

How To
START
YOUR COMPANY
USING



LAUNCHLEADER



LaunchLeader is a micro-crowdfunding platform for entrepreneurs to raise startup money from friends and family.

Introducing LaunchLeader

Millions of people around the world are looking to start a business but need to raise capital to get started. Before they are ready to join an accelerator or seek angel funding, many entrepreneurs turn to crowdfunding platforms (CFPs) to raise early-stage seed money.



LaunchLeader is designed to increase the success rate of aspiring entrepreneurs by overcoming the biggest drawbacks of other crowdfunding platforms.

Those drawbacks include:

- **High campaign failure rate.** Up to 90% of campaigns fail due to insufficient preparation and lack of support from their internal community (friends and family). **LaunchLeader** seeks to correct this by starting with small funding goals and getting your close supporters to back the initial tools you need to successfully launch your company, e.g. website, logo, video, etc.
- **Too much campaign clutter.** **LaunchLeader** is focused on individual entrepreneurs and their ideas rather than diverse causes. Using **LaunchLeader**, entrepreneurs can raise the capital they need to bridge the gap between the first stages of having an idea (called a “Minimum Viable Product” (MVP) or proof of concept) and the next milestones.
- **Lack of an experienced team.** **LaunchLeader** will connect you with people who have the skills and experience you need to make your idea come to fruition.
- **Lack of transparency and accountability.** **LaunchLeader** is the only CFP that includes a section where entrepreneurs are required to provide evidence that the money that they raised was used to grow their business.

Overcoming these drawbacks makes it easier for entrepreneurs to raise money with crowdfunding and will make backers more confident to donate.

The following pages will explain the unique features of **LaunchLeader**.

The entrepreneur profile

Entrepreneurs begin the process by creating a profile on www.launchleader.com



The profile is important because, unlike other crowdfunding sites, **LaunchLeader** focuses on individual entrepreneurs instead of just projects.

ABOUT ENTREPRENEUR

Jayden Mann

Youth Localized Venture Umbrella

Vancouver, WA, USA

Speciality

- Developer

Skills

- Advertising
- Algorithm Design
- Analytics

Experience

- BrainCabin

Education

- SUST

Industry

- Construction
- Education
- Energy

Seeking

- Developer
- Designer
- Marketer
- Product Manager
- Scientist

The profile section makes it possible for visitors to get to know individual entrepreneurs as people. Entrepreneurs enter an engaging headline (such as Social Entrepreneur Focused on Educational Technology), their location, specialty, skills, work experience, education, a summary of their background and interests, a specified funding target, the way they will use the funds, what team members they are interested in working with and upload an image and/or video.

Umbrella for Young Volunteer



The information gathered in the profile makes it possible for donors to search for entrepreneurs by criteria such as location, area of interest or school affiliation. It also allows entrepreneurs to connect with domain experts (such as developers and designers) and mentors.

“Micro-crowdfunding” allows entrepreneurs to ask for smaller amounts and reach their goal faster

The failure rate statistics on traditional crowdfunding sites are shockingly high. Kickstarter projects fail to reach their funding goal 40% of the time, which means that the project creators don't receive any of the funds. Only 10% of projects on Indiegogo (IGG) reach their goal, which means they have to pay higher fees in order to get the funds. Moreover, most projects fail miserably; 80% of IGG projects raise less than 20% of the goal.

LaunchLeader uses a unique micro-crowdfunding model that makes it easier for entrepreneurs to successfully raise the money they need and build momentum for their startup.

