

**SDCE OERs Module 5:  
Exploring funding, lean start-up and  
the power of CSR**



# Module 5

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Within this module budgeting and financing are introduced, providing students with ideas and resources on how they might finance their own Digital Civic Engagement (DCE) project. The concept of corporate social responsibility is also introduced, and how it might impact a DCE project in a positive way.



Topic 1: Estimating Project Costs And Financial Needs



Topic 2: Spotlight On Lean Start Up and Sustainable Business Model Canvas



Topic 3: Crowdfunding Your Civic Engagement Projects /Causes



Topic 4: Leveraging the power of corporate social responsibility



Module 5 Exercises

# A note on the terms we use

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Before we start your Civic Engagement journey, we need to explain what some of the abbreviations are that we will use throughout these Modules.

**HEIs-** Higher Educational Institutions.

**SDCE-** this is the name of the project that created these materials.

**DCE-** Digital Civic Engagement

**The Guide to DCE-** this is a guide surrounding information about Digital Civic Engagement and students. You can find [a link to the toolkit here](#)

**The DCE Toolkit-** Our Student Digital Civic Engagers' Toolkit is designed to teach you about relevant digital tools that you can use for your own civic engagement.



# ESTIMATING PROJECT COSTS AND FINANCIAL NEEDS



Learner level: Beginner





# WHY IS PROJECT PLANNING AND BUDGETING ESSENTIAL?

Your project can only come to life if it has the resources to do so. Determining resource needs and sourcing these funds from the outset is essential. To do this, careful planning is necessary to ensure your project achieves its potential.

Start with the project budget. What is it? A project budget is an estimation of the overall costs throughout the different phases of your project. This could include aspects such as people/labour costs, set up costs e.g. working place, tools, equipment etc., the cost of operating (room rent for working places and meetings, travel costs, etc), materials needed, promotional costs etc.



# REASONS TO PLAN AND BUDGET

Creating a budget will help to ensure you can cover all the costs involved with the project and any other unexpected expenses that may occur during the lifetime of the project.

Your budget will also communicate to stakeholders your financial requirement, and how much funds are needed at each stage of the project.

This, in turn, will be the funding goal/ evidence base request for your project.





## HOW TO CREATE A PROJECT BUDGET

So, we know why a project budget is needed, but how can we work out the numbers and make a project budget that ticks all the boxes?

A budget needs to be compiled thoroughly to ensure you don't miss any components that may affect securing funding. It can be the difference between being secure and being in debt.

There are a number of key aspects you need to examine while drafting your budget.

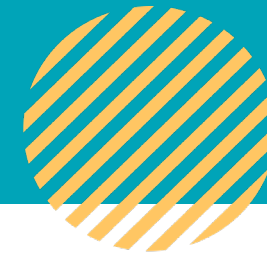


## CREATING A BASIC BUDGET

There are a few different methods of estimating costs for a budget. Here are the most basic steps in creating a simple budget.

### **1. Create a task list.**

This will help you to identify what you'll need to accomplish for each milestone in the project. It will also help your team members to understand exactly what is needed of them at each stage of your project. This task can also be established during the planning stages of your project, which we examined closer in Module 4.





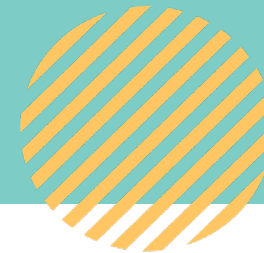


## 2. RESEARCH COST OF EACH TASK

For each task, research the cost in terms of the resources, materials and time needed for all tasks. Include realistic timeframes to achieve each one.

Add all cost estimates together. This will give you a provisional budget for the project.

Inputting all the data into a spreadsheet can be very helpful for this stage. By dividing your spreadsheet into two columns – one for ‘Tasks’ and one for ‘Cost Estimate’ you can see at a glance what is needed for each item on your list.





### 3. HAVE A CONTINGENCY BUDGET

Including for contingency is extremely important for all project budgets. You never know when extra unexpected costs can arise, and the last thing you want to do is jeopardize the progress of the project due to additional costs.

