

MicroVentures Equity Crowdfunding: Launch Tips + Marketing Checklist

As of May 2016, new equity crowdfunding regulations took effect, opening up additional avenues by which entrepreneurs can raise capital for their business. Now, businesses can raise money from non-accredited investors online in exchange for private equity.

To take advantage of these new opportunities and give your equity crowdfunding campaign the best chance at success, there is work to be done before and throughout your raise to build and maintain momentum. To help get you hit the ground running with your raise, we've compiled a list of strategies and best practices we've found to be helpful in past successful campaigns.

Some Things to Note



Before launching your campaign, there are a few things you should know specific to equity crowdfunding:

1. Limits on Investing

There are minimum and maximum amounts investors can invest. On the MicroVentures platform, the minimum investable amount is \$100. There may also be a maximum investment amount placed on investors based on things such as their net worth and salary. For more details about investing limits set by the SEC, we recommend reviewing their compliance guide.

2. Rules Surrounding Public Communications

Before your launch, you cannot communicate with the public about your raise. While it may be tempting to drum up excitement about your raise with your customers and followers, you must wait until it goes live to promote it publicly. This is why it's crucial that you have a plan in place to hit the ground running as soon as your offering is live.

3. The Benefits Investor Perks

To incentivize investors to invest more, you can offer perks that match their level of investment. Perks serve as a great way to leverage your supporters' passion about your company or brand to your advantage. One thing to note with offering perks is that the perk offered must be based on the investors level of investment - individuals can't only claim a perk.

Gearing Up for Launch



A wise man once said, “By failing to prepare, you are preparing to fail,” and that could not be truer than when it comes to running an equity crowdfunding campaign. Before your campaign launches, you’ll need to outline a thorough marketing strategy, so you don’t lose any time when your campaign goes live. Besides, how is anyone supposed to invest in your campaign if they don’t know about it?

Communications: Things to Watch Out For

A wise man once said, “By failing to prepare, you are preparing to fail,” and that could not be truer than when it comes to running an equity crowdfunding campaign. Before your campaign launches, you’ll need to outline a thorough marketing strategy, so you don’t lose any time when your campaign goes live. Besides, how is anyone supposed to invest in your campaign if they don’t know about it?

- **Terms Communication:** limited communications that only contain specific facts about the offering, also known as “tombstone communications”
- **Non-Terms Communication:** broader communications that do not contain the terms of the offering

Terms Communication	Non-Terms Communication
<ul style="list-style-type: none">• The amount of securities offered• The kind of securities offered, (debt vs. equity, etc.)• The price of the securities• The closing date of the offering	<ul style="list-style-type: none">• A statement that you're conducting an offering• The intermediary conducting the raise• A link to the offering page• Facts about the business; i.e., name, address, website, etc.

Example of a Terms Communication Post:

“We’re making a Regulation CF offering of up to 5000 shares of common stock at MicroVentures.com. You can become a part of our team by investing at \$10 per share. This offering ends on February 28, 2019, so head to our offering page to learn more. [Link to offering page]”

Example of a Non-Terms Communication Post:

“Become a part of our story by investing in our equity crowdfunding campaign. We’re currently raising funds to grow our business on the MicroVentures platform, and your investment will help us achieve our goals. [Link to offering page]”

Both types of communications are permitted, but they can’t be mixed or combined into a single communication. Generally speaking, most marketing efforts will fall into the non-terms category.

A couple of things to note here:

Before use, all marketing materials will be reviewed by MicroVentures for regulatory compliance on terms and non-terms rules as well as anti-fraud provisions. All communications about your offering must adhere to securities regulations’ antifraud provisions, which means:

Before use, all marketing materials will be reviewed by MicroVentures for regulatory compliance on terms and non-terms rules as well as anti-fraud provisions. All communications about your offering must adhere to securities regulations’ antifraud provisions, which means:

- All statements and claims should be fair and balanced
- They do not include potentially misleading information

As a good rule of thumb, if you can’t back a claim up with evidence, you shouldn’t say it. Also, when it comes to sharing links, you can (and should) share links to your offering page but linking to other third-party content over which you have no control can be problematic.

Marketing Materials

Video

While having a campaign video isn’t necessarily critical to your campaign, they can be a useful tool in piquing the interest of potential investors, which is why we suggest having a professionally created video ready for your launch. Videos are a great way to tell your story and better explain your business, product, or service. They also offer an opportunity to showcase the personality and motives of the founder or founding team and get your audience excited to become a part of your story. Typically, campaign videos should be no longer than 2-3 minutes.