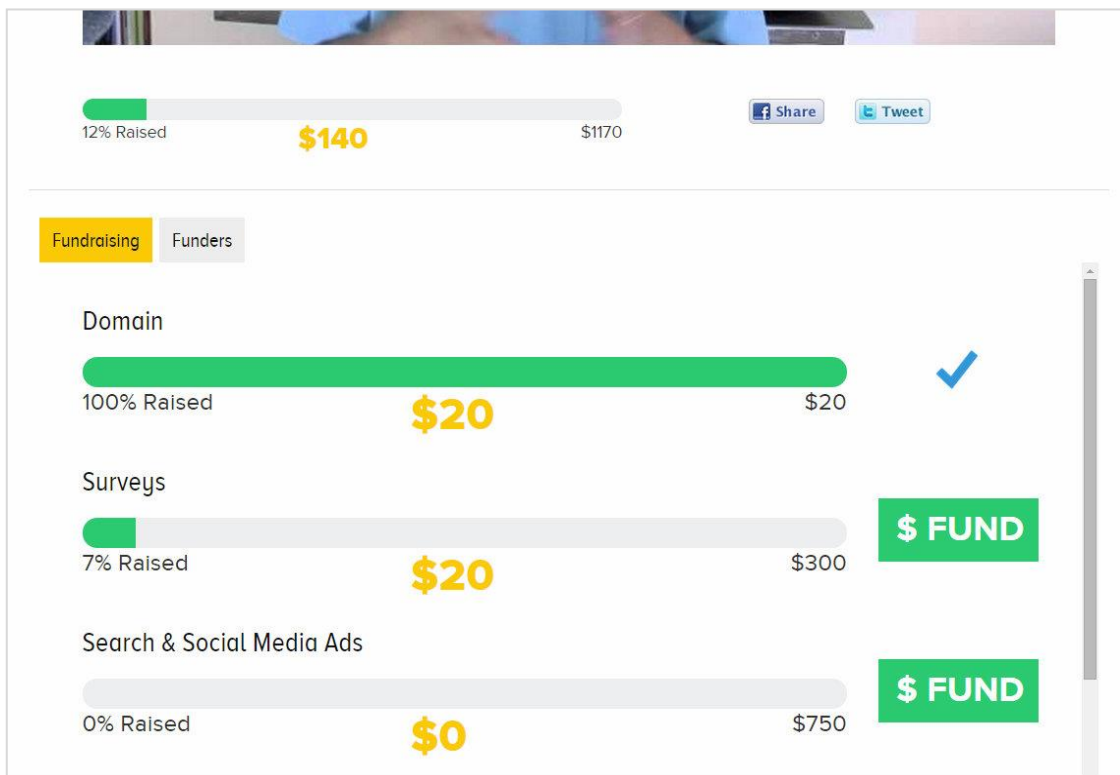
Crowdfunding failure rates are strongly correlated with the size of funding asks. The more money people ask for, the less likely they will be to get it. On **LaunchLeader**, entrepreneurs ask for money in smaller increments, averaging a few hundred dollars per ask, which makes it easier to reach the goal amount and receive funding.

Instead of being overwhelmed by raising a huge dollar sum, entrepreneurs can raise a series

of smaller amounts as building blocks to a larger project fundraising effort. It takes less time to get fully funded for a small campaign, which is gratifying for both the donor and the entrepreneur when the goal is achieved. Crowdfunding research also shows that shorter campaign durations are most likely to succeed.

Specific project deliverables increase accountability

Entrepreneurs request funding for specific deliverables that will build their business, such as a logo, explainer video, sales letter, landing page, website design, pitch deck, or survey. The design is similar to a wedding or baby shower registry, where the donor can see a wish list of everything that the entrepreneur needs, and can choose where to earmark the donation.



Once the small project is fully funded the entrepreneur is prompted to provide proof that she spent the money on the specified deliverable. For example, if she raised \$500 for a logo, the entrepreneur posts the completed logo on her LaunchLeader page so that funders can see the results of their donation.

Over time the online community will be able to witness the entrepreneur's progress as each startup tool is posted on the site. This relationship building exercise makes it more likely for the entrepreneur to raise follow-on capital from supporters who have witnessed her competence and credibility.

THE LEAN STARTUP

THE MOVEMENT THAT IS TRANSFORMING HOW
NEW PRODUCTS ARE BUILT AND LAUNCHED

LaunchLeader follows the principals of the Lean Startup movement for entrepreneurs

LaunchLeader closely follows Eric Reis's "Lean Startup" methodology, which is the dominant approach across successful entrepreneurial economies. According to www.theleanstartup.com, *"Too many startups begin with an idea for a product that they think people want. They then spend months, sometimes years, perfecting that product without ever showing the product, even in a very rudimentary form, to the prospective customer. When they fail to reach broad uptake from customers, it is often because they never spoke to prospective customers and determined whether or not the product was interesting. When customers ultimately communicate, through their indifference, that they don't care about the idea, the startup fails."*

Following the Lean Startup process, entrepreneurs can:

- Eliminate uncertainty by continuously testing their vision while developing the product.
- Ask themselves, *"Can I build a sustainable business around my idea?"*
- Enlist early adopters who will be customers before the product has been built.
- Develop a minimum viable product (MVP) that will enable the founders to learn as quickly a possible.
- Use validated learning to find out what customers want and what they will pay for before spending months or years developing a product.
- Listen to customer feedback and know when to pivot and when to persevere.

The tools in **LaunchLeader** allow entrepreneurs to closely follow the Lean Startup method. For example:

- Most campaigns fail within the first few days due to lack of support from their internal community (friends and family). With **LaunchLeader** your close supporters can identify themselves right away and offer their assistance for some of the things the entrepreneur will need to successfully start a company or launch a larger crowdfunding campaign.
- **LaunchLeader** provides the customer feedback and validation necessary to follow the Lean Startup method.
- **LaunchLeader's** incremental fundraising campaigns make it easy to build and test most minimum viable products (MVPs).

