

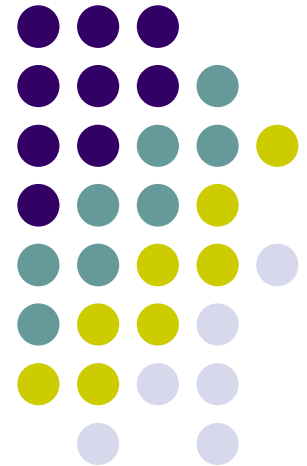
# Innovate forms of project financing under the conditions of globalization

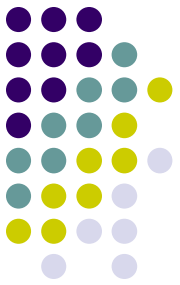
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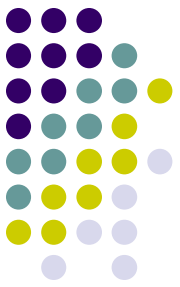
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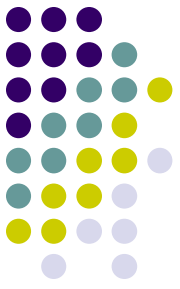
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# The aim of the paper

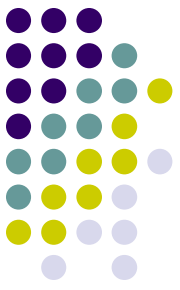
- The presented article deals with the issue of innovative forms of financing projects implementing innovations through business angels and crowdfunding. It describes them as current forms of financing in the form of individual forms of financing innovative projects but also as a combined form of financing innovative projects with the classic forms of internal and external financial resources.
- One of the aims of this article is to analyse the development of the global market, the volume of countries using innovative forms of project financing through crowdfunding.

# Introduction



- Project financing is defined as a process of obtaining financial resources for the implementation of projects.
- In general, project financing combines different funding methods, which we divide into internal and external.
- Internal sources include: profit, provisions, depreciation.
- External sources include: of funding into our own and foreign sources. At the same time, we divide foreign resources into classic, alternative and innovative ones. Among the classics are mainly credit.
- Alternatively: factoring, leasing, franchising.
- Innovative resources include: crowdfunding and business angels.

# Methods



## *Crowdfunding*

- Crowdfunding works on the principle of collecting smaller individual contributions from a large number of people, mostly via the Internet. Through crowdfunding, different types of innovation projects can be funded. Whether it's works of art, public projects, innovation, research and development or other business plans. On the one hand, there is a person with an idea for a project who prepares a crowdfunding campaign and we call it the owner of an innovation project. On the other hand, these are people who give money to carry out this inventive and call them contributors

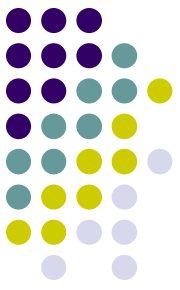
## *Business angels*

- Business angels are an important element in financing innovation. In addition to their capital contribution, they also pass on valuable advice and their managerial experience to their recipients, together with the possibility of using their business contacts. Thus, in addition to finance, they also provide them with know-how. For the beneficiaries, this means a huge benefit, because also especially in terms of insufficient managerial experience of the company. As a result, many businesses are unable to do business for more than five years.

This article will provide an overview of the global crowdfunding market, which includes financing models such as P2P consumer loans and P2P business loans. Real estate crowdfunding, invoice trading, balance sheet loans, crowdfunding equity.

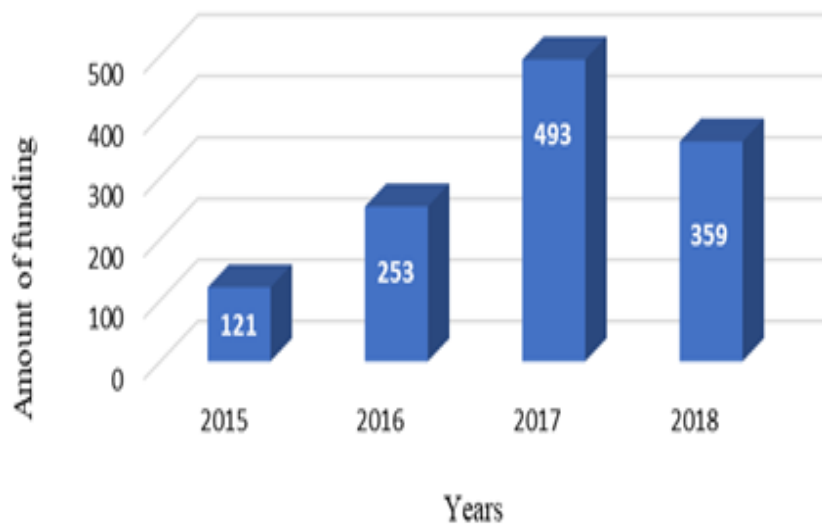
Crowdfunding-based rewards, crowdfunding-based donations and more.