A good baseline for a contingency is 10% of the total project cost. This will ensure you have funds to keep the project at budget.

Finally, get someone else to take a final look to make sure you have every angle covered.





# ESTIMATING COSTS AND FINANCIAL NEEDS EXTRA RESOURCES

[Creating a project Budget - A Complete Guide for 2021](#)

[7 Steps for a Successful Project Budget](#)

[A guide to planning for a project budget with project management in mind.](#)





02

# SPOTLIGHT ON LEAN START UP AND SUSTAINABLE BUSINESS MODEL CANVAS

Learner level: Intermediate



# WHAT IS THE LEAN STARTUP METHODOLOGY?

The Lean Startup process is an ideal methodology on which to base a student civic engagement project. It provides a formula & scientific approach to new project/service or product development. It teaches you how to create and manage a project, and to get your project to your chosen target group/ marketplace quicker and more efficiently.

Not every project will be successful. Lots of startups can fail. Many spend years developing and designing a product without ever introducing or showing the product to their prospective customer. If the customer is unaware of the product and unable to provide their input, they cannot tell the startup what it is they like/dislike about the product or if they would use or buy the product.

If the startup appears to be disinterested in the customer's opinion, why would the customer be interested in the startup? By focusing so much on getting the product perfected, the startup fails to engage with the customer base.



## TAKING A CLOSER LOOK AT INNOVATION

Innovation is all about finding different ways to do things – the ideal basis for your project. In the business world, it gives companies a competitive edge.

By coming up with innovative ways of doing things, it might help to ensure your DCE project becomes a success. In an era where business and tech mesh so frequently, customers want to see better digital services. But innovation doesn't just happen, it must be instigated.







## CREATE AN INNOVATIVE ENVIRONMENT

Encourage innovation as a value. Ensure your colleagues/team members know that it's good to share ideas and identify new ways of doing things. Sometimes inaction is the biggest detriment to a project.

Cultivate your project member's creativity and innovation – implement tactics such as brainstorming groups, suggestion boxes and time and space during the working day for creativity.

Positive reinforcement will help to foster an innovative culture.





## HOW DOES LEAN STARTUP HELP?

By using the Lean Startup approach, you can develop a process around the development of your product or service, creating order and using tools to test your vision continuously throughout the product (in our case project) development stage.

The Lean Startup methodology has the user or customer in mind from the beginning.







# THE KEY PRINCIPLES OF THE LEAN STARTUP METHODOLOGY

There are 4 core principles in the Lean Startup Methodology.

**1. Entrepreneurs are everywhere.**  
Anyone with an idea for a project can apply the Lean Startup Methodology. No matter the size of your project or whether you'll be working from your college, your bedroom office, or your garden shed, you can use the Lean Startup approach to save time, money and resources, and to ensure your startup is successful.

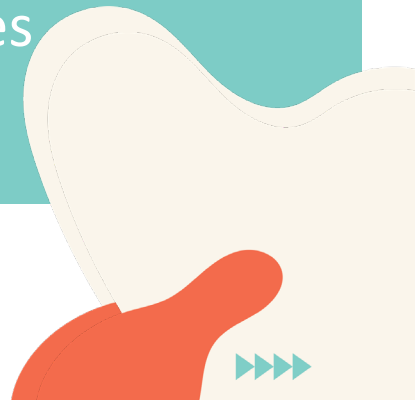




# THE KEY PRINCIPLES OF THE LEAN STARTUP METHODOLOGY

## 2. **Entrepreneurship is management.**

Many companies, or in our case projects, assume that they don't need to worry about things like management as they are so small. Like any company, management is essential. It may not look like traditional management in the sense there is less protocol, but management is necessary to be able to react in difficult situations, to liaise with stakeholders, and to guide coworkers/ volunteers with decision making and risk taking that may affect the outcomes





# THE KEY PRINCIPLES OF THE LEAN STARTUP METHODOLOGY

## 3. Validated learning.

Validated learning means the startup conducts experiments to get results and base all future decisions on relevant scientific data from these results. Looking at the data gives a startup a strong idea on whether or not their business is viable and sustainable.

