

# **konduktum**



## **Demand Driven Crowdfunding**

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# Abstract

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**konduktum** provides a demand driven crowdfunding platform for all project-sorts and sizes. Projects are initiated by a single user and grow organically.

## The classic crowdfunding model

The normal crowdfunding model we know today consists of two parties. One party being the initial creator of the project, requesting funding. And the supporting party which represents a collective that potentially invests in the project. Both Parties want the project to succeed and are limited in calculating the actual success of the project by the following means:

**The creators** of the crowdfunding campaigns usually don't know if there's an actual collective demand for their Idea. They have to spend a lot of time and resources only for researching if the expenses it takes to launch a fundraising campaign are covered by the actual success of it. Examining the risk/reward ratio and the work invested into research and analysis in the beginnings of a project, makes even the launch of a crowdfunding campaign a high risk undertaking.

**The investors/backers** of a crowdfunding campaign are excluded from the decision making that is taking place long before a fundraising campaign is launched. In this initial step a collective demand is of high value for the investors as it makes a project much more likely to be executed. This demand is not being expressed beforehand and thus, not being taken use of.

## Our demand driven crowdfunding model

Our reverse crowdfunding mechanism allows both parties to interact at the very beginning of a crowdfunding campaign. A project is not initiated by the executing

party, but by the investing collective. The investors become project initiators by opening a demand. The demand is opened by one user pledging any desired amount for an idea. The crowds invested sum creates a reward pool that incentivizes executors to meet the demand. No risk is involved for both sides. The executing party only gets access to the reward pool if the required goals are accomplished.

# 1. Executive Summary

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**konduktum** works like a **reverse crowdfunding** platform.

An initial **demand** is started by one user. This demand could be anything they dream of and range from **classes** of their favourite lecturers to **concerts** or even **products** and **research projects** of companies and institutes they like.

## 1.1 The Concert - Use Case

Via the konduktum, **Anne** requests a local **music-band** to play a **concert** next Thursday at a **venue** close to her. She opens a demand by **paying** her **desired ticket price** of **15\$**. The demand is now posted on the konduktum. Many of **her friends can now join** and buy a virtual ticket via the konduktum, as the demand has been opened. The money is just held in **escrow** so they don't take any risk of losing it.

The demand will now **grow** to a size that the **venue allows**. The venue that Anne chose has a desired capacity of a **min of 60ppl.** and a **max of 100ppl.** If the venue is already **signed up** on the konduktum, the demand will be marked **full**, once 100 people join. If the venue is not signed up yet and there are too many demands, only the **first 100 buyers** of the potential ticket will get access to the concert. All others get the money back that was held in escrow. or can attend an **online event for a lover** (if the concert is livestreamed)

Up to that point, the music-band **might or may not know** that there is a **fully booked concert** waiting for them. If not already on the platform, the crowd will now ask the music-band to sign up to konduktum to **confirm** the demand. During sign up, the music-band will be verified by the staff. Once verified the music-band can decide if the collected funds are too low, the date should be changed or can deny the demand altogether at any time.

Once the music-band and the venue confirm the demand, the **funds are released** to the music-band's account to **execute the demand**.

# 1.2 Problem Statement

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The amount spent on advertising a product often exceeds the amount spent to develop the product itself. Without even having certainty that a product will reach, and be used by the desired size of audience.

Some of the main risks listed for the old way of Crowdfunding:

- Marketing Expenses
- Acquiring sponsors for the crowdfunding campaign itself
- Advancing production expenses
- Legal expenses
- Initial costs before the actual execution of a project
- Undefined Audience



