CROWDFUNDING SOFTWARE PROJECTS

When it comes to software development, history has shown that niche products can often lead to profitable new markets. The challenge, of course, is discovering that the niche is there. microPledge uses the power of crowdfunding to uncover untapped demand and, in the words of its founders, “get software made.” The idea is simple. Anyone with an idea for useful software can submit it on the site. Others who like it can then pledge money to help see the vision realized. Developers browsing the site can submit quotes for creating the software; the one with the best quote after two weeks is chosen for the job. Those who pledged, meanwhile, get to have a say in how the product takes form. The New Zealand-based site was launched in August by three business-minded brothers. They explain: “Being people with plenty of ideas, we kept wanting to start projects—the kind we knew people would find interesting. If we could only get people to pledge to support them … Then one day it dawned on us that we had to run the service ourselves.” microPledge currently focuses on open source projects, for which it receives no payment, but ultimately it plans to diversify to include a variety of commercial projects and to charge a portion of the funds pledged. The site also offers a USD 20 “incubator” service to help protect innovators’ ideas. About 160 users and 75 projects have populated the site so far, and its founders are interested in mutually beneficial partnerships to help it grow. In addition to a marketplace for software development, microPledge reckons its site will come to be viewed as a free market-testing service to gauge the reception for new software products and features. Interesting example of the intention economy at work: when consumers have to put their money where their mouth is, it’s a pretty good bet you can believe what they say. Time to consider how micro-pledging could be applied to your industry. If not to raise funds, then at least to find out what your customers really want. Spotted by: Adrian Scott

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