



**Universität  
Zürich** UZH

Department of Business Administration - Chair for Entrepreneurship

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# A Primer in Entrepreneurship

Prof. Dr. Ulrich Kaiser

Chair of Entrepreneurship

Universität Zürich

Fall 2014



## Content





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# A Primer in Entrepreneurship

Part III Moving from an Idea to an Entrepreneurial Firm

**Lecture 10**

**Getting Financing or Funding**

**CROWDFUNDING**

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## Agenda

- 1. The Importance of Getting Financing or Funding**
- 2. Sources of Personal Financing**
- 3. Preparing to Raise Debt and Equity Financing**
  - 3.1 Sources of Equity Funding
  - 3.2 Sources of Debt Financing
- 4. Creative Source of Financing and Funding**



## 4 Creative Sources of Financing and Funding

### Crowdfunding

Getting financing and funding from a (large) number of contributors

Through crowdfunding platforms

First mover: ArtistShare in 2000

research.crowdsourcing.org/2013cf-crowdfunding-industry-report

crowd funding

Webmail UZH UZH - Entrepreneurshi... Erste Schritte

**massolution<sup>®</sup>**  
Crowd Powered Business

**2013CF CROWDFUNDING  
INDUSTRY REPORTS**

Crowdfunding platforms raised **\$2.7 billion** and successfully funded more than 1 million campaigns in 2012. Massolution forecasts an **81% increase** in global crowdfunding volumes in 2013, to **\$5.1 billion**. [View an Excerpt](#)



## 4 Creative Sources of Financing and Funding

### Crowdfunding

#### Two models:

Donation-based funding: funding in return for product

Investment funding: equity for ownership rights




**KICKSTARTER** Discover Start Search projects Sign up Log in

## Pebble: E-Paper Watch for iPhone and Android

by Pebble Technology

Home Updates **52** Backers **68,929** Comments **15,607** Palo Alto, CA Product Design

**Funded!** This project was successfully funded on May 19, 2012.



**68,929** backers  
**\$10,266,845** pledged of \$100,000 goal  
**0** seconds to go

Project by **Pebble Technology**  
 Palo Alto, CA  
[Contact me](#)

**K** First created · 51 backed  
**f** Eric Migicovsky 844 friends  
**g** getpebble.com  
[See full bio](#)

[Share](#) 107 [Tweet](#) [Embed](#) ★



## 4 Creative Sources of Financing and Funding

### Crowdfunding

Important platforms:

1. [Kickstarter](#): for creative projects; donation-based
2. [Indiegogo](#): for anything; donation-based
3. [Crowdfunder](#): for anything; investment-based; for formal seed financing





## 4 Creative Sources of Financing and

### Crowdfunding

Switzerland:

<https://wemakeit.com/projects/levin-n>

### Über wemakeit

wemakeit ist die grösste Schweizer Crowdfunding-Plattform für kreative Projekte.

Unterstütze Projekte, die dir gefallen, und erhalte dafür von den Künstlern individuelle Belohnungen – Einladungen, signierte Bücher, limitierte Editionen von Bildern und Photographien und andere exklusive Belohnungen, die sich die Künstler für dich ausgedacht haben.





## 4 Creative Sources of Financing and Funding

### Crowdfunding

Switzerland:

The collage features several elements related to crowdfunding:

- A screenshot of the **ibeliieveinyou.ch** website showing a project titled "Flug zur Optimist-WM 2014 in Argentinien". The page includes a video player with the text "Wir geben alles um uns für die WM zu qualifizieren" and a progress bar showing 24 supporters and 2830 CHF raised towards a 2500 CHF goal (113% completion).
- A screenshot of the **handwerksblatt.de** website with the headline "Neu: Crowdfunding für Handwerksbetriebe". The article text states: "Finanziert wird aus Eigenmitteln oder durch den klassischen Bankkredit – das ist der Alltag in den meisten Handwerksbetrieben. Wer damit nicht zufrieden ist, sollte sich mal über die Schwarmfinanzierung informieren. Denn Crowdinvesting ist längst nicht mehr nur für etwas für junge, hippe Gründer mit kreativen Geschäftsideen."
- A screenshot of the **COMARCH ERP Cloud** logo.
- A yellow button that says "Starte dein Projekt".
- A search bar with the text "Was ist I believe in you?".
- A navigation menu with items like "Startseite", "Betrieb", "Aus- & Weiterbildung", "Recht & Steuern", "Finanzen", "Auto", "Azubitest", and "IMPRESSUM | KONTAKT".

<http://www.ibeliieveinyou.ch/ibiy/#projectdetail/2150/?title=flug-zur-optimist-wm-2014-in-argentinien>



## Do you know the answer ?



Why do most entrepreneurial ventures need to raise money in their early life ?



What are the different sources of financing and funding ?



How do entrepreneurs prepare to raise funding ?

**...test yourself.**



## References

Barringer, B. and D., Ireland (2008): Entrepreneurship - Successfully Launching New Ventures, Pearsons Prentice-Hall.



## Outlook

