Shane Opatz photo / Jill Chumas-King started a new business that makes storage containers for children's rooms. Chumas-King posed with a family dog named Super Spot Thursday, Jan. 26, in her Eau Claire home.

Kickstarter.com, other crowdfunding sites popular tools for startups

By Liam Marlaire
Leader-Telegram staff

Jill Chumas-King credits a "small house and messy child" for an invention she hopes finds favor in the marketplace.

"I have one (child), but it feels more like I have five," she said.

Chumas-King recently launched Back Yard Laundry, which makes aesthetically pleasing stackable storage cubes for children's rooms. She already has a trademark and a patent is pending. Development of the product has been a two-year process.

"Now I'm at the point where I just want to get it out there," she said.

To do so, Chumas-King is using Kickstarter.com, which is a funding platform for creative projects. New York City-based Kickstarter.com was founded in 2009 and to date has seen more than 17,000 projects reach their funding goal and more than $140 million pledged by more than 1.3 million backers. The average individual pledge amount is $71, according to the company's website.
Backers do not receive ownership in any of the projects but do get rewards. Examples include copies of a work, credit in a book or movie, fun experiences or, in the case of Chumas-King's project, limited-edition storage cubes.

"Running a project on Kickstarter is as much about building an audience and engagement around an idea as it is about finding funding for a project," said Justin Kazmark, director of communications for Kickstarter.com.

Those with a project must submit an application with a specific fundraising goal and a deadline that can range from one to 60 days. To limit the risk for backers and provide motivation for those behind the projects, only those that meet their goals receive the funding. Kickstarter.com collects a 5 percent fee and Amazon.com adds a processing fee that generally is 3 to 5 percent.

Chumas-King had raised nearly $5,000 as of Friday afternoon. She still has 10 days left to reach her goal of $150,000. The equipment to be used to make the storage containers costs nearly $100,000.

"It's not going to be in my checking account very long," she said. "If I do get funded, the money goes to the toolmaker and toward manufacturing."

She also has backed a couple other projects on the site.

"It's a great platform for people to get started," she said. "But the hard part is you have to do the networking.

"There are some really cool ideas on there. I just wish more people knew about it locally."

The containers would be manufactured so they could be shipped flat. They also have handles and can accommodate different designs. Chumas-King envisions adding graphics such as college logos. She experimented with different materials before deciding on a foam substance.

Family and friends are the typical starting place for early-stage businesses seeking initial funding, said Brian Doudna, executive director of the Eau Claire Area Economic Development Corp.

"Crowdfunding websites, such as Kickstarter.com, can be useful in expanding the network of friends to which you can pitch your idea if (needs) are not met through traditional means," he said. "It is important that the innovator or entrepreneur make sure that their product or business idea can be protected prior to determining if and which crowdfunding website is best for their opportunity."
"Additionally, the innovator needs to make sure they still have a management team with vital expertise to launch a well thought-out strategy."

Success story

Eric Christenson and Thom Fountain, who make up the Eau Claire band Wisconsin Built, were shooting for $750 at Kickstarter.com and ultimately raised $769. Those who gave $4 or less received "a giant high-five next time we see you and a feeling satisfaction." Other rewards included hand-painted posters and preorders for the digital and vinyl versions of the band's first recording, "Rest Less."

"Honestly, without the program's success, we couldn't dream of having enough money to go through the stuff we wanted to," Christenson said. "That definitely speaks to the generosity of our friends and family too. "We even had a complete stranger from British Columbia donate $200. It was incredible."

Christenson said the band would use the site again if needed.

"We were extremely satisfied with the results," he said. "Plus it's fun to browse other projects and maybe find one or two that you can support. It's always nice to see cool projects work out."

Lubricheck, a technological project by WaveOn Technologies in Osceola, raised nearly $30,000 despite a stated goal of only $19,500. The device, which tests the condition of motor oil and detects contaminants, had 691 backers.

Business background

Chumas-King toured manufacturing and toolmaking sites to develop prototypes of her product. She received some small orders and an abundance of positive feedback during a trade show in Chicago. She's hoping to have the storage containers ready for a Las Vegas children's show in July.

Chumas-King, who earned her bachelor's and master's degrees at UW-Stout, also owns Chumas Photography and has a husband who also is self-employed. Despite such familiarity with entrepreneurship, her latest project has been an eye-opener.

"I have never learned more than I have going through this," she said.

Marlaire can be reached at 715-833-9215, 800-236-7077 or liam.marlaire@ecpc.com.