

# Foreword

The financial industry is being disrupted. Fintech solutions are breaking up the traditional banking system and community based finance solutions are challenging the current way of investing in businesses. New financing models such as crowdfunding and community empower are democratizing access to credit and are offering individuals and communities the possibility to support, co-create, contribute and invest in public and private initiatives they think are important. Basically, we are re-inventing finance.

The elements making crowdfunding successful are not new. In fact, collecting funds from a group of people for a specific project is traditionally the most common way to support innovation and entrepreneurship. Because funding comes from strong connections in a network, it provides much more than just money. It creates a strong community of ambassadors who will help to realize and support the project with more than just their capital contributions. They will commit their time, energy and network to make it successful. This creates a much more sustainable model and will also focus on the social return next to their financial return.

Society has changed in the last century from a decentralized, local economy with strong social connections between investors and projects, to a more centralized investment and banking model where the connection between investors and projects disappeared. These models were based on the assumption that individuals are only interested in financial returns. History shows that people are also very much interested on the social impact and social return. By using web-based collaboration tools, online payment solutions and blockchain solutions a lot of small and large initiatives are currently experimenting with new financial and social models to bring these social connections back in sustainable business models.

I am very proud we found the most experienced international academics, lawyers, entrepreneurs and practitioners in crowdsourcing and crowdfunding to contribute to this publication and give their expert views on these trends. A lot of great examples of crowdsourcing and crowdfunding initiatives are globally showing good results. These examples were researched and documented in separate publications, but never before such a wide range of experts joined forces to share their knowledge in a combined publication. This book is a standard reference for future research and academic publications, but also a very interesting read for all the different stakeholders in our new, but fast growing industry.

The authors covered all areas of this emerging industry. From the basic definitions of crowdsourcing and crowdfunding to detailed analysis on crowdsourcing for co-creating innovation and new businesses. The book embraces a vast number of analyses, which include, among others, the different crowdfunding models, the use of crowdsourcing and crowdfunding in different industries, the legal and regulatory aspects, the market trends, the added value of crowdfunding for marketing and market research.

This book is very insightful for readers who are interested to get an overview of this new, fast growing industry, but even the most experienced practitioner will learn something new.

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I will encourage everyone not just to read these great chapters, but also to start experimenting and implementing the solutions these experts describe in their articles. These crowd and community-based finance solutions offer a lot of opportunities to create sustainable, more innovative businesses that will focus on a combination of financial and social returns.

As written in the Preface,

*innovation means to anticipate future needs, create new business models, without losing revenue. There are tremendous unexplored opportunities to catch thanks to crowdsourcing and crowdfunding, two sides of the same coin that lead to a revolution of social and economic models. The reading of this book will help to understand the changes taking place to grasp opportunities and advantages.*

Together we can create a more balanced financial system that is not focused only on financial returns, but will also incorporate the social returns, resulting in more sustainable and inclusive business models.

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