An DCE project must identify if their product or service solves a problem in the market – if not, it cannot be sustainable. The project must adapt in order to become a success.







# THE KEY PRINCIPLES OF THE LEAN STARTUP METHODOLOGY

## 4. Innovation accounting.

In order to create a successful and sustainable project, we must focus on a different kind of accounting: monitoring progress in an objective way, prioritizing work and setting up milestones for the project, and making decisions based on the results of data.





## SUSTAINABLE BUSINESS MODEL CANVAS

The Sustainable Business Model Canvas is a useful tool to develop an idea into a viable business model. It focuses on making sure the relationships both inside and outside of the project work holistically. It can also identify the ecological and sociological consequences of the project.

It is relevant to student digital civic engagers in that it aims to increase positive impacts on society and decrease negative impacts





# STEPS IN THE SUSTAINABLE BUSINESS MODEL CANVAS

**Step 1:** Familiarise yourself with the 11 key elements grouped as follows:

- Value Proposition – Customer Relationships – Channels – Customer Segments
- Key Partners – Key Activities – Key Resources
- Cost Structure – Revenue Streams
- Eco-Social Costs – Eco-Social Benefits

Your Value Proposition or Customer Segments element will determine **what** problem your project wants to solve, and **whose**.



# STEPS IN THE SUSTAINABLE BUSINESS MODEL CANVAS

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**Step 2.** Work as part of your team to find a common understanding. When each person in the team is involved in the visualization of the company, it provides a canvas for developing the idea further.

**Step 3.** Present your idea canvas to your class, team or teacher. Invite feedback and implement any necessary changes in further iterations until you are happy with the result.

**Step 4.** From the canvas comes a solid business model from which milestones and targets are made. More detailed plans can now be made, with the canvas and plan modified as necessary.





# DEEPER STUDY

For more information & resources,  
check out the following links:

[The Lean Startup Methodology](#)

[IdeaBuddy Blog: The key Principles of  
lean Startup Methodology](#)

[CapGemini blogs on innovation](#)

[Sustainable Business Model Canvas](#)



03

# CROWDFUNDING YOUR CIVIC ENGAGEMENT PROJECTS/ CAUSES

Learner level: Intermediate







## WHAT IS CROWDFUNDING?

Crowdfunding is where lots of people (a “crowd”) help to provide funding. It can be a successful way for projects, causes, startups or smaller businesses to get many small donations from multiple people.

Crowdfunding requires a project or business to convince the crowdfunders that their project is worthy of being funded. The art of storytelling is vital. There are four different types of crowdfunding: **donations, rewards, debt and equity**. We will look at each in more detail.



# TYPES OF CROWDFUNDING

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- 1. Donation.** Donation-based crowdfunding is where backers expect nothing in return, they donate purely out of interest and support for the project.
- 2. Debt.** A Debt-based donation (or peer-to-peer lending) is a bit like a loan. Donors pledge money as a loan, and this money must be paid back with interest by the recipient by a certain timeframe.
- 3. Rewards.** Donors receive something in return for their donation. It is usually something small like a t-shirt or something with the company's branding. It may also be the product or service itself at a discounted price.
- 4. Equity.** In some cases, projects will give away a portion of their business in exchange for donations. Participants receive a share in the company equal to the amount they have donated.





## EXAMPLES OF CROWDFUNDING WEBSITES

Researching and choosing the right crowdfunding website for you is wise in order to help your campaign be successful. Terms and conditions do apply- make sure to read them!

### **Kickstarter.**

Kickstarter is a rewards-based crowdfunding site. Set up in 2009, Kickstarter has helped raise billions for over 100,000 different projects.

Kickstarters usually provide their product or service as a reward once they reach their target.

[Link to the Kickstarter website](#)



[Source](#)



## EXAMPLES OF CROWDFUNDING WEBSITES

### **GoFundMe:**

GoFundMe is a donations-based crowdfunding site. Although usually used for charitable causes, businesses can also use the platform to gain donations for their campaign.

