

VICTORIA UNIVERSITY OF WELLINGTON  
*Te Whare Wananga o te Upoko o te Ika a Maui*



## **Enabling knowledge contexts at PledgeMe**

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Case Study (MMIM 590)

By

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## Declaration

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Catherine Doran

17 October 2016.

# 1 Executive Summary

Crowdfunding is a phenomenon that has grown rapidly in the past few years. In essence, crowdfunding involves funding support from 'the crowd' for an initiative, product or service. The four main kinds of crowdfunding include donation-based, reward-based, equity-based and lending-based. This case study focuses on equity crowdfunding. PledgeMe is a crowdfunding company based in Wellington that offers reward, equity and lending-based crowdfunding. PledgeMe has hosted over 1000 crowdfunding campaigns and over \$12.6 million has been raised in pledges via the platform.

Research on equity crowdfunding is still emerging, with topics of interest including motivations, success factors, and how crowdfunding builds communities. There have been 15 successful equity campaigns on the PledgeMe platform, with a variety of products and services raising capital to grow their business. As a start-up company, PledgeMe is seeking ways to ensure more equity campaigns are successful, while also wanting to continue building the New Zealand crowdfunding community.

This case study was based on the outcomes of six interviews. Three interviews were conducted with PledgeMe staff, and three interviews were conducted with people who had run equity crowdfunding campaigns. These interviews discussed each person's role and company, the crowdfunding process, and in particular how people knew what to do in order to be successful when crowdfunding.

Analysis for this case study looked at knowledge management frameworks, and considered models for knowledge creation, transfer and use. Nonaka and Takeuchi (1995) proposed the SECI framework as a way to consider how knowledge creation and transfer evolves. The elements of the framework are socialisation, externalisation, combination and Internalisation. These elements are linked via a spiral, which sees the knowledge grow as the individual or organisation continually moves through each of the elements in turn. These are linked to the concept of *ba*, which indicates the space for the creation and transfer of knowledge.

In the 20 years since the SECI framework was first proposed, scholarship has advanced and considered whether the elements are still relevant. Choo and de Alvarenga Neto (2010) have situated the framework in the context of knowledge processes, enabling conditions, and

interaction levels, and it is this situation which is used as a model for this case study.

PledgeMe is shown to have particular strengths around personal relationships, operating in the one-on-one level of interacting *ba*. While PledgeMe has a solid basis in the social/behavioural and cognitive/epistemic enabling conditions, it is less strong in the information systems/management and strategy/structure conditions, and this is an area for future growth.

The recommendations in this case study relate to prioritising PledgeMe's high value contributions, and finding ways to spend less time on low value work. It is recommended that PledgeMe outsource aspects of the CrowdfundingU programme, and that it considers implementing more regular, structured reviews of recent work. It also suggests having a checkpoint for equity crowdfunding campaigns, to ensure that sufficient work has been undertaken at a certain milestone to make it more likely that the campaign will be successful.

PledgeMe gets the most value out of its work to build a community and activate its own crowd. This case study recommends continuing this work, and building on previous knowledge to continue to enhance its community and become a more successful company.

## 2 Table of Contents

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>2</b>	<b>TABLE OF CONTENTS .....</b>	<b>5</b>
<b>3</b>	<b>TABLES .....</b>	<b>6</b>
<b>4</b>	<b>CASE DESCRIPTION.....</b>	<b>7</b>
4.1	INTRODUCTION TO CROWDFUNDING .....	7
4.2	PLEDGEME .....	8
4.3	THE CHARACTERISTICS OF SUCCESSFUL EQUITY CROWDFUNDING .....	9
4.4	RUNNING AN EQUITY CROWDFUNDING CAMPAIGN – THE CAMPAIGNERS .....	13
4.5	RUNNING AN EQUITY CROWDFUNDING CAMPAIGN – THE PLATFORM .....	14
4.6	MAKING PLEDGEME SUCCESSFUL .....	15
<b>5</b>	<b>INTRODUCTION TO ANALYSIS.....</b>	<b>17</b>
<b>6</b>	<b>ANALYSIS - METHODS .....</b>	<b>22</b>
6.1	INTERVIEWS .....	22
6.2	SECONDARY MATERIAL .....	23
<b>7</b>	<b>ANALYSIS - APPLYING THE ENABLING CONTEXT FRAMEWORK TO PLEDGEME.....</b>	<b>25</b>
7.1	KNOWLEDGE PROCESSES .....	25
7.2	INTERACTION LEVELS.....	28
7.3	ENABLING CONDITIONS .....	30
<b>8</b>	<b>RECOMMENDATIONS.....</b>	<b>33</b>
8.1	START .....	33
8.2	STOP.....	33
8.3	KEEP .....	34
<b>9</b>	<b>CONCLUSION .....</b>	<b>35</b>
<b>10</b>	<b>REFERENCES .....</b>	<b>36</b>

## 3 Tables

### Figures

Figure 1 – The equity crowdfunding process	10
Figure 2 – SECI model	18
Figure 3 – Framework for designing an enabling context in KM	21

### Tables

Table 1 – Successful equity campaigns on PledgeMe	11
Table 2 – Unsuccessful equity campaigns on PledgeMe	12
Table 3 – SECI elements and corresponding <i>ba</i>	19

## 4 Case Description

### 4.1 Introduction to crowdfunding

*Crowdfunding involves an open call, mostly through the Internet, for the provision of financial resources either in the form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes (Belleflamme, Lambert, & Schwienbacher, 2014)*

The concept of raising money through appeals to the community is not new. The growth of the internet has provided an ideal mechanism for channeling these appeals, and research into this area is a new but rapidly growing area of interest (Mollick, 2014; Moritz & Block, 2016). There are four main kinds of crowdfunding:

- Donation-based – raising funds for a particular cause with no expectation of reward or return;
- Reward-based – raising funds for a particular project or initiative, typically with a reward structure based on amount given;
- Equity-based, also known as crowdfunding – raising funds through a share offering;
- Lending-based – raising funds through issuing bonds, to be repaid over time (Wilson & Testoni, 2014).

Donation and reward-based crowdfunding is relatively straightforward. The relationship between the campaigner and their crowd is based on a single transaction, and there are generally no regulations governing the process. The process, particularly for reward-based crowdfunding, has been shown to provide a number of benefits for both campaigners and supporters, beyond the exchange of funds and rewards (Gerber & Hui, 2013; Kuppaswamy & Bayus, 2015).

Equity and lending-based crowdfunding create a more lasting relationship between the organisation seeking funding and its backers. Rather than getting a reward, backers for equity crowdfunding purchase shares which give them a stake in the company on an ongoing basis. In New Zealand, equity crowdfunding is regulated by the Financial Markets Authority (FMA), who maintain a list of licensed crowdfunding platforms (Financial Markets

Authority, 2016a). The FMA considers equity crowdfunding to be risky for the following reasons:

- You won't get all the information you normally get when you're buying shares
- Investment in new or rapidly growing companies is very speculative
- The FMA doesn't check the companies raising money through crowdfunding
- Selling your shares may be difficult (Financial Markets Authority, 2016b).

