Chapter 13

Online Tools for the Modern Entrepreneurs
Fueled by Trust: Crowdfunding and Investor Angels

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ABSTRACT

Latin America and the Caribbean (LAC) as an emergent region has showed a high economic growth at the recent history. Its economic growth has been higher than the world general performance during a half of a century. Since 1960 to 1980, LAC was the region with the highest economic growth per decade. Unfortunately, the great economic growth stopped with the Debt Crisis which macroeconomic non desirable effects were sensible during the next decade. As a solution at international level. One of the barriers to start a business is the financial factor. The crowdfunding is a group of people dedicated to create a network in order to get financial help from people that are willing to support a business idea.
INTRODUCTION

The following chapter it’s an effort to show the different and modern tools that can be used and replicated in Latin America to create business opportunities based on trust and transparency models. One of the main difficulties for the immature business it’s the procedure of getting financial capital to expand or to put their ideas to work in real life, that’s because for the banks there is too many risk and there are no guaranties for the solicited credit.

This prevents new ideas to get money to grow and this may slow down the economy in countries where credit access for small business it’s difficult such as Latin America.

Therefore they are alternatives that can be used to obtain such financial capital; they are tools like crowdfunding and angel investors networks that are willing to take a moderate risk that the entrepreneur has to prove with a solid business plan and transparency to obtain trust from the investors.

The bonus with dealing with these online technologies is that business people can get their ideas posted and many investors around the world can see them and evaluate them.

It’s a great lesson as well for the investors that are willing to explore other areas because they need to be organized in networks that can have a constant flow of ideas to select the best ones and to periodically be showing them in a systematic way to the members of the investor network, this can drastically reduce the risk and it’s a cost that can be very beneficial to the network.

BACKGROUND

Latin America and the Caribbean Investment Overview: Overall Performance at the Beginning of the XXI Century

General Macroeconomic Context

Latin America and the Caribbean (LAC) as an emergent region has showed a high economic growth at the recent history. Its economic growth has been higher than the world general performance during a half of a century. Since 1960 to 1980, LAC was the region with the highest economic growth per decade. Unfortunately, the great economic growth stopped with the Debt Crisis which macroeconomic non desirable effects were sensible during the next decade. As a solution at international level, The Washington Consensus was established in order to stimulate economies with more liberalization mechanisms to financial and commercial transactions around
Culture and Websites Interaction: Issues and Perspectives
Ramazan Nacar, Sebnem Burnaz and Nimet Uray (2013). Cultural and Technological Influences on Global Business (pp. 316-351).
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