[Link to the GoFundMe website](#)

### **LendingClub.**

LendingClub is a debt-based crowdfunding site. It uses the method mentioned earlier of peer-to-peer lending. It offers personal loans and financing for small businesses over the period of 3 – 5 years.

[Link to the LendingClub website](#)







## EXAMPLES OF CROWDFUNDING WEBSITES

### Hubbub:

Hubbub works with universities on crowdfunding for student and alumni projects. They rightly feel that crowdfunding is also an exciting way for students to develop an array of entrepreneurial skills. From creating their crowdfunding pitch, to promoting the project and thinking outside the box when under pressure to reach the target as the deadline approaches, the whole process is an excellent lesson in marketing.

[Link to the hubbub website:](#)





## EXAMPLES OF CROWDFUNDING WEBSITES

Hubbub's aims are two-fold.

- 1) They aim to be the leading provider of digital fundraising solutions for the education and non-profit sectors, helping organisations deliver mass engagement, participation and fundraising campaigns through mobile, web and social media.
- 2) They aim to educate individuals who want to create crowdfunding campaigns for good causes, on their free platform

<https://www.hubbub.net/solutions/crowdfunding>







## TIPS FOR SUCCESSFUL CROWDFUNDING

**1. Make your campaign stand out with great story telling.** People invest in campaigns that resonate with them. Maybe they think the campaign leader is genuine, or the product/service being crowdfunded is relevant and important to them.

A strong storytelling campaign will help you to stand out from the crowd. Utilising many different platforms such as social media and videos about why people should donate to your campaign can be very helpful.





## TIPS FOR SUCCESSFUL CROWDFUNDING

**2. Keep communication clear and open.** Your backers are important, so ensure you keep them updated on what's going on with your campaign. You may encounter difficulties and setbacks during crowdfunding, so it is vital your backers are aware of any potential delays.

Even after your campaign has ended, let your donors know about the next step for your project. Keeping your backers in the loop can help build repertoire for your project, that feelgood factor that will last.







## TIPS FOR SUCCESSFUL CROWDFUNDING

**3. Adequately prepare for your campaign.** Don't just launch your campaign and assume that backers will come flooding in. Make yourself known well before you start crowdfunding. Keep your social media profiles active. Tell people you know about your upcoming campaign. Word of mouth can be very beneficial for your campaign. Give yourself plenty of time to plan your campaign.

Rushing to get marketing material out on the day of your crowdfunding launch won't benefit you. Take your time and get off on the right foot with your backers.





# Dive Deeper Resources

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[Article on what is crowdfunding? \(12 min read\)](#)

[Crowdfunding: 5 Things You Need To Know When You're Getting Started](#)

[Blog article on more information about crowdfunding with non-profits in mind \(8 min read\)](#)

[Guide to crowdfunding your business idea \(10 min read\)](#)





04

# LEVERAGING THE POWER OF CORPORATE SOCIAL RESPONSIBILITY

Learner level: Advanced





# WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

**Corporate Social Responsibility (CSR)** is when companies take responsibility for their impact on society. It is when companies go above and beyond legislation to make a positive moral impact in the community.

CSR might look like engaging in Fairtrade practices, improved working conditions, making donations or sponsorships. CSR is increasingly important for businesses to engage in in the current climate.