Debt crowdlending is the newest form of crowdfunding. It involves backers lending capital to the company running the campaign. Unlike equity or project crowdfunding, the intention with debt crowdlending is that backers will get their money back – with interest. Again, debt crowdlending is regulated by the FMA. The risks they identify around debt crowdlending include:

- It's not the same as putting money in a bank
- You could lose your money or not get the interest you've been promised
- It may be difficult to get your money back quickly
- If you want to re-invest you may have to wait (Financial Markets Authority, 2016c)

## 4.2 PledgeMe

*“Our philosophy is built around community and recognising the power that you already know” (Interview with Luke, PledgeMe staff member<sup>1</sup>).*

PledgeMe is a crowdfunding company based in Wellington, New Zealand, that offers reward, equity and lending crowdfunding through its website at [www.pledgeme.co.nz](http://www.pledgeme.co.nz). The company's mission is to help kiwis fund the things they care about. As well as the CEO and five employees, PledgeMe has an executive board and shareholders. People who wish to start a campaign do so by making initial contact with PledgeMe, providing details of their campaign and intended goals, and setting up their campaign on the PledgeMe website.

As at 16 October 2016, PledgeMe has hosted 1,046 successful project campaigns, 15 successful equity campaigns and one lending campaign. There have been over 71,000 pledges to these campaigns, and over \$12.6 million raised in pledges. 50.5% of campaigns

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<sup>1</sup> Interview subjects have had their names changed.



(across equity, project and debt) have been successful in achieving their goals (PledgeMe Limited, 2016c).

PledgeMe takes a 5% success fee from successful campaigns, and charges other fees to cover costs such as credit card processing (PledgeMe Limited, 2016b). The CrowdfundingU programme is available for equity campaigns for a one-off fee of \$1500, and this provides a range of information about setting up and running an equity crowdfunding campaign. PledgeMe ran its own successful equity crowdfunding campaigns, with the first campaign in November 2014 raising \$100,000 in less than 24 hours (PledgeMe Limited, 2014), and a follow-up campaign in 2015 raising \$365,820 (PledgeMe Limited, 2015). Luke reflected on the effect of this campaign:

I think also we're ... a shining example of how you can use a shareholder base – how you can harness the skills and the desire to be involved of your shareholder base to be able to make collective decisions that people can feel included and involved in. I think that's a really big lesson for a lot of companies coming through.

PledgeMe operates wholly in New Zealand. There are at least ten New Zealand-based crowdfunding websites (NZCrowdfunding.co.nz, 2016). Six companies are licensed by the Financial Markets Authority to run equity crowdfunding campaigns (Financial Markets Authority, 2016a), although not all of these appear to have run New Zealand campaigns. PledgeMe's main competitor in the New Zealand marketplace, Snowball Effect, describes itself as "New Zealand's leading private equity investment marketplace", and claims to have over 70% market share in the equity crowdfunding space (Snowball Effect, 2016).

#### 4.3 The characteristics of successful equity crowdfunding

*Equity crowdfunding is revolutionary because it can dramatically open up access to both investors and entrepreneurs. Entrepreneurs who had no or little access to capital all of the sudden have access to deep pools of capital and other resources. On the other side, investors can discover investment opportunities that were very hard to access at scale (Assenova et al., 2016).*

Figure 1 demonstrates the equity crowdfunding process from the view of the entrepreneur,

the platform, and the ‘crowdinvestors’ – that is, the people who choose to invest in an equity campaign.

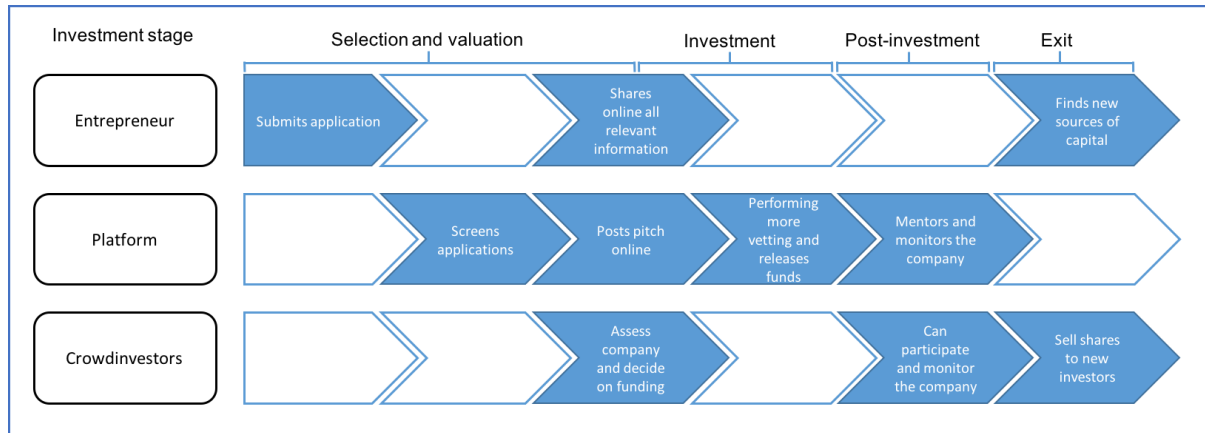


Figure 1 - The equity crowdfunding process (Wilson & Testoni, 2014, p. 4)

Equity crowdfunding has been slower to take hold than donation and reward-based crowdfunding, primarily because it is more regulated than donation and reward-based campaigns (Wilson & Testoni, 2014). While research on equity crowdfunding is still emergent, given the relative newness of the concept, there are some key themes, particularly related to the success or failure of campaigns. Ahlers, Cumming, Günther, and Schweizer (2015) argue that projects that demonstrate higher quality and lower investor uncertainty are more likely to gain funding. In particular, they point to three factors:

- The amount of equity offered – if the company is considered to be giving up too much equity uncertainty is seen to increase
- Providing financial projections and disclaimers reduces uncertainty
- Strong levels of human capital – measured in this study by the percentage of board members with MBA degrees.

Mollick (2014) suggests that being well connected on online social networks is also a good signal of potential crowdfunding success, and this is further verified by Vismara (2016), who notes that entrepreneurs “who had more social capital had higher probabilities of success” (p. 579). Taking this research on signaling further, Ralcheva and Roosenboom (2016) investigated the role of certification as a signal of success. Certification here is taken to mean verifiable aspects of the campaign which lead to greater investor confidence. They found that “successful companies are more often backed by a business angel or venture capitalist, more often have won grants and awards and are more often affiliated with a

strategic partner” (p. 14).

Ralcheva and Roosenboom (2016) found that equity crowdfunders seem to either exceed their goal by a significant margin, or fall well short. Their study of equity campaigns on the CrowdCube platform found that “successful pitches raise 136% of their target and have 163 backers on average, while unsuccessful ones seem to fail by a large margin (15% raised) with only 18 backers on average” (p. 14). Since PledgeMe started offering equity crowdfunding in 2014 there have been 14 successful and 8 unsuccessful campaigns. Table 1 shows that the 14 successful campaigns on average achieved 154.6% of their target, with an average of 159 backers. Table 2 shows that the eight unsuccessful campaigns on average raised 27.4% of their target, with an average of 27 backers. While PledgeMe is a much smaller sample than that used in the published study, the figures, particularly for successful campaigns, are broadly similar to those found by Ralcheva and Roosenboom.