Emails

Use your network to your advantage via email. Before launch, we recommend compiling email lists for the following groups:

- Friends + family
- Customers, industry influencers, and supporters
- Supplies + business network

Prepare emails for each list for the week of launch. The messaging used should ideally be tailored to each segment and should include a link to your offering page. During the first week of your raise, we recommend sending two emails to each list, one when the offering goes live, and an update on progress two-three days post-launch.

Each email should contain a link to your offering page, high-quality visuals, and a call-to-action to invest. These communications may NOT include specific terms of your raise, the type of securities you're offering, how much they will cost, etc. You CAN include information about what the funds will be used for, as well as information about your business.

Press Release

Have a media list of local and industry-related media compiled and your press release announcing your launch ready to send the week your campaign goes live. Any coverage surrounding your campaign can then be shared via your email list and through social media.

Blog

Another item to have ready is a blog post that announces that the raise is live, explains what the funds will be used for, why your audience should participate, and how they can do so. Again, deal terms may not be discussed.

Social Posts

For the week of launch, you should aim to have 5-7 posts ready to go for Facebook or LinkedIn, 2-3 for Instagram, and 10-20 for Twitter. Each post should direct your followers to your offering page and include an engaging image or video. For Instagram and Twitter, be sure to include a link to your offering page in your profile bio.

Website

As soon as your offering is live, your website will need to be updated to include a link to your offering page. This information should be prominent on your homepage and cannot include any term details.

Post-Launch

The work doesn't stop after your campaign launches. Once live, you'll need to remain active on social media, track how your marketing efforts are performing, and keep an ear to the ground for current events or new that you could leverage to promote your raise. Most importantly, you'll need to actively monitor and field investor questions in the discussion section of your offering page.

An important thing to note with investor communications is that **government regulations require all investor questions related to your raise be addressed publicly in the discussion section of your offering page**. This way, all investors have access to the same information.

This means that, should a potential investor reach out privately with a question about the offering, issuers have two options:

- Direct them to the discussion section of the offering page
- Answer their question, then transcribe their question and the answer to the discussion section

Because many investors wait to invest until their question has been answered, we recommend responding to their questions as quickly as possible.

Common questions you'll receive will revolve around the following, so it's a good idea to plan your responses ahead of time:

- Valuation
- Financials
- Growth plan
- Exit plan

Similarly, if a potential investor reaches out to you directly to invest, send them to your offering page to make their investment there. All investments must go through the investment portal.

Marketing Checklist

- ✓ Designate someone on your team to outreach
- ✓ Designate someone on your team to field questions from potential investors
- ✓ Compile email lists for each of the following groups:
 - Friends + family
 - Customers, industry influencers, + supporters
 - Suppliers + business network
- ✓ Prepare emails for each list
 - The messaging used should be tailored to each segment
 - Should include a link to the listing
 - During the first week of your raise, you should plan to email each segment twice:
- ✓ Email #1
 - Goes out as soon as your offering is live
 - **Subject line:** Keep it short, interesting, and exciting
 - **Body content:** Should let the audience know you're raising money, include a strong call to action that they invest, have high-quality visuals, and link to your offering page
 - **Do NOT include:** Specific details about the terms of your raise, including how much you're raising, the type of securities you're offering, how much they will cost, etc.
 - **Can include:** What the raised funds will be used for, as well as information about your business
- ✓ Email #2
 - Goes out two-three days after your campaign goes live
 - **Subject line:** Should have a sense of urgency to keep momentum
 - **Body content:** Include an update on how much has been raised, a call to action to invest, solid visuals, and a link to your offering page
 - **Do NOT include:** Any detail around the terms of your raise
- ✓ Put together a blog post that includes:
 - An announcement that the raise is live
 - Explains what the funds will be used for
 - Why + how your audience can participate
 - **And does not discuss deal terms**
- ✓ Draft 5-7 Facebook and/or LinkedIn posts and 10-20 tweets for the first week of launch:
 - Should direct your followers to your offering page
 - Include an engaging image or video
- ✓ [] As soon as your offering page is live, you will need to update your website to include a link to your offering page
 - Again, this messaging **cannot include any term details**
- ✓ Proactively draft answers to the questions investors will likely ask about the raise