

Umergence - Feedback

Umergence needs your help to be great. Let us know what's working, what's not, and what you'd like to see.

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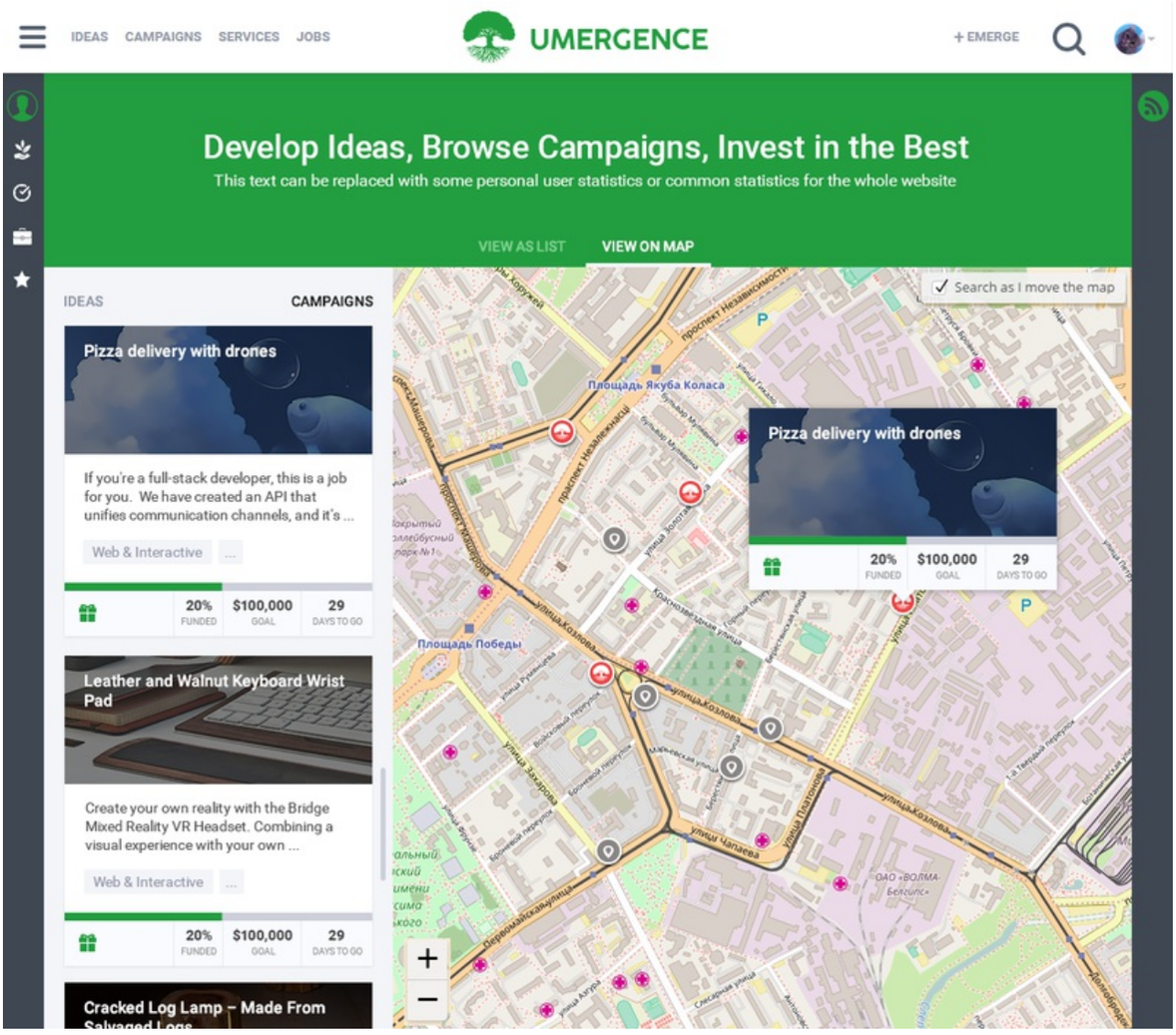
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Description

This site was built for the community. It's potential is what we all make of it. Share your thoughts here and the Umergence team will do its best to honor your feedback and comments.

