it, is that you have a single movement, and that movement has 10 project that put up crowdfunding campaigns online. First of all, those ten project might not know the other 9 even exist. Second even if they do know they exist, they may not be able to interact, and they may be competing against each other for the same donors. Third If one project gets funded for 10x the amount needed, and the other 9 projects don't meet their goals, there is no relationship between the projects and only one project might succeed depending on how it uses the money. Additionally because of timeline limits, you could have an additional 50 projects the year prior, that these 10 projects will never find out about.

Un-Democratic Systems

Most crowdfunding platforms support the concept of the project, not the ideas themselves. Current crowdfunding platforms create the platform itself into a democratic medium to choose projects, but once a project has been funded it stands alone. Some platforms may take some type of ownership of the idea, but they seldom support the idea itself. This is very different from supporting the organization that is coordinating the idea, we are talking about the journey that the idea takes to actually succeed once funded. For simple products, although difficult, it can be more straight forward. For complex causes, there are so many issues and details that most likely need to be worked out to successfully accomplish the idea that it doesn't make sense to have it be separate from the community itself.

Pro's offered by MBIOC

Open donation Options & Prioritization

The key to open donation options is to allow funders to donate any way they are interested. This means that we can take checks, credit cards, and pledges just the same as using Amazon Payments or Paypal. Weather a donation comes in through Kickstarter, or directly onto the project website, should not be our concern, because the goal is to support the best ideas. Even so, you can still have Chaos of ideas, how do you clarify and get people to the most important ideas? Although there is no right way, our primary goal is to focus the movement through prioritizing campaigns. This means we don't do one idea instead of an other, it means we do the top priority first, and then move to the second priority etc... By prioritizing in a level step system, and by different types of movements you create a way that people can easily connect to the most important campaigns within the movement at different times. Priority would not be which idea has the most money.

Integration and Collaboration

There are so many ways that we can integrate a collaborative network out of the many projects that exist. First of all the people who suggest ideas do not need to be the people who actually make the ideas happen. Additionally any project, regardless of what type of project it is, has many of the same tasks that need to be done for being successful by saving time, energy, and money. This includes finances, websites, editing, facilitation, legal entities, digital design and outreach. By sharing resources projects are better equipped to succeed. Just because a project may not be popular doesn't mean that is shouldn't happen. Popular projects that get overfunded can umbrella and support projects that get less support and vice versa. In the long run a project that has immediate popular support only has a minor advantage over a stable project with less money and support. 5 years later the smaller project can end up huge and the popular one may just fizzle out and die.

Democratization of Projects

Once a project is funded, that is just the beginning of the project itself. The funding brings the people to the table who are interested in making the project successful. There can be barriers to entry, but the key is that the community itself should and can still be involved. This is done with the concept of Sub-Ideas and Proposal-Ideas. Within a project MBIOC will allow for seamless integration of internal ideas and proposals to help coordinate and improve the success and achievement. This works both for accountability and transparency, advising, and public interaction, mobilization, and most importantly continued engagement. With MBIOC the funded projects never disappear, they build on each other and support more projects to succeed.

Con's of current Crowdfunding Platforms

Little to No Project support:

Many crowdfunding platforms take 10% even 15% overhead on the funds that are raised. Where does this money go, how do these funds support the ideas? Most of the time they don't. The money goes to the for-profit administrative system to get more funded ideas, which creates profit for investors. Additionally many crowdfunding platforms intend that the campaign already has planned staff to complete the project objectives (either volunteer, or paid by the donations). What if someone just thought up an idea with no expectations, and it actually gets funded big money. How do you create a budget, how do you pay people, create payroll, file taxes, deal with reporting and documentation? In a for-profit model, all you care about are the donations and getting your cut, then the project is left to fend for itself. In a movement model it is essential that the project succeeds for the benefit of the movement.

Useless Unless You Have Money

There is little point for anyone to go onto Kickstarter or Indiegogo if they don't have money that they are able to donate. The percentage of people in the world who are able to donate regularly to online crowdfunding campaigns is at best less than half of the world population. That means that a minimum of 3.5 billion people are left out and have no interest or need to go to these sites because they do not have money they can give away. Although a movement can use money to achieve success, it is not the foundation, especially a movement that includes building new alternative economies that are not based on bank backed monetary currencies.

Pro's offered by MBIOC

Direct Support & Staffing

The primary component of direct support and staffing, is to make sure an idea has people building supporting through additional fundraising and taking actions towards the success of the idea. We see this primarily as making sure we have workers. If an organization already has HR systems in place that is great, but if not, which in a movement is the majority of cases, there needs to be a foundation to start on. MBIOC have a pre-built-in HR system to ensure that any idea, regardless of whether it has volunteers or not, can be staffed and supported immediately once funds start coming in. This includes a reporting, payroll, recruitment, retention, and training. When MBIOC takes 5-10% of the funds generated for a specific idea, the funds don't go to a for-profit or investors, they go to direct support of the idea itself in the form of support systems described above that are available for all ideas.

Support & Volunteers

MBIOC integrates support and staffing into the system. Money is not the goal, the goal is the generation, advancement, and success of ideas, and money is only one of three essential components. The other two is support and workers. Workers can be volunteers, so we actively recruit and retain volunteers to support ideas, projects and campaigns that are part of the network within the crowdfunding itself. Additionally we encourage people to support campaigns without funds. From a simple click of support, to full rating and reviews on ideas and campaigns. Also we have built into the MBIOC system space for pledges of both money and time. So people who don't currently have money can pledge, support and volunteer to help ideas become reality.

Note: Many of the Con's are applicable to the most popular platforms, and some are addressed by alternative individual crowdfunding platforms, but there are no existing platforms that address all of these cons, and that is what MBIOC will do. Also there are a variety of other essential methodologies that MBIOC will synchronize with in its interaction with movement based organizing, which are not mentioned here as they have nothing to do with crowdfunding.