**Table 1**

***Successful Equity Campaigns on PledgeMe***

Campaign	Target	\$ Raised	% Raised	Backers	Date closed
SellShed	\$250,000.00	\$711,100.00	284.4%	68	9 April 2015
Angel Food	\$75,000.00	\$151,125.00	201.5%	81	24 June 2015
PledgeMe	\$50,000.00	\$100,000.00	200.0%	50	18 November 2014
ParrotDog	\$1,200,000.00	\$2,000,000.00	166.7%	812	12 August 2016
Chariot Ridesharing	\$30,000.00	\$45,482.00	151.6%	57	10 May 2015
PledgeMe	\$250,000.00	\$365,820.00	146.3%	137	24 July 2015
Yeastie Boys	\$350,000.00	\$503,519.00	143.9%	211	28 January 2015
Thought-Wired	\$200,000.00	\$285,188.00	142.6%	171	19 September 2016
Oooby	\$200,000.00	\$284,756.00	142.4%	155	29 September 2015
Powerhouse Wind	\$400,000.00	\$540,897.00	135.2%	119	25 June 2015
Sorbet by Ethique	\$150,000.00	\$201,150.00	134.1%	138	23 June 2015
Pineapple Heads	\$189,000.00	\$204,900.00	108.4%	96	9 April 2015
Parent Interviews	\$50,000.00	\$52,100.00	104.2%	58	24 April 2015
Bow Wow Box	\$75,000.00	\$77,101.00	102.8%	70	16 August 2015
<b>Averages</b>	\$247,785.71	\$394,509.86	154.58%	159	

*Note.* Adapted from PledgeMe – Browse Campaigns – Equity, by PledgeMe Limited, 2016.

**Table 2**

***Unsuccessful Equity Campaigns on PledgeMe***

Campaign	Target	\$ raised	% raised	Backers	Date closed
BeIntent Youth	\$150,000.00	\$128,000.00	85.3%	18	30 April 2015

Campaign	Target	\$ raised	% raised	Backers	Date closed
<b>Felt Limited</b>	\$250,000.00	\$94,101.00	37.6%	70	9 September 2015
<b>Tapp Limited</b>	\$250,000.00	\$88,700.00	35.5%	17	26 June 2015
<b>Techvana</b>	\$250,000.00	\$61,650.00	24.7%	70	21 November 2014
<b>Kumara Fusion</b>	\$70,000.00	\$7,500.00	10.7%	9	29 October 2015
<b>Flexiroof</b>	\$165,000.00	\$17,201.00	10.4%	7	23 May 2016
<b>Liquid Waste Treatment</b>	\$850,000.00	\$87,500.00	10.3%	10	17 July 2015
<b>H2Explore</b>	\$250,000.00	\$12,000.00	4.8%	11	11 November 2014
<b>Average</b>	\$279,375.00	\$62,081.50	27.42%	27	

*Note.* Adapted from PledgeMe – Browse Campaigns – Equity, by PledgeMe Limited, 2016.

Cholakova and Clarysse (2015) suggest that investors make investment decisions primarily based on financial motivations: “Trust is the only nonfinancial motivation that plays a role in the decision to pledge, hence appealing on the financial drivers is a key element in a successful campaign” (p. 159). This research surveyed people who had previously contributed to crowdfunding campaigns on whether they would invest in a theoretical equity crowdfunding campaign. This finding is in stark contrast to the reflection of PledgeMe staff member Luke on what makes a successful campaign:

Investors are supporting not just to give cash and get cash. They’re also giving their skills and getting that sense of belonging in terms of being able to help the company along their future journey. There’s that kind of emotional connection. There’s also the social reward of being part of a group of people that are supporting one kind of shared purpose.

This was backed up by the experience of Liam, who talked about the aims for their equity crowdfunding campaign:

In terms of the outcomes for the campaign – obviously capital is one. The other one though is – a lot of people who are coming on board as investors, ... looking for those who are both interested in participating in more ways than just contributing money, and who could bring whether skills or networks or experience in different areas where we could use help, really, to ensure that we succeed.

## 4.4 Running an equity crowdfunding campaign – the campaigners

All of the campaigners interviewed for this research, and those who have been interviewed in other forums, indicated that running an equity campaign takes a significant amount of work. ParrotDog beer successfully raised \$2 million in two days on the PledgeMe platform in August 2016. While the media coverage went for a hyped approach (sample headline: “ParrotDog brews up NZ\$1.7M+ on day 1, breaks PledgeMe records” (Hobey, 2016)), a later blog post on the PledgeMe website demonstrated the amount of work that went into the campaign:

How did they get there? It wasn’t luck. It was 5 years of growing their business and brand, five months spent creating their campaign, 5 weeks communicating it, and a clear vision of where they wanted to go (and what they needed to get there) (Guenther, 2016)

The aspects highlighted by the blog post that went into the campaign were:

1. Have a plan
2. Get in touch with your crowd
3. Be yourselves
4. Have a clear goal
5. Meet people #IRL<sup>2</sup>

These aspects are supported by Belleflamme et al. (2014), who note that “building a community that supports the entrepreneur is a critical ingredient to make crowdfunding more profitable than traditional funding” (p. 602). In the interview for this case study, Liam commented on the amount of planning that went into running a successful campaign:

a lot of preparation went into launching the campaign – documentation, activating the cornerstone crowd, preparing media and things like that... Whether it’s personal follow-ups with people who expressed interest, or reaching out to more professional investors, keeping up with social media, keeping up with traditional media, all of those things.

This also ties in with comments from Zoe, who stated that “I’ve definitely seen that the campaigns that get ready the quickest and have the success are often the ones that have

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<sup>2</sup> In Real Life – i.e. in person.

those [business] advisers in place". The level of education and expert advice will be explored in more depth later in this case study.

While there is a growing body of research on the motivations of participants in crowdfunding, and also what makes a campaign likely to succeed, there is little detailed research on the process of running a campaign. As this is a relatively new area of research, it is expected that this will be a growth area, particularly as legislation changes in countries such as the USA mean that equity crowdfunding will be available in more markets.

#### 4.5 Running an equity crowdfunding campaign – the platform

PledgeMe is a small company with only a few employees to keep it running. It is very dependent on successful campaigns in order to remain viable. Equity crowdfunding offers significant returns for the company, particularly for the larger campaigns, but also represents more effort. Interviewed during the brief window of ParrotDog's campaign, Zoe commented:

If [ParrotDog] make the 2 mill that's 100k for us, and that's five months. And we're launching another equity campaign next week, we've got a few more in the works that we'll hopefully land in the next two months, and that just means we've got runway to do more.

One of the challenges faced by PledgeMe is how to enable and support successful equity campaigns, whilst also making the most of PledgeMe staff's limited time and resources:

one of the things that we're trying to figure out at the moment is how to help companies and organisations better, because it is a lot of work. A start-up helping start-ups. How do you ... provide the support and the educational material and everything, without spending all of your time on education?  
(Pound, 2016)

Aside from the legal and regulatory requirements, PledgeMe does not pass judgement on whether or not a campaign is suitable for equity crowdfunding. The CrowdfundingU programme, which takes new campaigners through the steps of running a campaign, is strongly recommended for companies new to crowdfunding, but is not absolutely compulsory. There is an upfront \$1500 fee to participate in CrowdfundingU, and this helps

PledgeMe to reduce the risk of hosting campaigns that are not successful and therefore not profitable for PledgeMe. Luke commented on how running this programme also gives PledgeMe valuable insights into the preparations a company is undertaking for its campaign: “there’s a general feel on the readiness of the campaign, and how they’ve primed their crowd. From that we can be a little bit presumptive – more like strong anticipation of what can happen quickly” (Luke).

