

American Express Small Merchant Knowledge Center
October Phase I Content
By Joshua Monen

AXP Umbrella Topic:

Leverage/Cash Flow, Financing Options

Series:

Crowdsourced Funding For Small Businesses

Article Headline:

Delivering On Your Crowdfunded Promises

What You Will Learn:

1. What To Do Immediately After Your Campaign Ends
2. How To Deliver The Rewards You Promised To Your Backers
3. How To Turn Your Idea Into a Viable Business

Body:

When it comes to conducting a successful crowdfunding campaign it's important to start with the end in mind. The feeling of exhilaration after meeting your funding goal can quickly turn to dread if you don't have a plan for what to do *after* you've funded your project.

In this article you'll learn:

- **What To Do Immediately After Your Campaign Ends**
- **How To Deliver The Rewards You Promised To Your Backers**
- **How To Turn Your Idea Into a Viable Business**

Building the Database and Saying Thank You

Whether you met your funding goal or not there are certain steps you need to take once your campaign ends. You'll want to personally thank all your supporters, create a system to stay connected with your audience and deliver the rewards you promised in a timely manner (if you met your goal). In order to accomplish all this you'll first need to create a database of your supporters.

Action: Immediately after your campaign ends gather all the information about your backers. Make sure to capture their names, email addresses, mailing addresses (if mailing a physical product), and how much they contributed. Most crowdfunding sites provide tools that help you gather this information. You may also want to export this database to your own customer relationship management system.

Once the database is complete you can email or message each one of your contributors personally. Although this can be a time consuming process it's an important act that conveys gratitude and builds trust. This is also a good time to ask your supporters to join your email newsletter. But remember, not everyone will join your email list so you should still thank everyone via a personal email or message (and not just send a generic email to your list).

How To Deliver the Rewards You Promised To Your Backers

Established companies have entire departments dedicated to logistics for a reason. The process of packaging and shipping products can be incredibly complicated and often lead to unexpected frustrations for small business owners. In fact, many call product delays “the dark side” of crowdfunding. [Ethan Mollick](#), a professor at University of Pennsylvania's Wharton School of Business examined 47,000 projects with a combined funding of \$197 million. Mollick writes:

“The vast majority of founders make serious efforts to fulfill their obligations to funders, but... over 75 percent deliver products later than expected.”

Action: Before you launch your campaign create a written plan to manage packaging and shipping. Calculate how much it will cost you to fulfill your orders both in terms of time and money. Consider outsourcing or using a fulfillment company in order to deliver on time. For more information on outsourcing and using fulfillment companies read [An Outsourcing Guide for Startups](#) and [How 4 Fulfillment Companies Can Boost Your Business](#). It's also important to prepare for success if your project should overfund. What will you do if you exceed your funding goal by 10, 50 or even 100 times?

How To Turn Your Idea Into A Viable Business

In order to turn your successful crowdfunding campaign into a viable business you will need much more than a polished pitch. You need a business model and plan that will provide the necessary framework for your business to function and grow. According to Jim Muehlhausen, CEO of Business Model Institute, “A business model is the proprietary methodology used to acquire, service, and retain customers.”

Action: Write a business model and plan *before* you launch your crowdfunding campaign. Then determine how your crowdfunding campaign will play into the larger scope of your overall model/plan. For more information on how to properly create a successful business model visit [Business Model Institute](#).

Bio:

[Joshua Monen](#) is a freelance financial writer, marketing consultant and speaker who specializes in small business, personal finance and startups. His has written for numerous national publications and websites including PerkStreet, MicroVentures and Lanier Upshaw.