

How do I get started?



Understanding margins in crowdfunding



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Why are margins important?



PROFIT?

**MONEY THAT GOES
BACK INTO YOUR
PROJECT?**

**AMOUNT YOU CAN
DISCOUNT BY?**

Raising funds & costing rewards...

How do I
work out
what to
charge?

Materials



Labour



Price

Costing your rewards

How do I
work out
what to
charge?

Materials

+

Labour

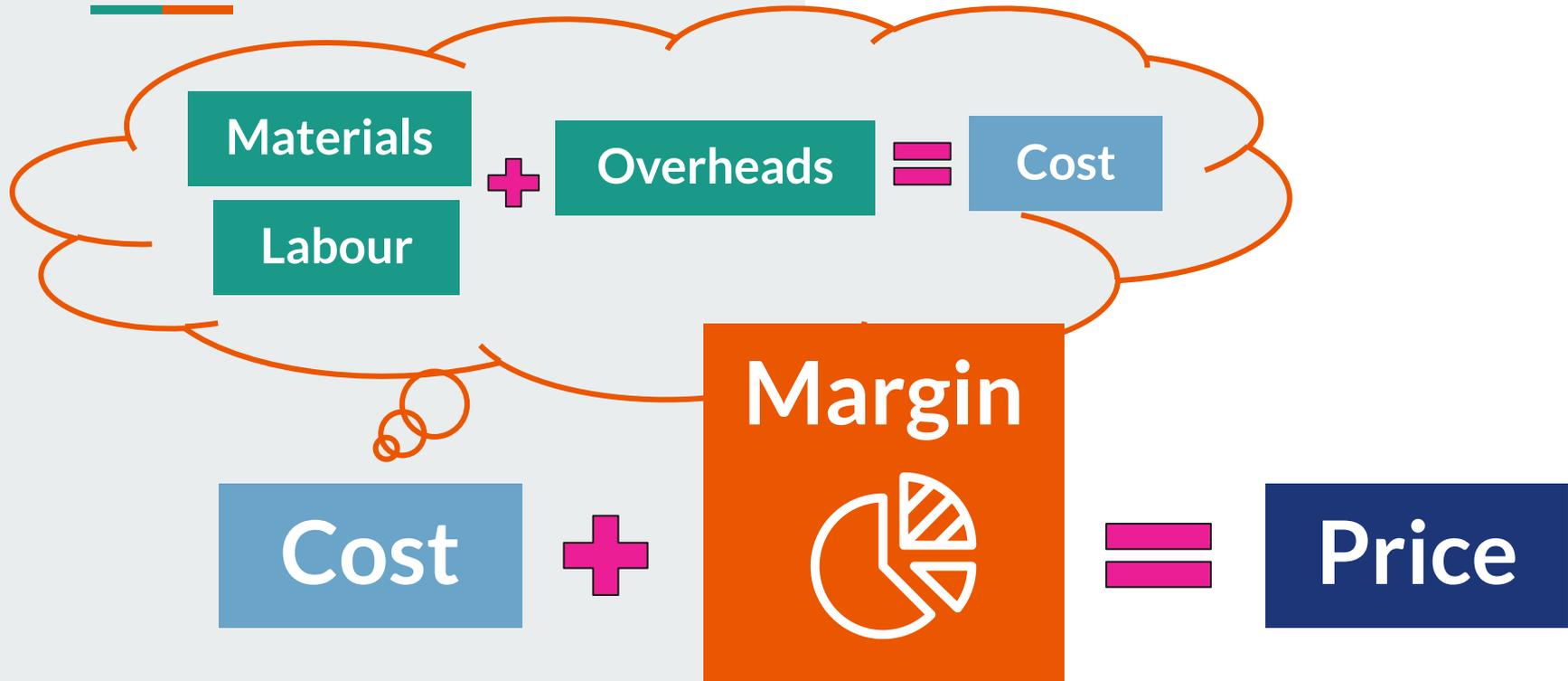
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Overheads

=

Cost

What is the “price to supporters”?



Costing your rewards...

Example

| Product | Price To Supporter | Cost To Produce | Margin |
|--------------------|--------------------|-----------------|--------|
| Simple Product | £5 | £3 | £2 |
| Basic Product | £29 | £14 | £15 |
| Customised Version | £75 | £55 | £20 |
| Special Hamper #1 | £100 | £65 | £35 |
| Special Hamper #2 | £100 | £85 | £15 |
| Deluxe Package | £1000 | £600 | £400 |



**PROFIT
OR
MONEY**

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Costing your rewards...

Does it
seem
“OK”?

Look at your **price to supporters...**

- What's the 'going rate'?
- **research similar products, events etc.**
- Can anyone afford it?
- **ask potential supporters**

Costing your rewards...



Does it
seem
“OK”?

Look at your
margin...

- How many of these do I need to ‘sell’ to reach my target?
- Which things are worth focusing on?
- Why?

Costing your rewards...

Example

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Margin



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Don't forget the 10%



Add platform charges...

- Most crowdfunding platforms **charge around 10%** (inc payment processing fees, VAT etc)
- **Make sure to add these in to your costs**

Margins



How much
money goes
back into your
project?

Quick recap

Calculate all the costs...

- How much will it cost to **deliver** your rewards?
- Which ones will give you the **best margin**?
- Are they **good value**?
- How many will you need to 'sell'? Is this **realistic**?