

Kickstarting The Brands Of Tomorrow

CASH-STRAPPED ENTREPRENEURS TURN TO CROWDFUNDING
BY MICHAEL SUDMEIER

WHEN IT'S TIME TO TRANSLATE A DREAM INTO ACTION, MANY PEOPLE FIND THEMSELVES MISSING A KEY INGREDIENT: CASH. TO OVERCOME THIS CHALLENGE, ENTREPRENEURS HAVE HISTORICALLY TURNED TO FAMILY, CREDIT CARDS, BANKS, AND VENTURE CAPITALISTS FOR FUNDING. HOWEVER, THESE OPTIONS USUALLY FORCE THEM TO SURRENDER CREATIVE CONTROL AND EQUITY. THE PAST FEW YEARS, HOWEVER, HAVE BROUGHT AN ADDITIONAL OPTION: CROWDFUNDING. CROWDFUNDING TAPS INTO THE COLLECTIVE SUPPORT OF INDIVIDUALS TO FINANCE PROJECTS.

Through online platforms like Kickstarter, entrepreneurs can raise cash to launch creative ventures, bring new products to market, and fund community events and resources. Before posting projects to its site, Kickstarter reviews them to ensure they meet the company's guidelines. Each project must also have a specific funding goal and deadline, as well as a tiered system of rewards for backers. According to Justin Kazmark, Kickstarter's director of communications, rewards are especially successful when they offer behind-the-scenes access and connect creators with project backers. These approaches, explains Kazmark, "narrate a different experience than purchasing a product on the shelf in the traditional marketplace." For example, Forsake, a skate-inspired boot company, offered investors their choice of Crayon drawings made by the company's founders, the opportunity to attend a Red Sox game with them, or a pair of shoes from the brand's inaugural collection.

To receive funding—and for backers to receive rewards—a project must meet or exceed its goal. According to Kazmark, approximately 44 percent of projects are successful in securing funding. Since Kickstarter's inception in 2009, more than 1.8 million people have backed projects, collectively pledging more than 200 million dollars. If a project is successful, Kickstarter receives five percent of the funds raised, and Amazon, which handles payment processing, takes an additional three to five percent.

After spending 15 years in the BMX industry, Dave Harrison turned to Kickstarter to create Pedal Driven Cycles. For pledging a dollar, backers received their name listed on the company's site, while those who pledged 750 dollars received a frame from Harrison's inaugural line, Kool Thing. For Kevin Cunningham, Kickstarter aided in launching Spirare Surfboards, a company committed to reducing its environmental impact. Spirare uses recycled EPS foam in its

cores as well as sustainably harvested wood in its rails and top and bottom skins. Yet Kickstarter isn't just for startups. Drawing on eight years of experience crafting surfboards, Rozbern Surf, secured funding through Kickstarter to debut a collection of environmentally friendly boards at the New Jersey Surf Show.

Successful Kickstarter projects tend to offer not just fresh products and ideas, but also stories that connect with people. This is aided, in part, by Kickstarter's emphasis on video as a means for projects to tell their stories. But for these stories to connect with people, they must be shared. Daniel Young of Skateboards Hawaii reached out to local media outlets, threw a launch party, and spread its story via social media.

Patrick Lowery's campaign received a boost when several skate companies shared a link to it. Frustrated by the lack of a skatepark in his hometown, Lowery turned to Kickstarter to create The Lost Bowl in Richmond, Virginia. He explains, "The Lost Bowl is a dual-use skate bowl and swimming pool—swim three months and skate the rest." Located in his backyard and backed by a hefty insurance policy, the private bowl is open to essentially anyone over the age of 18.

Project creators are quick to emphasize that the value of a Kickstarter campaign cannot be measured solely in dollars. A year ago, Vere secured funding to launch its collection of American-made sandals. According to Co-founder, Michael Ferreri, "We now have the luxury of having a core group of consumers in a direct relationship with us where we can get feedback on our products regarding current

fit and quality and the potential of a sounding board down the road as we expand our product line."

For Chris Brunkhart, Kickstarter provided motivation as he self-published *How Many Dreams In The Dark*, which showcases the legends of snowboarding. He credits Kickstarter with "Definitely getting me through those 18 months of editing, scanning, and designing. Knowing that I had support out there helped me get sample books made and got me to the next step on this long journey." Luckily for Brunkhart and other project creators, their journeys are no longer made alone or with empty pockets.



Kevin Cunningham used Kickstarter-powered crowdfunding to launch Rhode Island-based Spirare Surfboards. PHOTO: COURTESY SPIRARE

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ACTION SPORTS KICKSTARTER PROJECTS

From flip-flops to documentaries, Kickstarter is helping build brands and support creative projects. By drawing on the collective funding of individuals, entrepreneurs can launch new ventures without surrendering equity or creative control. Here's a glimpse of recent projects from inside the industry:

The Lost Bowl—Responding to the lack of a skatepark in his hometown, Patrick Lowery turned to Kickstarter to build a

bowl in his backyard in Richmond, Virginia.

Ego Optics—Ego recently released its debut collection of sunglasses, which are made from repurposed skate decks and feature polarized lenses.

Slipping: Skate's Impact on Egypt—This documentary film explores the creation of Egypt's first and only skateboard shop and the scene it established.

43 Magazine—Founded by photographer Allen Ying, the magazine showcases skate photography and artwork from premier players. The publication is available for free at select skate shops across the United States and abroad.

Vere Sandals—By manufacturing domestically and using recycled materials, Vere aims to create sandals that are "Made Here. Made Better."