Ideas

Let us know what's working, what's not, and what you'd like to see from the Ideas section.



We are looking to add a map view feature for ideas and campaigns. The idea behind it is to be able to find ideas that are close to you so that you can join the team that is working on the idea near you. This can also help with fund raising campaigns because investors may want to specifically help a region so their investments could make a difference for that target region. Let us know if this is something you would like to see. Other suggestions would be great too. Put them in the comments below and we will create a mockup to add it.

Campaigns

Let us know what's working, what's not, and what you'd like to see from the Campaigns section.

Services

Let us know what's working, what's not, and what you'd like to see from the Services section.

Jobs

Let us know what's working, what's not, and what you'd like to see from the Jobs section.

Problem

- Too Many Startups Fail
- Lack of Accessibility to Resources
- Lack of Support for Idea Generators
- Fragmented CrowdFunding MarketPlaces
- Expensive and Complicated Filings
- Too Many Failing Campaigns



Too many startups fail
According to the Small Business Administration, over 700,000 new businesses are formed in the US every year. Of those, 50% will fail within 5 years and “insufficient capital” is the #2 reason, second only to “lack of experience." *

Lack of accessibility to resources
Incubators and accelerator programs are limited to people within the cities they reside. There isn't a space where ideas or business plans could be evaluated by their potential consumers online before execution.

Lack of Support for Idea Generators
Many people and organizations we encountered such as SCORE.org have massive communities a lot of experience in running businesses and are offering their services to help new aspiring entrepreneurs but do not have a platform to help.

Fragmented MarketPlaces
Existing Crowdfunding sites are niche markets and only offer either donations, or rewards or securities.

Lack of Adequate due diligence and adequate transparency for investment deals
Many popular crowdfunding sites do not provide enough due diligence and adequate transparency to their deals. Unfortunately, the outcomes of these problems will not be seen for a couple years and could potentially tarnish the crowdfunding industry as a whole.

High Cost of executing Campaigns
Running a crowdfunding campaign takes a lot of time and money to execute. Less than 1/3 of crowdfunding campaigns reach their goal.

Expensive and Complicated filings
Regulatory filings are expensive and complicated for issuers to navigate.

Too many failing Campaigns
There is a direct correlation to the numbers of followers, friends, email lists a person or organization has to the amount that they can raise. Starting a campaign without a large enough following to the idea will statistically not lead to a successful raise.

There is a lot of risk running a campaign and with only a 1/3 of campaigns being successfully funded. The lost of time, money, morale and potentially reputation is at stake if the campaign isn't successfully funded and funds are returned to investors/backers. Their ideas did not receive validation and enough support as there is a direct correlation between the number of followers, email contact lists, etc the companies have to the amount they raise. It is each companies responsibility to market their campaign page once published and typically they run 30-60 days.
http://www.entrepreneur.com/article/269663

*According to the SBA

SBA Office of Advocacy
www.sba.gov/advocacy

Small Business Facts
Advocacy: the voice of small business in government

Do economic or industry factors affect business survival?

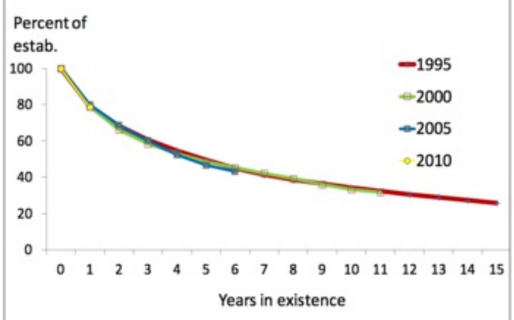
Survival rates improve for a given business as it ages.

About two-thirds of businesses with employees survive at least 2 years and about half survive at least 5 years. As one would expect, after the first few relatively volatile years, survival rates flatten out. (Source: Bureau of Labor Statistics, Business Employment Dynamics.)

Survival paths have not changed much over the years.

