The Micro Crowdfunding Campaign: How M3D Raised $3.4 Million through Kickstarter to Develop an Affordable 3D Printer

Teaching Notes

Author: Matthew Hollow
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Summary of Case

This case is about the online crowdfunding campaign that M3D ran in 2014 to raise money in order to fund their ambitions to develop an affordable 3D printer. Its main focus is on the various strategic decisions that the project's founders made as they tried to transform their initial business concept into a viable commercial one. Teaching-wise, it provides an excellent example of the different sorts of challenges that aspiring entrepreneurs face with regard to getting funding for their projects.

Teaching Objectives

1. To get students thinking about the specific skills and qualities that are needed to launch a successful start-up enterprise.
2. To make students aware of the different sorts of funding options that are available to start-up enterprises.
3. To get students thinking critically about the pros and cons of different start-up funding sources.
4. To encourage students to think more conceptually about how crowdfunding is changing the nature of start-up funding in contemporary society.

Target Group

The target groups for this case study are undergraduate students taking strategy and/or management modules that focus on one or all of the following: entrepreneurship; digital marketing; innovation; and the technology industry.

Suggested Solutions to Discussion Questions

1. Based on your reading of this case study, what sorts of skills and attributes do you think you need to become a successful start-up entrepreneur?

A basic answer will focus on the specific technological skills of the two entrepreneurs under discussion and how this allowed them to develop an innovative 3D printer.

A more advanced answer will also take into account factors such as:

• the manner in which Armani and Jones identified a specific gap in the market;
• the way in which they managed their design team;
• their choice of funding platform;
• the extent to which they sought the assistance of expert outsiders.

2. Do you think the crowdfunding route was the most suitable way for the M3D team to raise the necessary capital for The Micro 3D Printer?
A good answer will consider the various “traditional” funding sources outlined in Box 2 and assess whether or not they would have worked as funding sources for The Micro 3D printer. In addition, a good answer will also involve some consideration of the pros and cons of crowdfunding in general as a source of start-up funding.

3. Suggest some reasons why Armani and Jones might have chosen Kickstarter as their crowdfunding platform of choice.

Good answers will consider not only the pros and cons of Kickstarter, but also the pros and cons of the other crowdfunding platforms discussed in Box 3. Reference should also be made to the success that campaigners on Kickstarter have had in launching innovative, high-tech products.

4. Why do you think the M3D team decided to bring in outside help during their marketing campaign? What did these external groups contribute to the Micro 3D campaign?

Students should highlight the fact that Armani and Jones’s background was in engineering and technology—not marketing—and that they, therefore, lacked the expertise and experience needed to orchestrate a successful marketing campaign. This would also be a good opportunity for students to look at and discuss the audio-visual material (such as the online promotional video) that accompanied the crowdfunding campaign.

5. How did the M3D team try to get their investors involved in the production process for the Micro 3D Printer?

Standard answers will simply talk about the online forums that were set up to allow customers to provide feedback. Good answers will also discuss the efforts that the M3D team made to engage with customers at industry events and/or will refer to the video from the 2014 USA Science & Engineering Festival to back up their answers. Students could also be encouraged to research some of the discussions that took place in these online forums.

6. In your opinion, why was The Micro 3D Printer crowdfunding campaign so successful?

This is a potentially huge question, which should encourage a considerable amount of critical thinking amongst students. As a rule, however, good answers will show an awareness of the wide variety of both short- and long-term factors that were responsible for the success of The Micro crowdfunding campaign. Really strong answers will also show a high degree of independent thought and will touch upon the wider lessons that might perhaps be learned from The Micro case study.

Teaching Approach/Strategy

This case study can be used in the following ways:
• in a lecture to provide a concrete example of entrepreneurship at work/a successful crowdfunding campaign;
• in a seminar setting to encourage students to discuss and think about the impact that crowdfunding is having on start-up funding.

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