

# Millennials in the future of business, as told by a millennial

 By Nicholas Dilley

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I grew up in a world far removed from the one known by my parents, a world where instant gratification and self-validation through my peers are at the core of my being. As a millennial there is a difficult balance between what I am told by my elders and what I know to be true, where previous generations have grown up understanding that all things come in good time, I see the world through a screen and gratification comes through the push of a "button" so to speak.



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Everywhere I look I see how millennials are going to struggle in adapting to the 'real world', how the need for instant gratification will be our greatest weakness. For a while, I accepted this to be true, as I could see their point and see how this could all be the start of a downward spiral for my generation. However, after several weeks of contemplation, it became quite clear that yes these 'undesirable' characteristics may not work in the 'real world', but maybe that is because the real world is out of date to some degree and potentially that is what needs to be rectified.

## Instant gratification

Life is not the same as when my parents started out, the world has changed and continues to do so. Everything that was once easy to achieve (university acceptance, bank loans, etc...) have only become more challenging, so I am proposing that it is time to start looking at alternatives to what we view as traditional/conventional methods of achieving goals, ways that introduce the norms of impatience and instant gratification into this system we call life. I think if you ask most millennials what they want to do with their lives they will tell you that they want to make a difference, affect change, be an entrepreneur, but the big question is always how. Now, I may not have all the answers, few do, but I have some thoughts.

I truly think that we millennials will be just fine. There really is no other alternative if the world is to continue spinning. Though to be fine we are going to have to embrace our so-called flaws and channel them into making this 'change' we want to affect a reality. How great would it be to gain that bliss of instant gratification from something positive/productive instead of through a new follower on Instagram or another like on a photo of your morning latte?

We live in the 21st century where almost anything is possible, where innovation is part of everyday life, and where we don't need to ask what if but rather when will. As a species, we have never had the luxury of taking such immediate action until

now, in almost every aspect of our lives we have grown accustomed to instant gratification. Why should the world of business and innovation be any different? It is no secret that starting a business or creating new and innovative ideas has become increasingly expensive, we also know that the traditional means of obtaining finance have become virtually impossible, and even if you obtain this finance it's just riddled with debt, basically setting you up to fail from day one. Now, what if we look at a way to take this new and innovative world that we live in and merge it with the art of obtaining a debt-free version of traditional finance.

## **Crowdfunding – A viable solution to our future**

Crowdfunding is a term that most people would have heard of, but might not always grasp what it is at its core. I stumbled upon crowdfunding by accident one day when I was partaking in every millennial's worst nightmare, the job hunt. I decided to learn a bit more about this job I was applying for and realised that it was actually a game-changing industry for many people just like me, who are not necessarily lazy or unmotivated but unable to fake enthusiasm over something that we have no passion for. It sparked my interest, which few things do, so I applied and to my surprise, I got the job. I began to learn the ins and outs of this industry and realised that as an industry it evolved so quickly, with new projects coming in and out, the joy of seeing them succeed, and the motivation and learning that I got out of watching them fail.

It is a shame to see potential go to waste, but it is a great comfort to know that there is some hope at the end of the tunnel, that all of the misunderstood talents of this generation does not have to go to waste due to obstacles like money. Which is the reason I am writing this, to hopefully inspire some of my peers to do what they are passionate about, to prove the world wrong, and to show everyone a new way of doing things in a headstrong world stuck on old traditions.

Crowdfunding offers a combination of obtaining finance, gaining media exposure, and testing new ideas in a real market. In any new business, one of the first things that come to mind are the costs associated with getting it off the ground, not to mention the hassle and stress involved in obtaining a loan. Other concerns that are inherently involved with getting traditional forms of finance include debt repayment, which creates the pressure caused by the potential for failure, and the stresses of implementation. Crowdfunding is a solution to these problems, crowdfunding provides the opportunity to be proactive in avoiding these issues.

- Obtaining finance. Crowdfunding is a means of obtaining finance for your idea without the pressure of debt, but rather the responsibility of delivering on your promises within a predetermined time frame that you have set.
- Gaining media exposure. One of the many benefits of crowdfunding is that it offers the key principles of e-commerce with the added benefit of a unique story attached to it. Making use of crowdfunding means that you are not completely on your own, and are working with an established brand to build the credibility of your own. Crowdfunding platforms will also have various media contacts that can be leveraged to help give exposure to your project, of course, there is never a 100% guarantee.
- Testing the market. When it comes to launching a new product or service there is not always a sure way of knowing if it is needed in the market enough to be feasible. On the other hand, there may very well be a profitable market out

there that you have yet to identify, and may waste all your efforts in the wrong place, costing you time and valuable resources.

There are various forms of crowdfunding available to entrepreneurs from the more traditional rewards-based to the newer asset-based crowdfunding. While both of these can work in unison during the same campaign, sometimes one is more than enough to provide you with what you need to launch your brand and idea.