Built-in control mechanisms that encourage effective use of funds and create transparency

A big problem with crowdfunding today is the lack of accountability and transparency.

When you give \$100 to an entrepreneur, how do you know this will go to advancing her business? Does the entrepreneur even know what to do with the money?

LaunchLeader answers these questions by specifically prescribing a use for the raised funds. Entrepreneurs are required to say and show exactly where the money will go.

We ask the entrepreneur to upload proof that they she fulfilled the stated goals on her **LaunchLeader** page so donors and other community members can monitor progress. If the entrepreneur does not follow through, it will likely impede future fundraising efforts, creating a strong incentive for entrepreneurs to be accountable.

This creates a level of transparency not found on other crowdfunding sites, where founders aren't required to specify where the funds will go and may not even have a plan of how to spend the money effectively.

On **LaunchLeader**, entrepreneurs have to plan their operation and are held accountable for each step.

When entrepreneurs show how they used the funds, it benefits both entrepreneurs and funders. Funders have more trust when they can see that their donation went toward a specific outcome, and that level of trust increases the likelihood that they will donate again. Funders are reassured that their dollars have been well spent and get to feel like they have made a tangible difference in the entrepreneur's success.

Entrepreneurs are kept on track and gain motivation to move forward with their idea. When they post their progress and share their milestones with the community, it generates buzz for their idea, fosters confidence and keeps supporters interested and engaged during the process.

Smaller funding amounts are based on the fact that it is becoming more affordable to start a business

The smaller ask amounts on **LaunchLeader** reflect the fact that it does not cost a lot of money to get a business started these days. Experts suggest that **most startups can be validated for under \$2,000**. Instead of asking for a large and questionable figure that may or may not correspond to reality, **LaunchLeader** prescribes a range of dollar amounts that are valid for the creation of the tools necessary to test the viability of a business.

Donation-based funding simplifies raising money

“Donation-based” means just that: funders giving money with no tangible expectation of a return on their gift. Unlike equity-based funding, where investors get a portion of the company, or rewards-based funding, where backers receive a pre-order of a product, donation-based funding is for goodwill purposes.

The reward is the experience of sharing in the progress of someone who you care about. Despite popular misconception, more than half of crowdfunding money today goes to donation-only campaigns. Donation-based funding simplifies the transaction since there is no requirement or enforcement of rewards delivery, which frequently gets delayed in rewards-based campaigns. Donation-based funding also avoids the complex, risky and changing regulation surrounding equity-based crowdfunding.

Friction-free donations make payments easy

By using Stripe – one of the most popular payment processing platforms in the world – and Facebook, **LaunchLeader** has made the donation process easy, safe and fast. Stripe specializes in designing secure online checkout systems for desktop and mobile devices. Facebook social integration allows donors to automatically share contact information rather than manually create an account.

Fair and simple fees

Launch Leader collects a 5% fee when the funds have been successfully raised. Additionally, Stripe collects 3% of each successful donation. These fees are standard for crowdfunding platforms.

Entrepreneurs can choose from a suite of preferred vendors

We encourage entrepreneurs to allocate funds within our suite of preferred vendors who offer discounts for best-in-breed startup tools. We are constantly researching and testing the most cost-efficient and effective vendors in the marketplace and we guide entrepreneurs based on our decades of successful startup experience.

