



Hastings Pier

## Identify the Project

Identifying what the project is all about is critical. It needs to be clear and understandable, with a clear benefit to the community more generally and, better still, a clear benefit to investors. It's got to be a clear hop, skip and jump from you raising the money to making something happen to your local area becoming a better place.

## Get a group who can make it happen

A community share offer cannot be launched by a couple of people because there's too much to do. It also shouldn't be organised by a couple of people because if you can't convince people to join your core team, it's an alarm bell that the idea isn't as exciting to you as it is to other people.

## Get the business plan with financial projections

If you have a robust business plan, it will help convince people that your offer stacks up, but most of all, it'll convince you, too. You'll need to plan out how much you need, and what you could do with more or less than you'd ideally like, and how you'll develop a sustainable business with the money you raise. That in turn leads to being able to work out how much interest you can pay investors, and how quickly (or otherwise) you can start to make it possible for them to get their money back.

## Get the right legal structure

A community share offer involves withdrawable share capital, exempt from the usual rules that make raising capital from the public in companies so expensive. You will have to register with The Financial Conduct Authority—either as a co-operative society or community benefit society.

## Engage the Community

This is probably the most critical aspect: you need to warm people up to the idea of parting with their cash to make this happen, and so this isn't just about talking about what you want to do, but listening to what people say in response, and allowing those views to shape your approach. This will succeed if the community takes ownership, and that means the core group will have to be willing to let go and be open about who's ultimately at the heart of things.

## Plan the campaign

You need a campaign to make sure you keep on top of your daily targets when the share offer goes live. Are their different groups of people who would respond to a different message about why the project needs support? How will you get your offer in front of people, and how can you use your supporters as advocates? Are you engaging hearts and heads? You'll need a website, a video explaining the project and most likely an offer document explaining the terms and conditions of the offer. You can also look to get helpful tax breaks to help sweeten your offer.

## Raise the cash

Now it's time to get serious and convert all the goodwill you've built up. Your work engaging your crowd of supporters comes to fruition as people get excited how the project is becoming a reality.

## Deploy the finance and create the enterprise as you promised

The cash has been raised and now you can make the project a reality. There might be bumps on the road with timescales slipping and plans having to change in the light of the real world, so it is vital to keep investors and other supporters in the loop about these changes.

## Engage members and use them

You're now up and running, but now the hard work really starts. Your investor members are probably your biggest customers and users. Keep them close to help make you sustainable, and they'll also be the biggest advocates of what you do to others. They'll only do this if they feel that community ownership goes beyond an invitation to AGM and there are meaningful roles in the project.

## Move to an open offer

The best way to create a pool of capital to enable people to withdraw is to have new investors wanting to become part of the society. Offering an interest rate is really attractive in an era of historic low returns to savers, and through moving to open offers, community shares move from being about a specific enterprise through to enabling better use of the community's capital to better serve its needs.

# How to raise community shares

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