A negative economy has little effect on a given business's survival. Businesses started in expanding economies in 1995 and 2005, those started just before the downturn in 2000, and those started just after the downturn had almost identical survival paths (Chart 1). Although the economy is not seen as an obvious factor in business survival, it may be that businesses able to weather a downturn nevertheless feel the crippling effects down the road. (Source: BLS, Business Employment Dynamics.)

Chart 1: Cumulative Survival Rates for Establishments by Birth Year



Source: Bureau of Labor Statistics, Business Employment Dynamics.

Survival rates are similar across industries.

For employer businesses, survival rates as businesses age followed similar patterns for manufacturing, retail trade, food services & hotels, and construction. The fact that the food services industry shows no greater propensity to fail runs counter to the myth that restaurants are a relatively risky business. It is also surprising that the real estate crash seems not to have affected the construction industry at about year five or six. (Source: BLS, Business Employment Dynamics.)

Chart 2: Cumulative Industry Survival Rates for Establishments Started in 2000



Source: Bureau of Labor Statistics, Business Employment Dynamics.

Solution

- Gain Idea Insights and Validation
- Self-Reinforcing Community harnessing Network Effects
- Unified Platform providing many raise campaign types
  - Rewards, Donations, Equity, Debt, Revenue Sharing, Convertible Debt or Future Equity



Gain Idea Insights

The Umergence community can help to validate your idea. The members that help you develop on your idea can be your future backers and consumers.

Self-reinforcing Community harnessing network effects

Many ways for an community members to make meaningful contributions. Self-substantiating community and mutual peer review will provide better results for teams that bring ideas forward.

Unified Platform providing many raise campaign type

Once the idea has been validated by the community and establishes a following, there are many types of campaign that is available to the idea that brought the idea forward. Choose from many different types of campaigns to raise money that is best for that idea. Non-security campaigns like Donations or Rewards. Alternately, securities campaigns such as Equity, Debt, Revenue Sharing, Convertible Debt or Future Equity could be chosen to raise the capital the idea needs to come to fruition.

User or Customer Base

- Inventors/Entrepreneurs
- People with Skills
- Manufacturers/Suppliers
- Company Research and Development
- Pre-Existing Companies
- Scientist/Scholars
- Research Universities
- Non-Profits
- Investment Pools



Who are the potential customers and what value can Umergence offer?

1) Inventors/Entrepreneurs

a) Help bring idea to fruition provide community validation

b) Multiple Funding offering s for their ideas and to have large pool of investors to have the ability to obtain the lowest rates for the capital

c) Support/Assistance in areas where the person lacks to bring product to fruition and a large pool of potential candidates choose from to hire the best for the lowest rate.

2) People with skills

a) List offerings of their talents for a hourly or fixed rate

b) Fill up their calendar with work to make money, To work on their own flexible terms

c) Ability to solicit to successfully funded campaigns to assist with the development of the idea

d) Criteria to determine what teams they would want to work with.

3) Manufacturers/Suppliers

a) Easy way to create service offerings and generate new business

b) Establish contracts to manufacture products

c) An easy way/standard way to submit information for easy review of proposals

d) Easy trustworthy payment escrow system

4) Resellers Distributors

a) List offering of their services, Solicit to successfully funded campaigns to resell their products

b) Have access to quality products to resell through their channels

c) Ensuring support (recalls, issues, returns, etc) for the products they resell from the inventors

5) Pre-Existing Companies (looking for capital to expand or develop)

a) Customized domain name, easier marketability and easy integration to their existing environments

b) Alternate fundraising opportunities through new subset of investors

c) More socially responsible investment through the feedback they receive

d) Ability to offer royalties for ideas in early stages of development

e) Raise capital for lower fees than their existing methods

f) R&D Sandbox - Low cost alternative for small firms to utilize for their new product development - better alignment with customers needs

6) Scientists/Scholars

a) Single location for all scholars to enter in a cross pollinated campaign platform for all university foundation to see

b) Lower costs alternatives to local foundations respective to their universities

c) Ability for scholar to partner with other peers in other institutions as primary (Primary Investigators or PIs) and secondary without the restrictions of their local university which often kills creativity