## Rewards-based crowdfunding

The best way to look at rewards-based crowdfunding in terms of a concept that South Africans are familiar with is e-commerce. Rewards-based crowdfunding allows the project creators/entrepreneurs to pre-sell their products/services to their potential/ideal market. How this differs from doing this on your own standalone website is that doing it through crowdfunding provides an indication to the buyer that the product is not yet ready, it also provides much-needed trust and transparency. Unlike a normal e-commerce site, crowdfunding gives the buyer a detailed look at who you are and what you are doing. The project page allows them to connect with you on a personal level, as well as understand and connect with your brand and products. If they can buy into your story they will be more than happy to buy what you are selling and be loyal customers long after your campaign has ended.

## Fokofpolisiekar

South African rock band Fokofpolisiekar launched a campaign Fokof Crowdfunding at the beginning of 2017 to record and independently release their third studio album *Selfmedikasie*. This album caused a lot of excitement as it was their first album to be released in 11 years since their sophomore album was released back in 2006. This campaign was an instant hit amongst fans, as could be seen when they reached their dream goal of R500,000 in only a week. This campaign was the first of the year to break South African rewards-based crowdfunding records, raising R1,081,010 through the campaign.



#Fokofcrowdfunding supporters to receive *Selfmedikasie*

5 Sep 2017



The overwhelming success that this campaign had was a result of three main factors; the band's network, their project and their rewards, but most importantly how these three factors all worked together. In crowdfunding, these are known as the three pillars of success, and by tapping into even one of these can make a campaign successful. Fokofpolisiekar hit a sweet spot, with a network of fans longing for a new album, and excited about any merchandise that they could purchase as rewards through the campaign. Throughout this project the rewards were constantly updated, bringing new life into the campaign and reigniting excitement. Here we can see how the story added to the value of the rewards, as Fokof merchandise had been available before, but the key reason to buy was due to the demand for the project. A win for both the band and the backers of the campaign, great rewards contributing to a common goal.



Fokofpolisiekar shatters two crowdfunding records

4 Apr 2017



## Asset-based crowdfunding

Asset-based crowdfunding is, in essence, a short-term investment in a particular product, which can run hand in hand with a rewards-based campaign. This type of crowdfunding is best utilised with a product that is made using mass production. This works where an investor will front you the finance to produce a large volume of your product in exchange for their

investment back and return on their investment through a percentage of the profits made. A riskier reward to add to a campaign for both project creator and investor, but with the potential to show massive profits when done correctly.

## Sugarbird Gin

Sugarbird Gin is a new craft gin brand on the market in South Africa, it was founded out of a love for just good gin. This is their mantra, not to be the best but the favourite, to be top of mind among South Africans. Craft gin is a fast-emerging market in South Africa, and there is an ever-growing array of options to choose from. Sugarbird saw this barrier to entry as an opportunity to stand out amongst the clutter in the category. It was this that led them to their record-breaking crowdfunding campaign. Raising an astonishing R1,086,973 during their campaign they proved that crowdfunding is more than just a method of obtaining capital for a new business, but can be a great method of introducing yourself to the market.



### 10 lessons from a successful crowdfunding campaign

Rob Heyns 16 Jan 2018



Creating a campaign as a new brand that breaks records is no easy task, Sugarbird proved that it takes hard work, innovative thinking and a strong team to accomplish such feats. Throughout the campaign this brand continued to create exciting and relevant content to update people on the progress of their campaign, they took risks and broke down barriers by offering rewards never before seen on Thundafund. Their most innovative offering utilised asset-based crowdfunding by allowing people to get in on the action and buy a batch for which they would receive a 25% return on investment within 6 months. This proved to be a huge success and ultimately set them over the top, sealing their spot in the crowdfunding hall of fame.



### Sugarbird Gin - infused with the spirit of entrepreneurship

17 Oct 2017



Now obviously there are many different options when selecting a crowdfunding platform, but as a South African I like to keep it local, so I'm going to talk about the leading South African crowdfunding platform for entrepreneurs and innovative individuals.

## Thundafund.com

Understandably whenever money is involved people are sceptical, it seems that someone is always trying to take advantage of someone else when finance is involved. Banks and other credit provider promise the world to you and always leave out the fine print, effectively bleeding your wallet dry. This shouldn't ever be the case with crowdfunding, crowdfunding is a powerful method of uniting people together to support a common goal, which is why trust plays such a huge part in it. This is why Thundafund has implemented an "all or nothing" system, that means that should you not make enough money to actually do what your project says, the money is given back, and neither party makes a cent. Personally, I find this honesty in business rather refreshing, especially when living in a world that is so full of hypocrites and fake social media lives, which only create more anxiety and depression among today's youth.

The truth is we all know that life is unfair, some are blessed with gifts and opportunities that fit right into society as is, while for others have to fight just to be heard. That is what crowdfunding is to me, it's a voice for those who are unheard and an opportunity to excel beyond what is currently possible. To live your best life and celebrate the brilliance of each individual.

In 2018 I hope to see many more people take over the world and prove the naysayers wrong. I truly believe that together we

can make this world a better and more fair place, one dreamer at a time.

## ABOUT NICHOLAS DILLEY

Nicholas is a Capetonian that graduated from the AAA School of Advertising in 2015 with a degree in marketing communications and several specialisations. He has been working in the marketing, PR, and social media space ever since. He currently works with a company called Thundafund, a rewards-based crowdfunding platform that helps connect entrepreneurs and innovative thinkers to their potential customer base to raise funds.

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