## 1.3 The Vision

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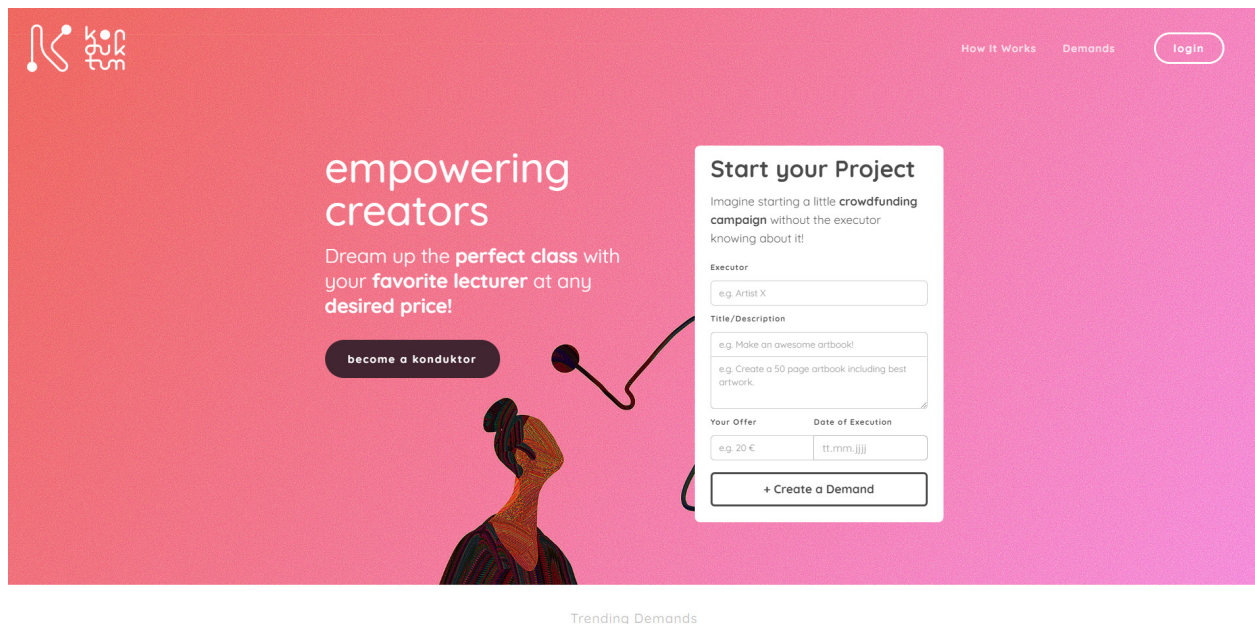
“Under the veil of an intuitive **reverse crowdfunding** platform comes a highly disruptive mechanism, which **decentralizes** large **collective decision making** by following the **laws and principles** of **nature**“

- Kemane Ba

- Crowdfunding for everyone, everywhere at any time.
- Tailored campaigns originated by the crowd.
- Disrupting the established crowdfunding industry.
- Empowering small & local artists through local friend circles.

## 2. Platform & Features

konduktum provides a service to start crowdfunding campaigns through an easy and intuitive user experience. The user gets seamlessly guided through a survey which requires only a few parameters to function. From there, the scaling and possibilities are endless. All features are intended to be tested live on: [app.konduktum.com](http://app.konduktum.com)