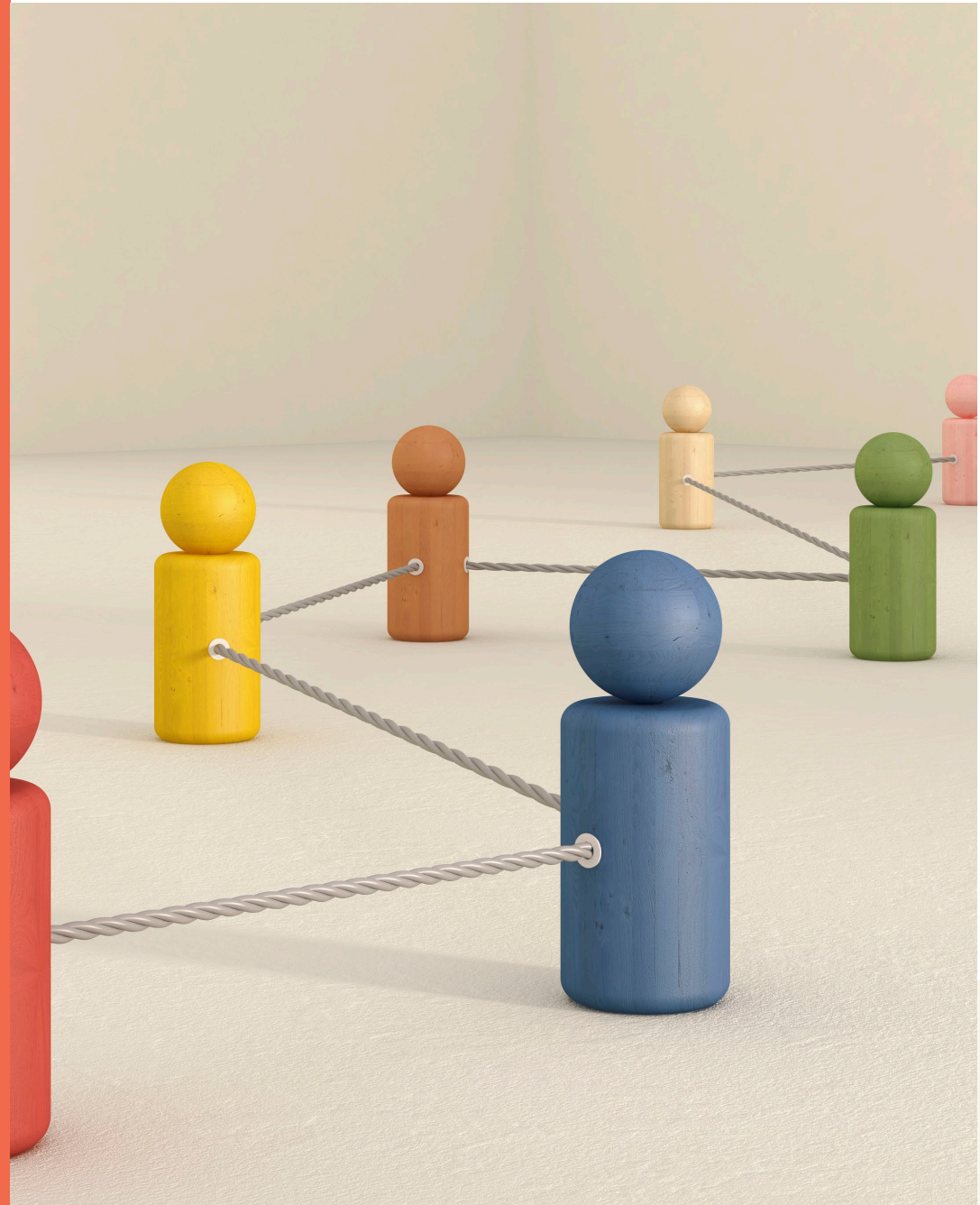






## WHY CSR IS IMPORTANT?

Corporate Social Responsibility benefits everyone, from the consumer to the company itself. The consumer knows that by choosing to buy from the socially responsible business they are contributing to a good cause, and the company can increase sales, goodwill, name recognition and customer base by engaging in ethical practices. And, of course, the wider community benefits from the company engaging in CSR – including your project, hopefully!



# BUILDING A CSR STRATEGY

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Think about what your DCE project is going to do. Where do the strengths lie? This could be anything from a solid marketing team to excellent communication within your company. Work on those strengths and lean on them throughout your CSR journey. It's important to identify what your customers value when planning a CSR strategy. Make sure that whatever you invest in aligns with your project's mission.

Enlist in ideas from all of your team.

Creating a CSR engagement plan within the project with key volunteers will help to build a solid CSR strategy that you can then pitch to the rest of the team. Everyone in your project needs to believe in your CSR strategy to ensure it is genuine.