7) Research Universities

a) Customized domain name and easy integration to their existing environments

b) Lower cost alternatives for public universities to utilizing their foundations

c) Monetize on many of Intellectual Property the University owns

8) Non-Profits

a) Connections to their donor base to bring forward socially responsible investments

b) Restrictions to specific locales

c) Interest gauging - Feedback from their donor based

d) Financial transparency/accounting

9) Investment Pools (insurance, energy, associations, collective buying, raise money for hedge funds for someone else to manage, etc)

a) A catch all for any additional funding opportunities

b) Custom fields for the terms of the campaign raises and disbursement customized reporting details for tracking

Competition

1. **What is the market offering now?**
   - Several dozen crowd funding sites focusing on attracting investors for either loans, startup equity
   - No offerings for emerging products with extensive community support throughout the product life cycle
   - InventHelp model of product development
   - Crowd funding for Charity, Non-Profits and rewards based
   - Research funding sites, Business sales sites, Equivalent for government
   - Company crowd funding campaigns for their research arms
   - Freelance sites that aggregate workers
   - Manufacturing aggregators (etsy.com and alibaba.com)

2. **What is wrong with the existing offers?**
   - Mis-Alignment of Goals on competitor sites. Competitors focus on niche markets. Alignment for services ends at full campaign funding and inventors are on their own.
   - No follow through with support to see idea to fruition
   - Limited due diligence, No vetting process to help the inventor and protect investor, minimal risk analytics
   - Constraints on processes, filtering creative processes, minimal community input
   - Too much centralized control of processes, lack of community input (quirky.com), controlling of IP
   - Lack of skilled labor to see ideamakers through development process
   - Lack of "Fit Test" for team creation "briggs myers"
   - not enough vetting of product ideas for new ideas
   - Skill labor sites list their clients list talents for their clients but do not offer any work on their sites
   - Manufacturing Alibaba challenging to get small contracts fulfilled and communication leaves something to be desired. Feedback mechanism is weak.
   - Tracking of investments is very limited on all the existing sites.
   - Fees are high on most competitors

Unique Value Proposition

- Co-Ideation
- Full Life Cycle Support
- 100% Crowd Driven – Community Centric Model for Crowd Funding and Crowd Sourcing
- Heavy Due Diligence with Highest level of Transparency
- Professional Service Provider Network to assist with development of ideas



- Umergence is a 100% Crowd driven - Community Centric model - CrowdFunding, CrowdSupporting, Aligned interests for all stakeholders including ourselves. If the inventor is successful, investor is successful, manufacturers are successful, professionals are successful and Umergence is successful.
- Investors have full transparency, tracking and potential involvement on their investments unlike traditional methods.
- Heavy Due Diligence process for all Community members - Inventors have tracks to follow depending on where they are in the product/service development which builds a track record. Investors are verified. Manufacturers and professionals will have continuous review as the platform evolves.
- Product life cycle support - continuous product life cycle support and development for continuous improvement. Additional capital raises tracks available and community support for continuous development
- More reasonable Fees
- Aggregate listings - Central Listing Authority
- Easy API integration for other sites to integrate their sites to ours
- Using information we collect to better connect people to figure out good fit.
- Only site to offer built in professional network to assist with development of ideas

Channels

- Universities and Colleges
- Start-up Accelerators
- Start-up Incubators
- Company R&D departments



Universities and colleges that have entrepreneurial programs can be channel to help provide funding for faculty, staff and students. Existing accelerators and incubators have many great ideas that may not receive funding which Umergence can help.

Cost Structure

There are heavy front end legal costs to license Umergence as a broker/dealer. Regulatory costs, financial exams, legal expenses, along with development of building the platform.

Revenue

Umergence would be a freemium model where joining the community would be free. Developing on an idea would be free. Revenues to operate the platform would be from fees in creating a campaign or connecting a freelancer to find work.

Success Metrics

There are many success metrics that can be used but the most effective meaningful measure is to track the number of startups that are successful. Tracking back to the original problem of 700,000 new businesses are formed in the US every year. If Umergence can increase the number of successful businesses to something greater than the current rate of 34% then Umergence is providing great value. Based on the metrics collected adjustments can be made to hone in the success.