One of PledgeMe’s major learnings about equity crowdfunding is that it has a higher level of PledgeMe input than a standard rewards-based campaign. Zoe reflected that:

I think the biggest thing for me is the realization that everyone’s going to need help. No-one’s going to come through and just be ready to go and just launch into it. A lot of it’s the same stuff – it’s not stuff that they’re probably going to sit down and read

Because the CrowdfundingU sessions are delivered in person (either face to face or over Skype), they can be quite resource intensive for PledgeMe to deliver, especially given their small numbers. While they have considered delivering the sessions through an online learning facility, Zoe has found value in personal contact: “Part of me is like – do we just provide modules that they have to go through themselves with testing? But will they actually do it, and will they listen? Whereas if it’s in their calendars and it’s with us, then they have to do it.”

## 4.6 Making PledgeMe successful

For PledgeMe to be a viable company, they must be hosting successful campaigns across rewards, equity and lending crowdfunding. This case study has the main aim of finding ways that PledgeMe can efficiently and effectively provide all of the relevant information and knowledge so that people running equity campaigns will be successful, thus making PledgeMe more likely to return a profit.

That said, PledgeMe is a company that cares about more than profitability. In the same way that a successful equity campaign brings more than just financial reward to a campaigner, PledgeMe has a stated aim of being a company that “does good”. Zoe describes this aim:

we don’t want to be creating this ivory tower of decision makers on who’s

good, and we don't it just to be purely about financial return – we want it to be companies strengthening existing relationships because there's so much more than money they can get out of them and – actually it's powerful to have a crowd.

This case study will explore how knowledge sharing frameworks can be used by PledgeMe to host more successful campaigns, while also staying true to the company's values and philosophy of building and being part of a supportive community.



## 5 Introduction to Analysis

As we have already seen, not every equity crowdfunding campaign hosted on the PledgeMe platform reaches its target. PledgeMe only receives a success fee for campaigns that meet their target. This case study is considering how PledgeMe can make sure that equity crowdfunding campaigners efficiently and effectively acquire the knowledge they need to run a successful campaign. While there are external factors at play (e.g. how the market and the campaigner's crowd reacts to the campaign), educating campaigners on how to run a good campaign will increase their chances of success. In addition to successfully transferring the relevant knowledge to campaigners, PledgeMe needs to optimise their time, and find ways to reduce the amount of time spent re-telling the same stories to each successive campaigner.

There is a significant body of literature looking into knowledge management concepts, and in particular how knowledge can be imparted from one person to another (Jakubik, 2007; Paulin & Suneson, 2012). This case study will focus on the concept of *ba* from Japanese philosophy, described as "a shared space that serves as a foundation for knowledge creation" (Nonaka & Konno, 1998, p. 40). The concept of *ba* is embedded within the SECI model (Socialisation, Externalization, Combination, and Internalisation) (Nonaka & Takeuchi, 1995). This model demonstrates the process of knowledge conversion, moving through various stages of transformation of explicit and tacit knowledge states. The SECI model is shown in Figure 2.

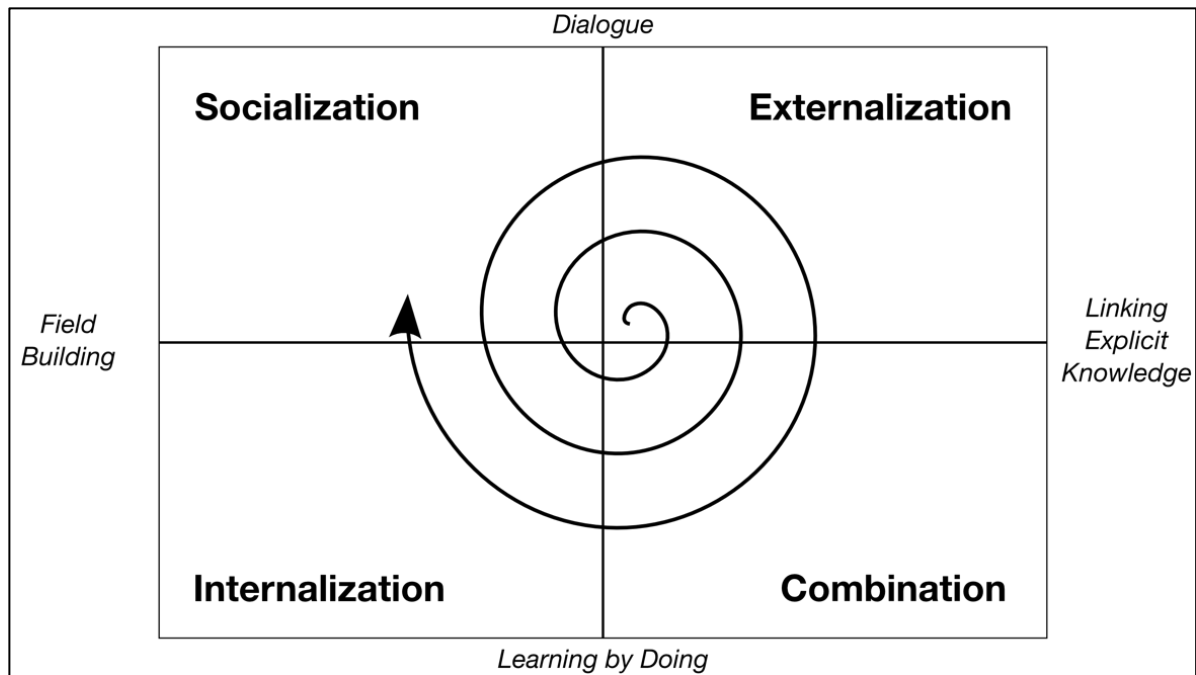


Figure 2 – SECI model (Nonaka and Takeuchi, 1995, p. 71).

Nonaka and Konno (1998) describe knowledge creation as a “spiraling process of interactions between explicit and tacit knowledge” (Nonaka & Konno, 1998, p. 42). The interactions are described in Table 1.

A key element of the SECI model is the spiral that illustrates how the exchange and creation of explicit and tacit information is not a one-off process, but in fact the knowledge keeps evolving and growing as it moves around the aspects. Swan, Newell, Scarbrough, and Hislop (1999) discuss the idea that knowledge “must be continuously created and recreated through networking as individuals come to share a common understanding or a common frame of reference. From this perspective then, networking is seen not as a case of linear information transfer but as a process of interrelating and sense making” (p. 263). This is a useful way to view the SECI spiral, particularly as it relates to the interactions between individuals, rather than the transformation of knowledge as a standalone concept.

Brief descriptions of each category of *ba* are incorporated with the SECI elements in Table 3.

**Table 3**

***SECI elements and corresponding ba***

SECI Element	Corresponding <i>ba</i>
<p><b>Socialisation</b></p> <p>involves the sharing of tacit knowledge between individuals... We use the term socialisation to emphasize that tacit knowledge is exchanged through joint activities ... rather than through written or verbal instructions (p. 42).</p>	<p><b>Originating <i>ba</i></b></p> <p>the world where individuals share feelings, emotions, experiences, and mental models... Physical, face-to-face experiences are the key to conversion and transfer of tacit knowledge</p>
<p><b>Externalization</b></p> <p>requires the expression of tacit knowledge and its translation into comprehensible forms that can be understood by others (p. 43).</p>	<p><b>Interacting <i>ba</i></b></p> <p>more consciously constructed, as compared to originating <i>ba</i>.... Two processes operate in concert: individuals share the mental model of others, but also reflect and analyze their own</p>
<p><b>Combination</b></p> <p>involves the conversion of explicit knowledge into more complex sets of explicit knowledge. In this stage the key issues are communication and diffusion processes and the systemization of knowledge (p. 44).</p>	<p><b>Cyber <i>ba</i></b></p> <p>a place of interaction in a virtual world instead of real space and time; and it represents the combination phase.... The use of on-line networks, group-ware, documentations, and database has been growing rapidly over the last decade, enhancing this conversion process</p>
<p><b>Internalization</b></p> <p>[T]he internalization of newly created knowledge is the conversion of explicit knowledge into the organization's tacit knowledge (p. 45).</p>	<p><b>Exercising <i>ba</i></b></p> <p>facilitate the conversion of explicit knowledge to tacit knowledge. Focused training with senior mentors and colleagues consists primarily of continued exercises that stress certain patterns and working out of such patterns</p>