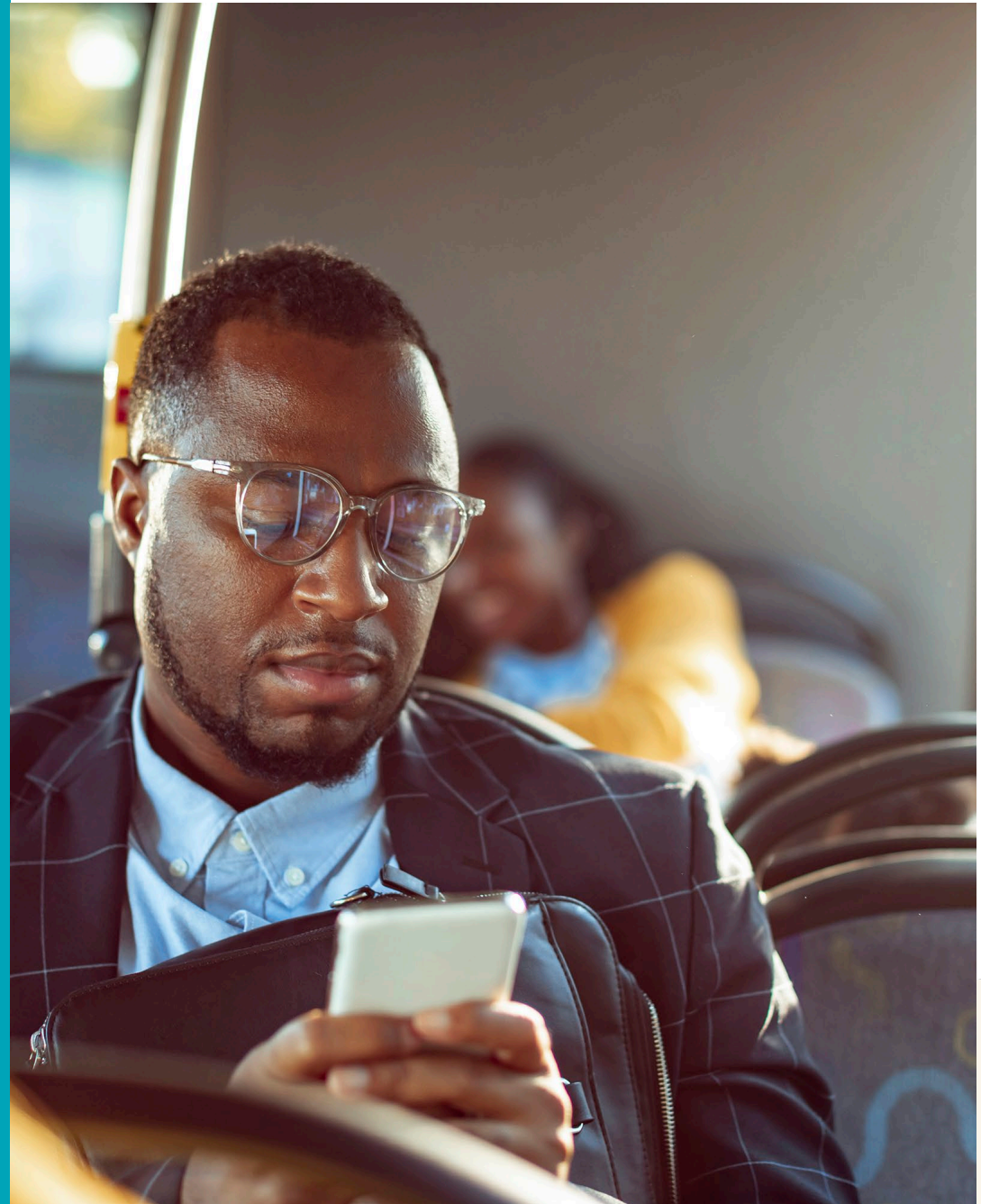




## DEEPER READING

[A Forbes article on why Corporate Social responsibility matters](#)

[Take a look at this Ted Talk on The social responsibility of business](#)



05

# MODULE 5 EXERCISES





# WATCH

## THE BASICS OF PROJECT BUDGETING

Check out this video covering the basics of project cost management.