# Results and Discussion

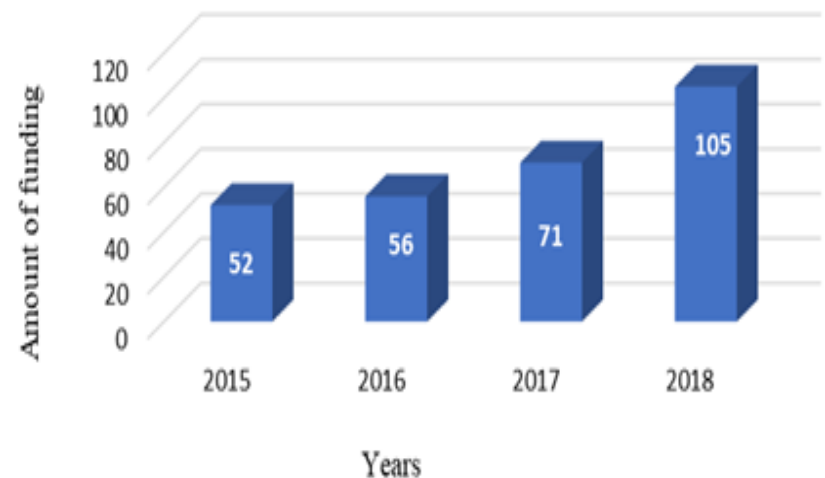


The data were collected through an annually distributed survey, so the latest available data, including the calendar year 2018. In figure 1 and 2 are graph with a rounded number of statistics on the overall development of the world market in the volumes of crowdfunding funding from 2015 to 2018.

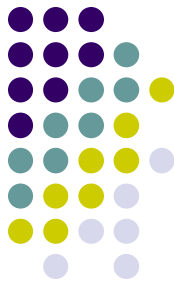
### Total Global Worldwide Crowdfunding Volumes



