



Sustainability report

NEW TOOLS FOR FINANCIAL SUSTAINABILITY OF SPORT PROJECTS: CROWDFUNDING

**Is the crowdfunding a real
opportunity for non-profit
sport organizations?**

The paper underlines that crowdfunding is becoming increasingly popular as an alternative source of funding for projects in different sectors, from technology to sport and arts.

It is based on three main principles: requires a specific and clear project, involves a high diversification of funders that invest a small amount of money, and is based on the idea that multiple investors' choices are more correct than individual ones, the so called 'wisdom of crowds' principle.

There exist different forms of crowdfunding that can respond to different financing needs, based also on the goals and objectives that each project intends to achieve.

Crowdfunding, can thus represent an important additional source of funding for sport associations, including the small ones, that complements the traditional financial sources.

It is important, as it is also for other financial instruments:

- to select the most appropriate operator, in the specific case the most fitting platform of crowdfunding where to launch a new project;
- on submitting a clear description of the proposed project;
- an existing large network that can support the project proposal;
- a clear and correct communication activity before, during and after the fundraising campaign;
- on studying projects, strategies, and crowdfunding campaigns that have successfully worked for others.

For this reason the report includes three parts: the first one describes the crowdfunding presenting the different forms and explaining advantages and disadvantages of each type of crowdfunding, underlying when could better use each form. In the second part some case studies presenting different successful financial strategies are described. Case studies refer to projects financed with crowdfunding or other similar approaches based on a project oriented fundraising strategy. For each case study the key elements that have guaranteed the success are underlined. In the third part a guide in the form of questions is provided; it will support the reader in an analysis of its strengths and weaknesses and in defining a correct financing strategy.



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Erasmus+ Sport - Collaborative Partnership n° 612967-EPP-1-2019-1-IT-SPO-SCP