<https://www.youtube.com/watch?v=EyPFi0YO32M>

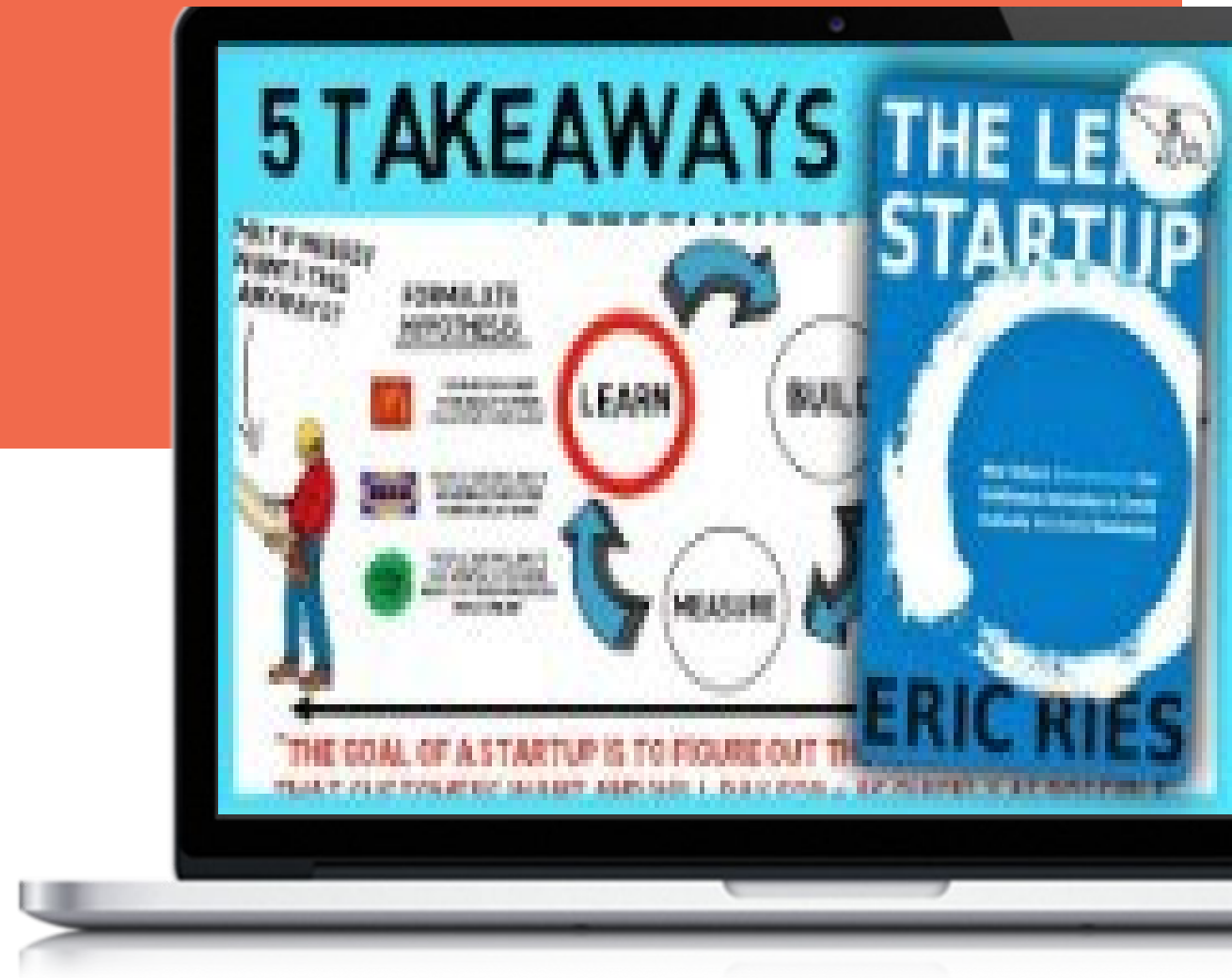


# WATCH

## VIDEO OF A BOOK SUMMARY

Check out this video summarizing the book “The Lean Startup” for more information.