*Adapted from Nonaka and Konno, 1998, pp. 42 - 47*

The concept of *ba* is useful to situate knowledge creation and transfer processes in an organisation. Nonaka and Toyama (2003) talk about how synthesizing capability can help individuals and organisations gradually grow the body of knowledge that is available for them to act on. They note that:

when we see a firm as an organic configuration of *ba* instead of an organizational structure we can see what kind of knowledge should and can be created, who are the 'right people' with embedded knowledge, and what kind of interactions are needed among them (p. 1001).

This kind of active and 'knowing' knowledge creation allows for better problem solving in organisations and provides a path to develop a knowledge vision for an organisation.

Later research has tested some of the concepts in the SECI model, and in particular the idea that tacit and explicit knowledge are separate concepts (McAdam, Mason, & McCrory, 2007). Jakubik (2007) refers back to the work of Polanyi, who suggested that tacit and explicit dimensions of knowing are present in a continuum and are not separate concepts. McAdam et al. (2007) suggest that there is "not so much a need to operationalize tacit knowledge as there is to find new ways of talking, fresh forms of interaction, and novel ways of distinguishing and connecting" (p. 49).

Choo and de Alvarenga Neto (2010) reviewed the literature relating to the SECI model and the application of *ba*, and discuss how *ba* can also be described as enabling contexts. Thus, *ba* is seen as a place where knowledge transfer and creation occurs – the *ba* is the enabler for this transfer and/or creation: "managing knowledge in organizations is fundamentally about creating an environment in the organization that is conducive to and encourages knowledge creation, sharing and use" (Choo & de Alvarenga Neto, 2010, p. 606).

As part of their literature review, Choo and de Alvarenga Neto (2010) devised four enabling conditions that lead to a framework for designing an enabling context in knowledge management. These four conditions are:

- Social/Behavioural – relates to interpersonal relationships and values.
- Cognitive/Epistemic – relates to the mix of diverse knowledge representing different points of view, and the need for common knowledge.
- Information Systems/Management – relates to the use of systems and processes to capture and store knowledge.
- Strategy/Structure – relates to structure and direction for managing *ba* within the organisation.

These four conditions, combined with interaction levels and the particular knowledge process that is being used, provide the framework shown in Figure 3.

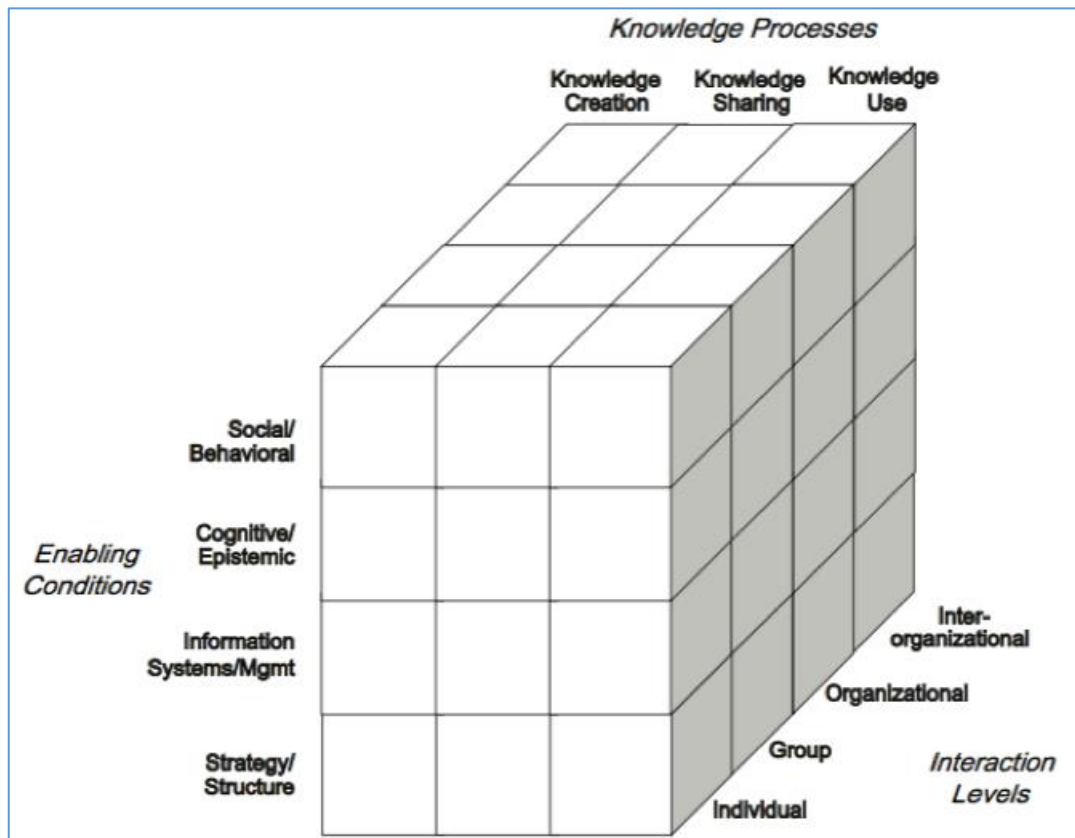


Figure 3 - Framework for designing an enabling context in KM (Choo and de Alvarenga Neto, 2010, p. 605).

In presenting the framework, Choo and de Alvarenga Neto note that there are some inherent tensions and challenges in implementation, such as the combination of trust and personal relationships, up against the need for formal structures and discipline. They suggest that “recognizing these tensions and finding ways to navigate these potential areas of conflict would improve the probability of success in KM” (p. 606).

The three-dimensional nature of the framework illustrates the ways that the various factors interact, and present an opportunity to construct scenarios and explore ways in which knowledge can be created and transferred. The remainder of this case study will apply the framework to the case of knowledge creation and transfer at PledgeMe, and consider the existence of these types of tensions and what mechanisms exist to mitigate their presence.

## 6 Analysis - Methods

### 6.1 Interviews

The main method used to gather data for this case study was a series of semi-structured interviews. Three interviews were conducted with PledgeMe staff, and three interviews were conducted with people who had run equity crowdfunding campaigns through the PledgeMe platform. Because PledgeMe is a very small company, the three people who were interviewed represented the current in-house body of knowledge about crowdfunding. The three equity campaign interviews were with Kate, who had run a successful campaign, Lily, who had run an unsuccessful campaign, and Liam, who had just launched their campaign and was still raising funds (this campaign subsequently met its goal). This split was used to see if there was any variance in views on equity crowdfunding, and also on the assistance that the campaigners had received from PledgeMe. It is acknowledged that this is a small sample, and so conclusions drawn may not be able to be generalized.

