



LeSage Consulting
Getting the word out on alternative fuel vehicles
and clean transportation.

Making crowdfunding work for your clean transportation and cleantech startup

Your company may be ready to install electric vehicle charging stations at retail stores in your region powered by solar energy. Turning that concept into reality may require \$100,000 in startup funding to someday see electric car drivers charging up at your stations.

You may have an electric truck perfect for urban deliveries; a mobile device application that guides drivers to alternative fueling and charging stations; a propane dispenser ideal for fleets; a carsharing program ready to enter a dozen new markets; or a need for seed capital on an advanced vehicle technology R&D project (such as a NextGen lithium battery) so that it gains investment capital for its next phase.

Clean transportation and other cleantech startups and established companies are very familiar with government grants and low-interest loans as a capital source. There's another channel that is becoming just as important in the cleantech space – crowdfunding. The challenge is finding the right resources to turn that idea into action that's best suited for your company.



Crowdfunding has become a capital source that's taken off in the past few years, but it's riddled with more automotive failure stories than success. The startup needing \$150,000 for phase one to launch will be very frustrated to see that its crowdfunding site has only brought in \$2,000 so far. If done the right way, crowdfunding can be

an excellent way to raise the right amount of seed capital. What initially started out as a simple way to make donations to causes and startups through social media communities has evolved into a mechanism for investor returns.

Crowdfunding is being used by startups as well as by companies and investment firms looking for the right partners. A clear example of the strength of crowdfunding comes from Hyperloop, the high-speed transit system announced in August 2013 by Tesla Motors and SpaceX chief executive Elon Musk. That launch led to the creation of

[Hyperloop Transportation Technologies, Inc.](#), which was founded by JumpStarter Inc. utilizing JumpStarter's crowdfunding and crowd collaboration platform JumpStartFund.

LeSage Consulting is now offering services to assist clean transportation stakeholders in finding needed investments.....

- LeSage Consulting is now working with an experienced colleague who has several years of success in securing funds through writing and submitting grant proposals. Funds have come through government grants and loans and crowdfunding sites. Funded projects have included telematics, autonomous vehicles, nautical and aerospace projects, and emissions reduction technologies.
- If you visit crowdfunding sites such as Kickstarter and Indiegogo, you'll see that two elements need to be in place: an innovative technology with positive economic and environmental gains; and telling a great story that generates enthusiasm from individuals and institutional investors. LeSage Consulting will manage that project for you – creating quality video and website content to tell that story the right way.
- Preparing for “pitch meetings” organized by firms such as [Angel Launch](#). These networking meetings are ideal for reaching startups, investors, and business executives. Winning awards provides access to capital and strong visibility.
- Marketing to the right niches. LeSage Consulting will work closely with you on sharing your story and reaching out to the best-suited communities of stakeholders. That can come through market intelligence research, media coverage, social-media messaging, and setting up meetings with the right players in the field – including attending the appropriate pitch meetings.

The cleantech community is very interested in crowdfunding, and has witnessed a few success stories. Solar Roadways provides an excellent “how to” on making crowdfunding work. The company makes modular panels that replace asphalt, generate energy, and save money on road maintenance. Its first round of funding – about \$850,000 – came through the US Federal Highway Administration for R&D in 2009; and through winning GE's first Ecomagination award in 2010. Lately, [Solar Roadways](#) has doubled its initial Indiegogo campaign – more than \$2 million has been raised so far, with some of that interest supported last year by its entertaining Youtube video, “Solar Freakin Roadways.”

Indiegogo and Kickstarter are the two major crowdfunding sites out there; Indiegogo is more focused on arts and entertainment such as movie projects. Kickstarter is more focused on advanced technology startups. When you become active in crowdfunding projects, you'll notice that it's not just startups who use [Kickstarter](#) and [Indiegogo](#), or other relevant sites for cleantech such as [Fundly](#), [GoFundMe](#), [RocketHub](#), [Greenfunder](#), or [Green Fundraising](#). Large companies are using crowdfunding to see if their projects in the R&D stage are gaining interest and support. Private equity firms also are active in crowdfunding sites to gauge where new technologies are heading in the marketplace; being active on Kickstarter and other crowdfunding can provide a meeting ground for institutional investors and corporations to move new technologies forward.

Most crowdfunding is targeted at small, startup technology launches that are receiving donations from an enthusiastic community who want to see that new company thrive. For larger companies and investors, there's occasionally another business model utilized on crowdfunding sites – such as a board of advisors who've contributed \$10,000 or more and participate in user-interface meetings. They're not the same as shareholders attending a publicly traded corporation's annual meeting, but they do contribute more input than individual donors on crowdfunding projects.



Investors are tracking what will come of a ruling by the Securities and Exchange Commission (SEC) on the JOBS Act of 2012. The JOBS Act will probably ease federal regulations and allow startups to raise seed capital from a large number of individual investors up to a limit of \$1 million. The SEC won't be finalizing its crowdfunding rules until October 2015; these rules usually take up to 60 days to be published, meaning that the JOBS Act won't really be in effect until early 2016. Regardless of that delay, crowdfunding has been booming in the past couple of years as a capital source for startups and major companies.

Government loan guarantees are seeing positive returns lately, even in the wake of the Solyndra scandal – the California-based solar company that went bankrupt and led to Congressional hearings on the Obama administration backing risky ventures. One clear example of government grants and low-interest loans coming back comes from the US Dept. of Energy investing in the world's largest cellulosic refinery that opened up last fall in [Hugoton, Kansas](#). Spain-based Abegona has built this refinery capable of producing up to 25 million gallons of cellulosic ethanol using non-edible waste. About \$132 million of that plant's \$500 million was backed by the federal loan-guarantee program.

Government grants and loan guarantees (and incentive programs available to fleets through alternative fuel associations), along with crowdfunding, make the most sense these days. They can open the door later on for larger capital investments such as IPOs and venture capital partners. As we've clearly seen since 2008, cleantech and clean transportation are tough markets to enter, survive, and thrive within. Finding the right support and resources makes all the difference in the world. LeSage Consulting will assist you in lining up the right resources to find the crowdfunding and government program funds to move forward in reaching your goals.

For more information, you can visit the [LeSage Consulting website](#). You can also contact consultant Jon LeSage by email at jlesage@jonlesage.com and by phone at 562-505-6380.