Team matching based on complementary skills

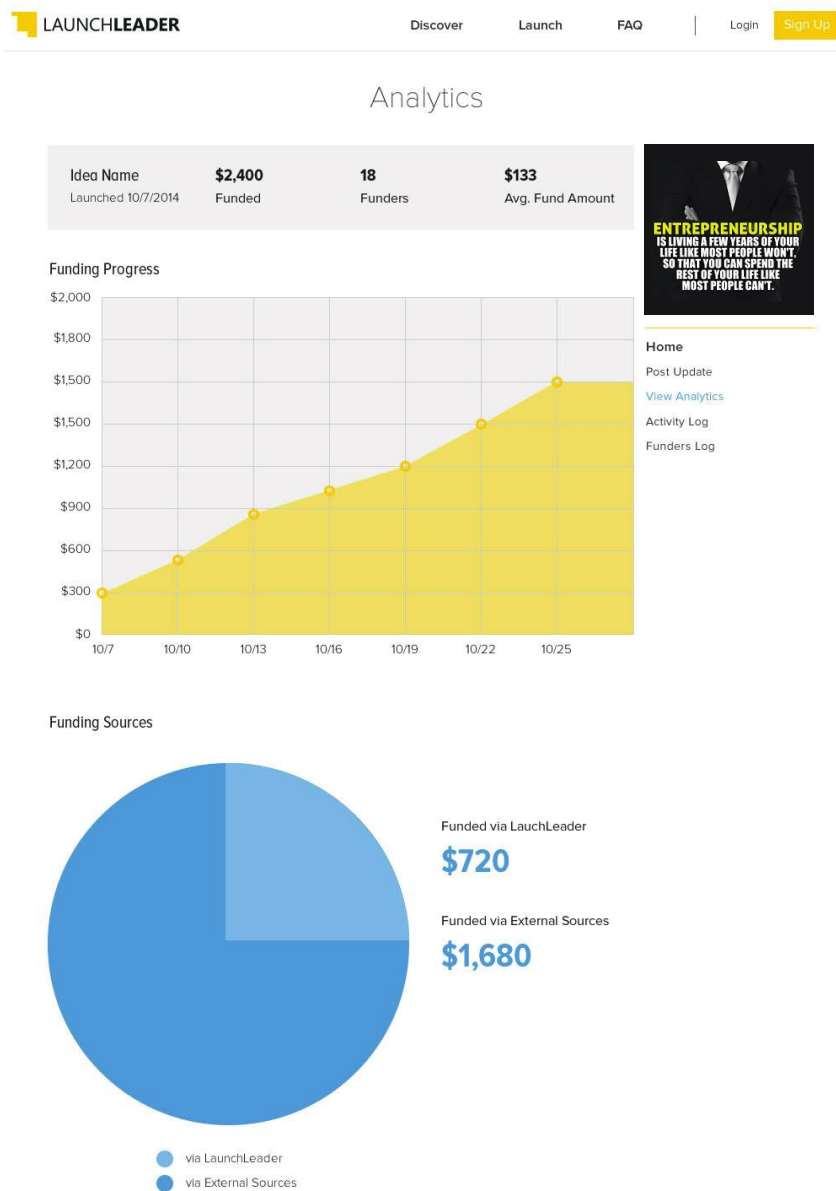
When entrepreneurs create a profile they can specify what type of help they need to launch their business. An algorithm built into the platform automatically connects people who might be a good fit to work together based on skill matches. Once **LaunchLeader** identifies a match between a team member and an entrepreneur, they can connect on the platform to initiate the relationship.

Engaging funders through the social web

There are many ways you can stay in touch with your funders including social media sharing, private messaging and an option to export the data that you collect so that you can stay in contact with your supporters after the crowdfunding campaign is complete.

Analyzing data for campaign optimization

Entrepreneurs receive access to a robust analytics dashboard that reveals statistics and trends such as average funding amount, fundraising by date and sources of funding.





LaunchLeader offers a structured, simple and engaging experience for entrepreneurs and their friends and family to share in the pursuit of startup dreams.

Get started at www.launchleader.com

About The Company

LaunchLeader is a product created by SIVI, a virtual incubator for aspiring entrepreneurs. SIVI provides entrepreneurs with educational and training resources. The company's mission is to democratize entrepreneurship.

SIVI's other products include SIVI Academy, where entrepreneurs can learn the fundamentals of entrepreneurship, track their progress and showcase their achievements, and Vidspresso, which curates energizing and informative stories from successful startup founders.

Nik Seet and Ashok Kamal, the founders of SIVI and **LaunchLeader**, were both novice entrepreneurs enrolled in graduate entrepreneurship classes when they got their "big break" from the Rice University Business Plan Competition (RBPC), which is considered the world's premier student business plan competition.

They joined forces to start SIVI, and in the fall of 2013, SIVI was one of seven companies that graduated from the VentureSpur accelerator. They raised \$365,000 in funding from angel and venture capital investors.

Both Nik and Ashok have built several businesses, raised millions in capital, worked with mentors, conducted research, developed products and learned how to find and delight customers. Their biggest goal is to help aspiring entrepreneurs learn from their experiences of both success and failure, and provide a system to improve the hardest part of entrepreneurship: getting started.

Nik and Ashok want to give other aspiring entrepreneurs the same opportunities that they had and look forward to interacting with them on their Facebook group for entrepreneurs: www.facebook.com/groups/LaunchLeader



ASHOK KAMAL,

Co-Founder & Chief Executive Officer

Ashok's career as a social entrepreneur spans the for-profit and nonprofit sectors, including running a youth development organization in New York City and co-founding Bennu, a leading green social media marketing company. He is a mentor with the Network for Teaching Entrepreneurship (NFTE), vegetarian foodie, and fantasy baseball aficionado.



NICHOLAS SEET,

Co-Founder & Chief Technical Officer

Nicholas has been a serial entrepreneur since his first startup concept was funded and he left his software development position at Deloitte Consulting. Since then he served at different times as Founder, CTO, and CEO of Auditude, which was acquired by Adobe Systems in 2011. He enjoys public speaking, creative writing, and being with his wife, Vivien.