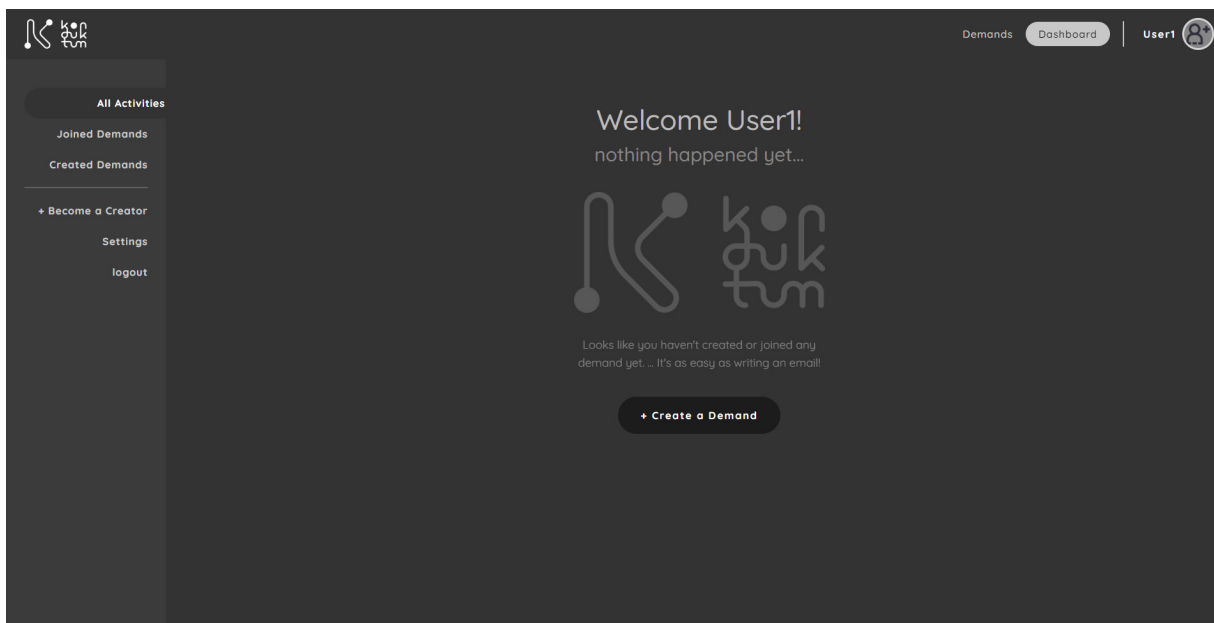


home screen [app.konduktum.com](http://app.konduktum.com)

## 2.1 Dashboard

**The Dashboard** gives the user overview to created, joined and executed demands. Here a user can:

- Create demands
- Edit Profile Information
- Track Stat's of Created demands
- [add features ideas here]



Dashboard [app.konduktum.com](http://app.konduktum.com)

## 2.2 Survey

**The Survey** seamlessly guides you through the creation of a demand. Here a user can:

- Choose an executor (or multiple - for collaborations)
- Describe the demand
- Choose a date or time range
- Pay for the pledge
- **[add features ideas here]**

The screenshot shows a web interface for creating a new demand. The background is a solid orange color. In the top left corner is the Konduktum logo. In the top right corner, there are links for 'Demands', 'Dashboard', and a user profile labeled 'User1'. The main content area is centered and contains the text 'Create a New Demand' in a small font, followed by the question 'Who will execute your demand?' in a larger font. Below this is a label 'Name of the executor' and a white rounded rectangular input field with the placeholder text 'Type a name...'. In the bottom left corner, there is a small Konduktum logo and the text '© 2019 konduktum AG'. In the bottom right corner, there is a vertical list of links: 'Funding', 'Konduktum App', 'About Us', 'Blog', 'Support', 'Careers', 'Cookie Policy', and 'Terms'.

Demand survey [app.konduktum.com](https://app.konduktum.com)

# 3. Demand Mechanism

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**konduktum** aims to democratize and disrupt the current crowdfunding model by simply reversing it and let the user be involved in the decision making of a crowdfunding-campaign at the initial moment an Idea is posted.

The following diagram displays the procedure of a use case. The actual interface and the current user experience can be found in the previous chapter [2. Platform & Features](#) or [prototype.konduktum.com](http://prototype.konduktum.com).

## 3.1 Creating a demand

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**Anyone** can create a demand at any desired time for any desired price. First the executor of the demand is selected, or newly entered if not already on the platform.

- [features tba]

## 3.2 Joining a demand

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**Anyone** can join a demand at any desired time for any desired price. First the amount of the pledge is selected, or newly entered if not already defined by the creator of the demand.

- [features tba]

## 3.3 Reward Pool Distribution

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**The final sum** of the pledged money goes to the executor after a successful execution of the project. Depending on the size of the Project the reward pool gets either released right away, or a voting mechanism confirms a successful execution.

**Charity** events can also take place if the executor decides to give the collected funds to a charity-organisation that is signed up at *konduktum*

**A notary** and **accountant** can be involved when collected funds exceed a certain threshold. For example after 200k There would need to be a platform trusted notary to distribute the funds to the individual executors.



## 3.4 Donation to konduktum

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### Incentives

konduktum will advertise the demands and put them on the frontpage when users donate a higher percentage of the demand amount to the platform.

### The final sum

The collected sum of the pledged money goes to the executor after a successful execution of the project. Depending on the size of the Project the reward pool gets either released right away, or a voting mechanism confirms a successful execution.

- [features tba]

## 3.5 Initial Donors



The user can choose how much of the paid demand amount they want to give to the konduktum as a donation with a slider.

The first user that starts a demand can incentivize the following backers by them not having to pay fees when joining a demand.

<https://codepen.io/webdev-dschratl/pen/gOwYogX>

- [features tba]

# 4. Technical Implementation

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AWS  
Stripe  
Braintree  
Remix.run  
React

# 5. Team

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# 6. Imprint

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