The interviews with PledgeMe staff focused on their current processes, and in particular what process they follow to support an equity campaign from initiation to completion. This prompted them to reflect on the process in a structured manner, and also led to insights into their current processes for educating campaigners on running crowdfunding campaigns. For example, Luke commented that:

“Our process is improving over time as to how we can try and gauge from an early stage, ask the right questions at an early stage, ... to begin creating the mindset that a campaigner needs to be in to know exactly what they’re going through.”

One of the main reflections of all PledgeMe staff when interviewed was about the success of the CrowdfundingU programme (PledgeMe Limited, 2016a). The two main aspects of this programme are advice on how to run a campaign, and also how to engage with the company’s crowd.

The interviews with the equity crowdfunding campaigners looked at their reasons for choosing crowdfunding, their business background and knowledge, and the process they went through to set up and run their campaigns. The three campaigners had very diverse

backgrounds and a range of business experience. One person was quite new to business, while another was very experienced. None of the campaigners anticipated quite how much work would be involved in the campaign, although Liam, who had gone through the CrowdfundingU programme had a very comprehensive plan: “having that structure was very, very helpful. I think without something like that it would have been a lot more difficult to ... start as prepared as we were.” All three expressed an ongoing interest in crowdfunding, and had considered opinions about what types of business suited the funding model.

## 6.2 Secondary material

Supporting evidence was also gathered from a range of sources, including a mix of news articles, podcasts, blog posts and websites. Some of these sources were very rich and offered good insights into the equity crowdfunding process. In particular, a ‘Business is Boring’ podcast in which Anna Guenther was interviewed about her experiences starting PledgeMe served to validate much of the information that was gathered from the PledgeMe staff interviews. This statement from Anna provides a useful summation of the problem under investigation through this case study:

I think one of the things that we’re trying to figure out at the moment is how to help companies and organisations better, because it is a lot of work. A start-up helping start-ups. How do you ... provide the support and the educational material and everything, without spending all of your time on education?  
(Pound, 2016)

Media coverage of PledgeMe and equity crowdfunding campaigns shows that the story about equity crowdfunding can be less rosy. One article raises concerns about “equity campaigner’s “ambitious” and “ludicrous” forecasts and the alleged limited information companies provide investors” (Dennett, 2015). Guenther’s counter to this kind of attitude is that “I think equity crowdfunding finds a way for people connected with the business to invest in the business, where previously they probably wouldn’t have been able to as customers” (Dennett, 2015).

ParrotDog co-founder Matt Stevens talked about the benefits of crowdfunding, following the company’s successful capital raise of \$2 million through PledgeMe:

I feel the introduction of crowdfunding is great for the New Zealand economy as a whole as it frees up the flow of capital from everyday kiwis to growing businesses. We're starting our expansion plans and as we expand we hope to grow our shareholders' investment (Mack, 2016).

ParrotDog also went through CrowdfundingU, and has indicated that one of the keys to success for them was a very detailed plan. As described on a PledgeMe blog post, the ParrotDog plan had a page for each day in the campaign lead-up, and included items like director's indemnity insurance and the social media campaign plan (Guenther, 2016).

Ethique founder, Brianne West, talked about the assistance she was given by PledgeMe: "You're coached through it, so you don't actually need to know everything from day dot, but it is important to take the process seriously and be clued up about your legal obligations because you're playing with a lot of other people's money" (Sykes, 2016).



## 7 Analysis - Applying the enabling context framework to PledgeMe

The framework for designing an enabling context by Choo and de Alvarenga Neto (2010) has three aspects: enabling conditions, knowledge processes and interaction levels. Each of these will be discussed in the context of PledgeMe and equity crowdfunding, and then the gaps and connections will be used to make recommendations for future knowledge sharing initiatives.

### 7.1 Knowledge processes

While the framework for enabling context talks about knowledge creation, sharing, and use, it is grounded in the SECI model, and this is the model that will be used to discuss knowledge processes. The SECI model is made up of four components: socialisation, externalization, combination and internalization. As previously discussed, there is a type of *ba* that is associated with each process, thus defining the space in which each activity can take place. Using the interviews and research for this case study, we can point to the areas where knowledge processes are visible, and the *ba* or space that occurs for this to happen. By using the four SECI elements, it is making this side of the framework square, thus slightly altering the base framework.

#### 7.1.1 Socialisation and originating *ba*

Both Liam and Kate talked about their initial interactions with PledgeMe and their process leading up to equity crowdfunding. Kate talked about the connection with PledgeMe: “They match us. They’re really quirky, they’re trying to make things better for the world”. Similarly, Liam indicated that the connection grew over time: “I met Anna at a conference and we talked about things and started crossing paths a lot more through social enterprise and start-up networks”. Both of these recollections point to a socialisation process, where the exchange of ideas happened in a face-to-face space, that appealed to emotions and ideas. These interactions also show the growth of social capital within the originating *ba* space (Lefebvre, Sorenson, Henchion, & Gellynck, 2016).

### 7.1.2 Externalisation and interacting *ba*

CrowdfundingU is PledgeMe's main tool for externalization – the process of articulating tacit knowledge into explicit concepts. This takes place within interacting *ba*. Nonaka and Konno (1998) note that interacting *ba* is more “consciously constructed” (p. 47), and allows for reflection and analysis, and this is evident in PledgeMe's CrowdfundingU programme. Kate ran her crowdfunding campaign prior to the introduction of CrowdfundingU, and her comment was that “They basically held my hand through it because I knew nothing about the process and there wasn't a whole lot of resource I could turn to beyond them... The amount of emails I sent Anna – it's ludicrous... You do lean on them a lot.” The CrowdfundingU programme formalises this process, and puts structure around the ways in which PledgeMe can help campaigners. For example, PledgeMe puts campaigners in touch with external advisors who can assist with the campaign. Luke referred to this as ‘matchmaking’, either to previous campaigners who can provide advice about their own experiences, or specific types of advisors for work like accounting, design etc.

Zoe's reflection is that there is still a lot of effort put into helping campaigners:

“[CrowdfundingU] is a lot of work. Part of me is like – do we just provide modules that they have to go through themselves with testing? But will they actually do it, and will they listen? Whereas if it's in their calendars and it's with us, then they have to do it”. This is interesting in the context of interacting *ba* – having the requirement to meet face-to-face (albeit sometimes over Skype) forces the space to be used, whereas if it was an online module the interaction would be much reduced, and the impact and creation of the space for externalization to occur would be lessened.

### 7.1.3 Combination and Cyber *ba*

Combination involves more formal structures being applied to the explicit knowledge gained through the externalisation phase. Often this takes place via online tools or virtual interactions, thus the invocation of ‘cyber’ *ba*. While it is a physical tool, the plan created by ParrotDog to run their crowdfunding campaign can be seen as an artifact of the combination phase. The plan, which was printed out and physically attached to the wall of an office, fits the description of this phase as “a process of systemizing concepts into a knowledge system” (Nonaka & Takeuchi, 1995, p. 67).

PledgeMe's company processes are also heavily grounded in the cyber *ba* space, to enable knowledge creation in the combination phase. Sophie describes the working process:

It's great because we've got half of our team in Auckland, I don't find that a struggle at all. We contact each other via Slack and video chat and just whole day communication. I can be in Auckland for a conference and still do work for PledgeMe and it's not an issue.

With such a small company doing a large amount of work, this flexibility is vital, and there may be further opportunities to consider how the online components, in the cyber *ba* space, can be further used to enhance the combination phase of knowledge creation and transfer.

