DESIGN West: How to fund your tech startup with Kickstarter

R Colin Johnson - March 13, 2013

Does your entrepreneurial idea have a shot at crowd-sourced financing? What would you need to do to ensure your crowd-funded, startup is successful? Find out the answers to these questions and more at the DESIGN West session Why I Failed Kickstarter and My Friends Didn't, on Wednesday, April 24 in San Jose, Calif.

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Bob Baddeley, founder of Portable Scores will describe two Kickstarter projects which were launched on the same day. He'll analyze why he believes his friend's launch succeeded at Nomiku but his own Portable Scores failed to reach its funding goal. He'll also tell how he resurrected his failed project by emulating other successful campaigns at Kickstarter.

"Running a crowdfunding campaign takes a lot of work," said Baddeley. "You need to be very well prepared and go after every media outlet if you hope to attract enough attention."

After Baddeley graduated as a Computer Engineer from Oregon State University he worked for seven years at the Pacific Northwest National Laboratory doing government research before brainstorming Portable Scores. His idea was to provide an inexpensive portable scoreboard for soccer, baseball, football and other sports like boxing where their are typically no professional scoreboards available.
Portable Scores founder Bob Baddeley stands next to his tri-pod mounted scoreboard, which can be updated via remote control or smartphone app.

"I just noticed that most of the sports I participate in are played at venues that did not have a scoreboard," said Baddeley. "My friends and I were just tired of forgetting the score, turn or time left, so I founded Portable Scores."

His first job was to build a prototype, for which he applied to HAXLR8R, a venture fund which sponsors a three-month junket to Shenzhen China twice a year where it plugs entrepreneurs into the realities of mass production. In exchange for an equity interest it provides seed funding, lab and office space, as well as mentorship while startups craft working prototypes capable of being mass produced.

"HAXLR8R took over 100 applications and chose 10 winners to go to China, including both Portable Scores and Nomiku," said Baddeley. "We visited factories in China and learned how to design our prototypes for mass production."

Upon returning to the U.S., all the prototypes were displayed on HAXLR8R Demo Day where traditional venture capitalists and angel investors were invited to view them. Unfortunately, none offered to provide the funding necessary to do an initial manufacturing run in a Chinese factory.

Second shot

"I was depending on the media coverage from the Demo Day, which was very disappointing," said Baddeley. "My company was just one person--me--and I had just spent three months in China at HAXLR8R, so I didn't have any media materials prepared and my video presentation was not very good."

Subsequently, both Portable Scores and Nomiku decided to try crowd-funding at Kickstarter. Both companies launched their Kickstarter campaigns on the same day, but the resemblance stopped there, because within 30 days Nomiku had raised over a half million dollars--almost three times the amount for which they were asking--while Portable Scores failed to meet its goal of $200,000.

"My analysis is that our Kickstarter failure was not a result of weakness in Portable Score's product, but a direct result of not enough media attention--you need to generate buzz to persuade people to make pledges on Kickstarter. We have fixed that now by continuing to refine the product, get working prototypes out to beta-testers and put together a professional marketing campaign for our
second attempt at crowd-funding," said Baddeley.

Portable Score’s DigiTally scoreboard has different remote control screens. Shown here is one for interval training, where people work out for a short interval, then rest before another burst.

Besides Kickstarter, there are now about a half dozen alternatives including Fundable, Microventures, and Indiegogo, from which Portable Ventures can choose for its second stab at crowd-funding. Plus there are a number of case studies revealing the psychology of why people make pledges, which Baddeley hopes to emulate to multiply Portable Score’s chances this time around.

“When I started, only a few projects had ever raised more than a few hundred thousand dollars, and they were the outliers—not many people knew much about what it really takes to make a Kickstarter project successful,” said Baddeley.

One successful project Portable Score is emulating this time around is the Pebble E-Paper Watch, which only had a goal of $100,000, but instead raised over $10 million. “After talking to Pebble, I found out it was a good thing they raised $10 million, because they say in retrospect there was no way they could have successfully completed the project if they had only raised $100,000,” said Baddeley.

By following the examples of Pebble and other successful Kickstart projects, Portable Scores is prepared this time to succeed at crowdfunding too. It has hired a marketing expert to work full time alerting online new outlets during the entire crowd-funding period. Portable Scores also now has multi-faceted press kits with high-quality images and is planning a high-quality video that makes it easy for new outlets to write about Portable Score’s crowd-funding campaign.
Information Redux

Conference Registration

Session info: Why I Failed Kickstarter and My Friends Didn't on Wednesday, April 24 in San Jose, Calif.

Conference Home Page: Design West 2013 (April 22-25, San Jose, Calif.)