

Crowdfunding launched in SA

The Online Crowdfunding Café for Creatives & Innovators in Africa Crowdfunding is a new way of raising capital to realise exceptional ideas. Based on the phenomenally successful crowdfunding model that has experienced extraordinary uptake in the Americas and Europe, Thundafund - The Online Crowdfunding Café for Creatives & Innovators - has recently launched in Cape Town.



"Crowdfunding is going to fundamentally change the way we start many new enterprises in South Africa. Crowdfunding allows the many to vote with their wallets to decide what is made in our world. Thundafund will be driving this movement in creative and innovative development in South Africa and Africa," said Patrick Schofield, Thundafund's founder.

Thundafund wants to see innovation and creative-driven development in South Africa. It is well known that traditionally start-up funding for new ideas is extremely hard to come by and often is accompanied with unnecessary baggage, including: put your house/assets/family jewels on the table and "they" will consider a loan or investment, with interest, of course. And, frequently, if you do not have the collateral, then it is an outright, "No".

Through crowd activation, Thundafund is changing this. Thundafund allows people with great ideas to access capital, test whether they have a saleable idea and establish an initial market for their products and/or services.

Importantly, Thundafund does not just provide a route to access capital, but through networked partners provides levels of business support and mentorship. The "Thundavettors" and "Thundachampions" - who are category-specific industry professionals - both review and guide project creators, creating an enabling environment for budding entrepreneurs. Thundafunds' focus is initially on projects with a creative or innovative base, while also encouraging a strong positive social or environmental impact.

How does it work?

At its core, a crowdfunding platform like Thundafund allows a large number of people to each back a new idea or project by pledging with a small amount of cash. Project creators present their idea on the Thundafund platform and in return for various levels of financial backing; they offer "in kind" rewards - produced through the project itself. Many grains make a sandcastle - and soon these small amounts add up to the capital required.

In essence, the project creators, with their idea or project, sell it before producing it. For example, local musician Verity Price - had over 300 people backing her by pre-buying her album, "Journey", which allowed her then go ahead and make the physical recording of it. Their rewards included invitations to her launch and signed copies of the album itself.

As a massive success story, globally, the "Pebble Watch", launched on the US-based website Kickstarter.com, was a prototype watch that the project creators put out there and asked people: If you like it, back us. Over 68 000 people liked the idea and pledged their cash for the promised rewards offered. The Pebble Watch founders needed USD100 000 and within 30 days, Pebble has raised USD10.27million. No debt owed, no equity given away. The crowd told them they thought it was a cool idea.

Lately, crowdfunding has gained significant spotlight via well-known actors crowdfunding their own movies. Veronica Mars creator Rob Thomas and actress Kirsten Bell were 285% funded for The Veronica Mars Movie; Zach Braff 155% for Wish I was Here, both on Kickstarter. And currently, James Franco for Palo Alto Stories on IndieGoGo.

Make the decisions and keep creative control

With some substantial outcry as to why they've turned to the crowd for funding, it's simple: Actors often lose control of their projects and are at the beck and call of the producers and directors -with crowdfunding they have the opportunity to make the decisions and keep creative control.

And for us, the people out there, the crowd - we get to get tickets to the premier, star in the movie, really feel like "we" made this happen - not a select board with all the money. It's the democratisation of the creative process; we become part of making the world as we would like it.

Alongside this substantial funding, first-time backers of the acclaimed movie projects also moved to backed other projects on the websites. Crowdfunding is all about people been given the opportunity to become part of the creative process, whether it's a movie project or a food garden.

Thundafunds' social mission is based on the belief of "prosperity through enterprise". Employment is a key challenge in South Africa - each of the funded projects generates work around them: the singer employs a producer, a recording studio, musicians, a graphic designer, a driver to distribute the CDs and so on. The recording studio employs an electrician, sound technician, and a cleaner and outward do the ripples flow.

The following categories are open to Thundfund crowdfunding:

- Art & Photography
- Community
- Craft
- Design
- Events
- Fashion
- Film & Video
- Food & Beverages
- Media & Publishing
- Music
- Performance
- Sport
- Technology & Games

Thundafund is headed up by social entrepreneur Patrick Schofield. Having consulted widely in the development world, and personally established and built up successful high social and environmental impact organisations, Schofield recognised

the need and opportunity for the crowdfunding model in South Africa and Africa. He began working on Thundafund in 2011. When the partnership with Buzzbnk.org, a UK-based crowdfunding platform, was formed in mid-2012, Thundafund began to take shape. The team is now: Patrick Schofield; Eben Welby-Solomon; Jamie Walker and Andrea Morgan.

For more info, go to www.thundafund.com.

For more, visit: <https://www.bizcommunity.com>