<https://www.youtube.com/watch?v=R SaIOCHbuYw>





# WATCH

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## WRITING A GOOD CROWDFUNDING STORY

Take a look at this video on how to write a good crowdfunding story in order to succeed

<https://www.youtube.com/watch?v=6fqfQdpYzeQ>



# WATCH

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## WHY CSR IS IMPORTANT?

Take a look at the following video which examines the importance of Corporate Social Responsibility on all sizes of business.

<https://www.youtube.com/watch?v=dwh93cjDeT0>





## TASK 1: REFLECTION

Think about everything that we have covered in this module. In your head, create an DCE project from scratch. Complete the following tasks:

Develop a simple budget.

Whilst developing the budget for your project, also think about potential issues that might occur. How will you address them? Did you include enough resources to combat these issues in your budget?

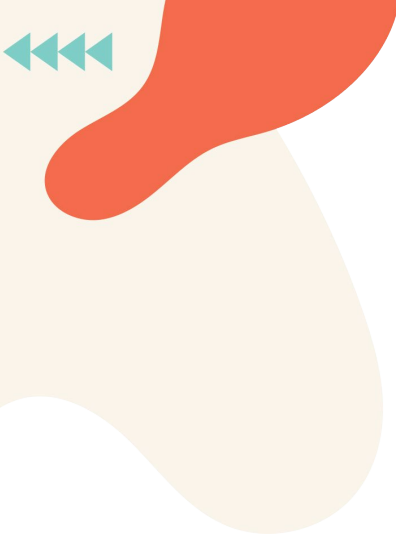
Think about ways to fund your project. Of the methods mentioned, which crowdfunding or lean startup methods would work the best for your project and why?

## TASK 2- CREATE A SUSTAINABLE BUSINESS MODEL CANVAS

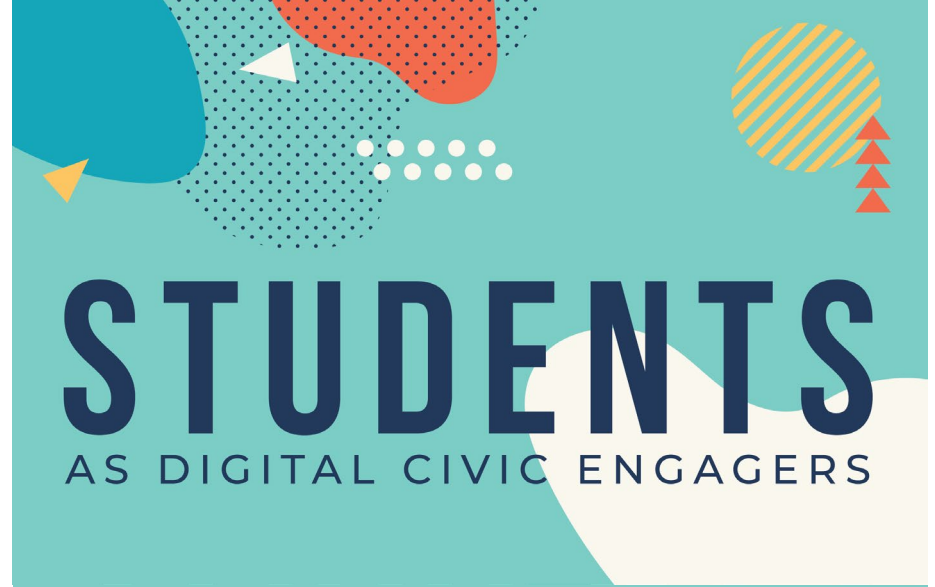
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Using the Sustainable Business Model Canvas, split up into groups of people of between 3-6 members. Try to identify what that business could change in the future to make it more sustainable. Create a Business Model Canvas yourself, while thinking about the benefits of having a more sustainable business.

More information on how to develop a Sustainable Business Model Canvas can be [found by clicking on this link](#)



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# STUDENTS

AS DIGITAL CIVIC ENGAGERS