### Total Global Worldwide Crowdfunding Volumes Ex. China



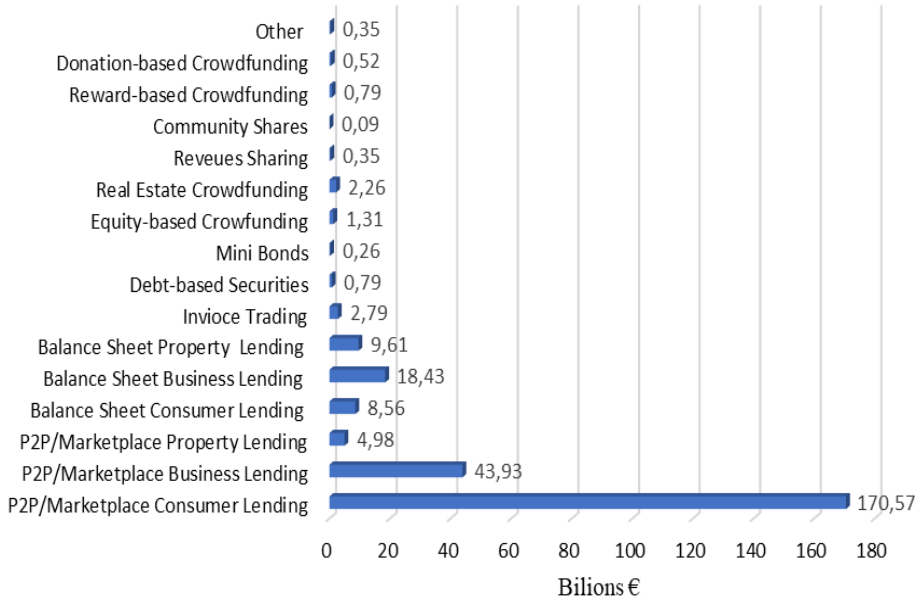
# Results and Discussion



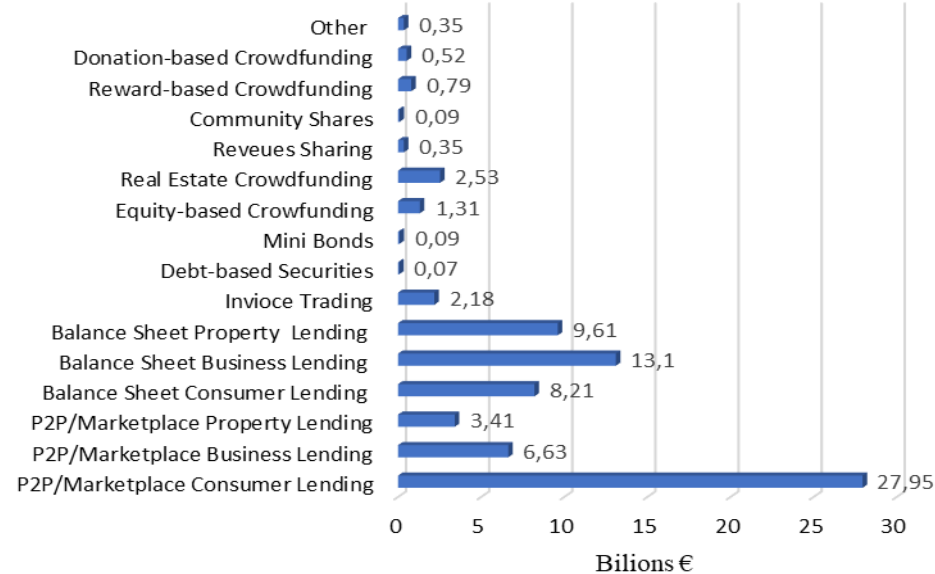
Crowdfunding is divided into four main categories: Debt-Based Crowdfunding, Stock-Based Crowdfunding, Remuneration-Based Crowdfunding, Donation-Based Crowdfunding.

Due to the dominant position of the debt category, it is useful to further break down the funds, which are shown in the following figure 3 and 4.

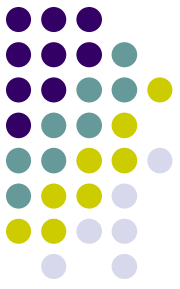
**Global Worldwide Crowdfunding Volumes by Business Model**



**Global Worldwide Crowdfunding Volumes by Business Model Ex. China**



# Results and Discussion



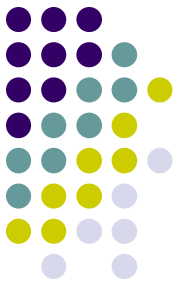
In table 1 lists the 15 countries with the largest market share in the crowdfunding sector. The table also shows the total global volume of crowdfunding funding, which consists of data from all 171 countries /territories that participated in the research.

Country	Rank	Volume/[€]	Market Share	Yearly Growth Rate
China	1 (1)	188 119 116 024,45	70,73%	-39,88%
United States	2 (2)	53 392 451 074,24	20,07%	42,93%
United Kingdom	3 (3)	9 054 925 247,16	3,40%	31,04%
Netherlands	4 (10)	1 577 553 383,41	0,59%	480,72%
Indonesia	5 (30)	1 267 448 845,41	0,48%	1711,43%
Germany	6 (8)	1 114 586 438,43	0,42%	92,90%
Australia	7 (4)	1 018 817 509,17	0,38%	1,57%
Japan	8 (9)	938 652 282,97	0,35%	208,26%
France	9 (7)	814 963 255,9	0,31%	26,98%
Canada	10 (6)	794 109 428,82	0,30%	4,80%
South Korea	11 (5)	657 974 665,5	0,25%	-33,32%
Israel	12 (New)	633 910 218,34	0,24%	145,21%
Brazil	13 (12)	587 067 919,65	0,22%	149,30%
India	14 (13)	478 103 196,51	0,18%	103,82%
Italy	15 (15)	465 138 361,57	0,17%	99,16%

The rank countries in parentheses show the rank in the previous year.



# Conclusion



- Innovative approaches to financing innovative projects are now an important part of innovation and project management, given the rapid pace of the market and the need to innovate products that take into account customer requirements in a short time and limited resources.
- It is crowdfunding or business angels that ensure the potential greater success of these innovative projects, especially in terms of their ability to finance them, even if they combine these innovative methods of financing with traditional forms such as credit, leasing, etc.

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**Thank you for your attention**