#### 7.1.4 Internalisation and exercising *ba*

This stage has been described using concepts like "peer to peer" and "reflective" (Choo & de Alvarenga Neto, 2010, p. 597). This is a phase where the explicit knowledge that has been gained is absorbed back into an individual or organisation's tacit knowledge and experience. While PledgeMe has a regular process for reflecting on recent lessons learned, Zoe agrees that a more formal 'lessons learned' exercise could be useful: "We don't actually do any retrospectives on specific campaigns at the moment – we probably should. It's a time thing". Luke reflected that this type of consideration is more commonly incorporated into weekly meetings: "We catch up on a weekly basis around the companies that are coming through, and those that are in crowdfunding U, and we delve into what's the latest hitch, if there is, and has this been seen before, what did we do to overcome that and what can we do to remedy it now?"

Luke also noted that there is a point in CrowdfundingU where campaigners need to take time to reflect and absorb what they have learned. This point of reflection works into the exercising *ba* space, where the explicit knowledge the campaigners have learned has time to be absorbed and become more tacit: "And they almost need a little bit of time to themselves – a couple of weeks. Just to stop learning new things and just to act on what's being opened to them over the first few sessions". This description also feeds into the idea of a knowledge spiral, where the explicit becomes tacit, and the reflection leads back into the socialisation phase, with a higher level of understanding provided by the knowledge that has already been gained through the programme.

## 7.2 Interaction levels

The interaction levels in the framework for designing an enabling context are individual, group, organizational, and inter-organizational. These will be discussed first from the point of view of PledgeMe, as a company, and then from the point of view of the campaigners.

### 7.2.1 PledgeMe

The nature of PledgeMe as a company that seeks to work with and through its community (using the term in its broadest sense) means that personal connections are very important. Sophie talked about how personal connections are made: “[We get] to know them on such a different level. Not only what their company is, but what they do on the weekends or what they do in their spare time.” As we have already seen, the socialisation and externalisation phases rely on creating a space that encourages knowledge creation and transfer, and this works better when a good personal connection is established. This is another reason why CrowdfundingU works well as a one-to-one offering – having the personal connection means that knowledge is more easily transferred and the campaigner is more likely to feel comfortable expressing concerns and asking questions.

Inter-organisational interactions are a fundamental part of PledgeMe’s operating model. All PledgeMe staff talk about the ‘crowd’ as a part of their organisation. Zoe considers that interacting with the crowd is crucial for PledgeMe’s success: “we want it to be companies strengthening existing relationships because there’s so much more than money they can get out of them and actually it’s powerful to have a crowd”. PledgeMe has twice run its own equity crowdfunding campaigns, both of which achieved their minimum targets quickly. In reflecting on the usefulness of having run a campaign, Luke noted that “we’ve had the challenge of preparing and we’ve experienced what every campaigner experiences, and the frustrations and the difficulties of getting your crowd ready, and the difficult conversations of actually asking people to commit, because that can be quite a daunting thing”.

### 7.2.2 Campaigners

Sophie from PledgeMe commented that “hosting events that get you to talk to ... people one on one, is hands down the best way to do it, because people are buying people through PledgeMe.” Thus, connecting with individuals and small groups is fundamental to successful equity crowdfunding. This is also backed up by crowdfunding research, with Vismara (2016)

finding that the “social aspect of entrepreneurship increases the probability of entrepreneurial success by increasing the likelihood of raising funds in crowdfunding campaigns” (p. 581). Talking about making individual connections, Kate said that “the idea of having a big team of people who are by definition massive cheerleaders for your company is really appealing”, while Liam commented “how we develop our product is not just for our users but with our users.”

Also at an individual level, there are benefits in getting advice and knowledge from experienced advisors. Zoe mentioned a lawyer who had advised three different successful campaigns, and Kate commented that a lot of her paperwork was a joint effort between her lawyer and PledgeMe’s lawyer. When asked for her advice about running an equity crowdfunding campaign, Kate strongly recommended having a good public relations company to manage those aspects. Liam talked about how his team doubled in size for the purposes of running the campaign:

To put it into perspective, our core team for our venture is 3-4 depending on each work. For the campaign preparation we had about double that. With people contributing different number of hours per week and being very flexible since they’re advisors/volunteers and contributors.

All campaigners identified that making connections with other organisations had benefits beyond simply raising capital for their company. There is a unique knowledge transfer opportunity that becomes available when external people get involved through equity. When Ethique was successful in raising capital, four of the new shareholders happened to be chemists, who were able to assist with solving a problem the company was having with increasing batch sizes (Pound, 2016). This is both an individual connection, but also an inter-organisational connection.

A final point of note for relationships and campaigners relates to the literature on strong and weak ties. Zheng, Li, Wu, and Xu (2014) found that entrepreneurs with larger social networks were more likely to succeed in a crowdfunding campaign, while Dodgson, Gann, and Salter (2008) consider the strength of the ties in these networks, and note that “weak ties were associated with low reciprocity, weak emotional commitment, and infrequent contact, but the diversity of these links provided invaluable sources of knowledge” (p. 137). Liam was surprised to find that his campaign attracted support from people he didn’t previously know:

“Even just the two opening days, which we had the most people come through to start off with, even at that point we knew less than half the people who pledged. That was a very big surprise.” There are various ways that these people could have heard about the campaign, but Liam is keen to turn these very weak ties into much stronger ties: “today a person came on board and made a pledge, and we already identified that they could be ... helpful in a number of areas. Hopefully that will turn into an active conversation and a relationship beyond just money.”

## 7.3 Enabling conditions

The enabling conditions are the link between the knowledge processes and the interaction levels. Each of these conditions has significance for knowledge management processes in equity crowdfunding as discussed below.

### 7.3.1 Social/behavioural

This category of conditions relates to “social relationships and interactions based on norms and values such as trust, care, empathy, attentive enquiry and tolerance” (Choo & de Alvarenga Neto, 2010, p. 599). Many of the campaigns run on the PledgeMe platform have a social interest angle, and this helps when considering the social and behavioural aspects – it is easier to increase empathy when the campaign is centred around a cause such as reducing the environmental impact of plastics.

Relationships are a crucial factor in successful equity crowdfunding campaigns. Research by Agrawal, Catalini, and Goldfarb (2016) suggests that there is an issue with information asymmetry in equity crowdfunding, as the investor has less information with which to make decisions than in a more traditional investment scenario. For this reason, the campaigner needs to find other ways to build trust with potential investors. In the CrowdfundingU programme, campaigners are encouraged to spend time building up a relationship with their crowd. Liam noted that his campaign spent considerable resources on crowd activation: “Identifying the first 50 people to get in touch with; ... having early conversations and really priming them for the launch of the campaign, and then broadening that as well and trying to capture more interest.”

### 7.3.2 Cognitive/epistemic

This category relates to “the need for knowledge that is diverse and represents different backgrounds and cognitive styles; and the need for common knowledge based on shared beliefs and mental models” (Choo & de Alvarenga Neto, 2010, p. 601). In relation to crowdfunding, this apparently contradictory requirement can be seen in the need to build a diverse and yet united crowd. While the crowd for a particular campaign may come from many different backgrounds, being united under a common purpose provides a useful resource for the creation and transfer of knowledge back to the campaigner and their company.

In many ways, this category represents a large part of the opportunity provided by crowdfunding. The ability to gain support from a variety of people with different backgrounds and experience is, for many, part of the appeal of the process. Kate appreciated the diversity of her shareholders: “one of my biggest investors is now in equal partnership with me, he’s amazing, he’s a professional CEO. He’s been extraordinarily instrumental in [my company’s] development.” Liam also found the variety useful: “looking for those who are both interested in participating in more ways than just contributing money, and who could bring whether skills or networks or experience in different areas where we could use help, really, to ensure that we succeed.”

