



CROWDFUNDING AND AI CHAPTER ONE

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Chapter One

Understanding Crowdfunding and It's Evolution

I've been here the whole time!" -

Marshawn Lynch

In this book, I won't delve into the entire history of crowdfunding, but I will take you through its remarkable evolution over the past few decades. You see, I've been part of this journey right from the start! Back in 2010, even before crowdfunding became a law signed by President Obama, I was already immersed in it. Over the years, there have been numerous changes, but interestingly, some things have remained constant. Understanding this evolution is crucial as it provides context for the strategies I'll be sharing with you. I know that some of the concepts I discuss in the book might not immediately make sense before you put them into action. But trust me, once you take that leap and witness these strategies in action, you'll start to feel more at ease with them.

So let's dive in together, explore the captivating journey of crowdfunding, and discover how these proven strategies can work wonders for you! Get ready to embrace the power of crowdfunding and unlock new possibilities for your ventures. Throughout these pages, our focus will be on business ventures, with a specific emphasis on small businesses. While crowdfunding offers versatility for various purposes, I want to ensure you receive tailored advice, optimized for the small business landscape.

It's essential to acknowledge that the techniques employed for small business ventures may not be universally applicable. I discourage the use of this book for non-profit or startup ventures. Each context demands distinct recommendations, as the dynamics and challenges faced by different tribes vary significantly. Different situations require specific advice, as the circumstances and challenges faced by various groups differ greatly. Together, we'll explore the realm of crowdfunding for small businesses, providing you with valuable insights and strategies to make your campaign a resounding success. At the conclusion of this book, you'll be equipped with the knowledge and tools necessary to propel your small business forward through the power of crowdfunding and AI.

This book will teach you about crowdfunding and the second half of the book will teach you about using AI with crowdfunding. I do not pretend to be an AI expert, but I do know good tools when I see them and I know how to evaluate tools that will help you do what you need to do when you are crowdfunding. Crowdfunding is the practice of funding a project or business venture by raising many small amounts of money from a large number of people, typically via the internet. In this book, I will be focused on business ventures. Specifically, small business ventures. You can use crowdfunding for a lot of things, however my focus in this book is small business. The techniques used for small business sometimes do not work for other ventures. This is why I do not advise you to use this book for a non-profit or start up. The recommendations are different because the tribe and circumstances are different.

In this book, you'll embark on a journey into the world of crowdfunding and discover how AI can elevate your crowdfunding efforts. While I don't claim to be an AI expert, I've honed my skills in recognizing valuable tools and assessing their potential to enhance your crowdfunding experience. My expertise lies in guiding you towards the right tools that align with your crowdfunding needs. Crowdfunding is the practice of funding a project or business venture by raising many small amounts of money from a large number of people, typically via the internet. One of the essential lessons in crowdfunding is to focus on crowdfunding one thing—the law of ONE THING! I've noticed people attempting to use tiered approaches, like if you donate \$200, you get item X, and we'll also donate money to a charity, or if you donate \$500, you get item X, and we'll send a child to school.

Honestly, adding charity donations to your crowdfunding campaign can be confusing. People don't need to buy your item to support a charity. Offering "buy one, donate one" deals can also be tiresome, as we all know we end up paying more for the item. If someone wants to donate, they can do it directly without involving you as a middleman.

Keep it simple and clear. Confusing your audience might lead them to say no, and you don't want that. Instead, focus on one clear fundraising goal at a time. Avoid making it overly complicated. By doing so, you'll avoid confusing your supporters, and they'll be more likely to open their wallets to support your cause. Stick to raising money for one thing, and you'll have a better chance of success.

The second crucial lesson is this: In crowdfunding, it's essential to remember that this is a business, and making sales is vital. No one will simply hand you money; you must actively sell something. If you find yourself struggling to make sales, crowdfunding might not be the right approach for you. It's crucial to have someone on your team who excels at selling or investing in improving your sales skills. There's no alternative to this. Without effective sales, your business won't thrive. Crowdfunding can reveal whether your team lacks strong sales abilities. To succeed, you must have someone who can confidently close sales on a daily basis!

Today, crowdfunding has evolved to presales (also called reward based), Donation, Debt and equity. Donation will not be discussed in this book because it is for charity and we are talking to small businesses. It's essential to clarify that when businesses receive money through crowdfunding, it's not considered a donation, as they are not non-profit organizations. We don't want to get distracted. We are here to raise money.

With Regulation CF Crowdfunding, you have the potential to raise \$5 million dollars every 12 months. Additionally, with Regulation A and D, you can raise even more funds. In the upcoming chapters of this book, we'll delve into the finer details of how these regulations work. For now, what's important to grasp is that you have the flexibility to raise either a small or a substantial amount of money through crowdfunding—it's entirely up to you and your goals.

End of Chapter 1