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## Innovators Learn the Benefits, Challenges of Crowdfunding

*By Lisa Adkins, Director of the BioScience Center*

“Crowdfunding” is a way that startups can raise money to get a project or enterprise off the ground without company founders having to surrender ownership, secure a loan or approach foundations for elusive grants.

Earlier incarnations of the practice didn’t have the advantage of instant access to a global fan base that can grow exponentially through social media. The Internet created that access, and crowdfunding sites like Kickstarter.com and IndieGoGo.com created platforms where people could pitch their projects.



Aqua Research, a resident company in the BioScience Center incubator in Albuquerque, is using IndieGoGo to raise \$50,000 by May 10 to finance production of its H2gO water purifier, which can turn up to five gallons of unsafe water at a time into potable water using a solar-powered rechargeable cell-phone battery.

QueLab, an Albuquerque nonprofit raised twice as much money as it needed on Kickstarter to secure the materials to build a three-dimensional printer for its “maker-space,” a creative workspace where people collaborate on innovations “at the intersections of science, culture, art and technology.”

The h2gO Purifier’s inventor, Rodney Herrington, also invented its predecessor, the MSR MIOX Purifier, used for years by the U.S. military. Private funding underwrote research and development of this next-generation device, but now the company wants to begin production, obtain certifications and conduct field-testing.

The purifier uses electrolytes to convert salt into a powerful disinfectant that’s added to impure water, making safe drinking water in about 30 minutes. The device is recharged via its integrated solar panel.

As of mid-March, 82 funders had contributed \$9,942 toward Aqua Research’s goal. Unlike Kickstarter, IndieGoGo isn’t an all-or-nothing proposition. Project sponsors can keep whatever they raise, but the fee paid to the crowdfunding site is higher (9 percent versus 4 percent) when projects fall short of their target.

Those contributing at least \$55 to Aqua Research will receive one of the purifiers when they're produced. For details, see <http://www.indiegogo.com/projects/h2go-quest-to-create-the-best-personal-water-purifier>.

QueLab raised \$2,200 — twice its \$900 goal — in 30 days earlier this year to buy a 3-D printer, a computer dedicated to the printer and printing filament. The nonprofit's members and visitors can use the printer, once it's built, to fabricate things for fun or profit.

Because the money raised from crowdfunding isn't a loan, it doesn't have to be repaid. But getting a project funded requires coordination, good financial planning and an appealing message, QueLab board member Ray Finch emphasized. It isn't "free."

"You have to set it up so people want to give you money," he said. "And you have to be prepared — you have to have your perks [rewards to donors] ready, and your goal has to be reasonable and attainable."

QueLab thanked its backers with T-shirts, public mentions and — best of all — access to the "maker-space" and all its creative tools. To view QueLab's pitch, visit <http://www.indiegogo.com/quelabprinter>.

The BioScience Center, located in Uptown Albuquerque, is the only incubator/accelerator in New Mexico focused on nurturing bioscience and life-science startups. For more information, visit [www.thebiosciencecenter.com](http://www.thebiosciencecenter.com).

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