### 7.3.3 Information systems/management

This category relates to the use of “information technology and information systems, with a planned information management framework” (Choo & de Alvarenga Neto, 2010, p. 602). It also includes less formal systems to capture information and providing access to it.

PledgeMe uses Google Docs as a way of storing and sharing information, both internally and also with campaigners. As already mentioned, they have considered using online learning for the delivery of the CrowdfundingU programme, but so far have preferred the personal approach due to the compulsion to ‘turn up’ that this adds.

Most of the organisations that participate in crowdfunding through PledgeMe are too small to have significant systems, and this can be a limiting factor. The most significant tool available to the campaigners is the PledgeMe platform, provided through the website at [www.pledgeme.co.nz](http://www.pledgeme.co.nz). Again, while all campaigners interviewed talked about using social media, this was secondary to the person-to-person contacts that were made.

#### 7.3.4 Strategy/structure

This set of conditions “stresses the need for the organization to also provide a degree of structure and direction to the knowledge creation activities” (Choo & de Alvarenga Neto, 2010, p. 603). While Kate had a very short lead-up to her campaign, Liam showed evidence of this condition much more clearly. He refers to a very carefully executed plan, and as already mentioned, doubled the team for the length of the campaign: “a lot of preparation went into launching the campaign – documentation, activating the cornerstone crowd, preparing media and things like that. And that seems to have fallen into place really well.” All equity crowdfunding campaigns also produce an Investment Memorandum and this also provides structure to the planning.

As a small company, PledgeMe has a need to remain nimble in its operations, and its processes reflect this agility. Sophie notes that the way of working is very flexible: “I can be in Auckland for a conference and still do work for PledgeMe and it’s not an issue. I love that I can be at home ... and [say] I’m not coming in today and work from home and that’s awesome.” With this level of flexibility, the team needs to make sure that they have communication strategies in place for keeping in touch, and this is enabled through technology as previously discussed.



## 8 Recommendations

PledgeMe regularly reviews its recent progress and uses a 'Start, Stop, Keep' process for identifying what new things to start, what existing things to stop, and what things are working well. The same structure has been used here to make suggestions for future work.

### 8.1 Start

PledgeMe should look into finding time and tools to conduct more regular, structured reviews of campaigns and the company progress against its plan. Currently the team is constantly busy with the work that is directly in front of them, and this makes it hard to feel like prior knowledge is being built upon. While programmes like CrowdfundingU are revised over time, there is a need for a more deliberate plan around reviews and building on pre-existing knowledge. In this way, the SECI spiral could be engaged with more actively, particularly around internalising explicit knowledge and building the overall body of organisational knowledge.

Finding ways to capture and learn from experience will also help with longer term plans. If the opportunity arises to grow and maybe sell PledgeMe, the company will be a more attractive proposition if it can demonstrate growth and a proprietary body of knowledge.

PledgeMe does not currently have any criteria for accepting an equity crowdfunding campaign to be run on its platform. This means that every campaign is a sunk cost for PledgeMe, with no guarantee of success. While there is currently a good ratio of successful to unsuccessful campaigns, part of the structured, regular review of campaigns and operations could include more detailed analysis of success factors. These can be used to provide an early milestone that potential campaigners need to meet in order to progress to running a full campaign. This may include an early pre-CrowdfundingU session to ensure that they are prepared for the work involved in a campaign.

### 8.2 Stop

PledgeMe has a very small number of staff, and these people need to be working on the high value tasks that offer the biggest return, either financially or by way of building PledgeMe's community. Aspects of the CrowdfundingU campaign can be outsourced to providers who

can take on tasks on a cost recovery basis. Independent advisors can fill in aspects of the programme which are highly repeatable but also necessary for campaigners to understand.

Examples of this include:

- Writing an Investor Memorandum and Business Plan
- Ensuring that the relevant paperwork is complete and accurate
- Devising a communications plan, and creating a campaign video

In order to facilitate this transition, PledgeMe can look at producing case studies of equity crowdfunding campaigns that were well-run and successful. This already happens to an extent with blog entries on the PledgeMe website, but these can be extended. Again, this could be outsourced.

### 8.3 Keep

PledgeMe should retain a focus on activities in the externalisation phase of knowledge transfer, particularly around how to engage with a campaigner's crowd. This is a fundamental part of devising the plan for the crowdfunding campaign, and so this work should remain as a fundamental aspect of CrowdfundingU that is delivered by PledgeMe staff. This is also clearly PledgeMe's point of difference. All the campaigners who had approached other crowdfunding platforms remarked on how PledgeMe was the best 'fit' for their company. If PledgeMe can find a way to outsource the less unique aspects of its work, time and energy can be focused on building PledgeMe's crowd and broadening the general community's understanding of how crowdfunding can be used to improve their businesses and the community.

## 9 Conclusion

*“In short, firms that can manage contradictory forces, such as competition and cooperation, integration and disintegration, and creativity and efficiency, are the ones that will survive and prosper”* (Nonaka & Toyama, 2002, p. 999).

This case study has used the enabling context framework by Choo and de Alvarenga Neto (2010) to review ways in which PledgeMe can make better use of knowledge management techniques to be a more successful business. PledgeMe has a high volume of very specific knowledge about crowdfunding, and the ways in which it transfers this knowledge to equity crowdfunding campaigners has an impact on its success as a company – both financially, and also in terms of its aims around building community.

The model clearly highlighted that PledgeMe has a strong focus on personal relationships. These were a critical factor at each stage of the SECI knowledge spiral (Nonaka & Takeuchi, 1995), and the types of *ba* that utilized personal and face-to-face interaction are a strength in the PledgeMe context. Because of its start-up nature and entrepreneurial focus, PledgeMe is less strong in more structured areas such as information systems and strategic planning, and this is an area where more external knowledge can be brought to bear. PledgeMe has recently recruited two new board members with very specific skillsets, and these people may be able to help in the identified areas.

The recommendations in this report suggest outsourcing high effort, repeatable tasks, but recommend retaining aspects of PledgeMe’s work that relate to building community and crowd activation. These aspects are strongly related to the three aspects of the enabling context framework – through the relationships that are built, the knowledge that is created transferred and consumed, and the enabling conditions that lead to strong knowledge management.

In a recent review of crowdfunding, it was noted that “one thing that crowdfunding offers that traditional funding does not is that the [crowdfunders] want to reward the people who have supported their businesses and to create a community” (Assenova et al., 2016, p. 126). As PledgeMe puts more strategy around managing the knowledge it has built up, it will be better placed to work with the community it has created through its platform and continue to grow and be a successful (and profitable) business.

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## Appendix One – Interview questions

### 10.1 PledgeMe staff questions

1. What is your role at PledgeMe?
2. Can you describe the process that someone would go through, including what they would need to prepare, to be ready to run an equity campaign on PledgeMe?
3. From PledgeMe's perspective, what are the major milestones when someone is running an equity campaign?
4. Which of those stages do the people running the campaign need the most help with? Why do you think that is?
5. What assistance does PledgeMe provide with equity campaigns?
6. What would you say are the major lessons that PledgeMe has learned about equity crowdfunding since it began?
7. What processes does PledgeMe have in place at the end of a campaign to capture lessons learned?
8. What constraints do you operate under, and how does that affect the support you are able to give to equity crowdfunders?
9. How does having run your own equity campaigns influence the support that PledgeMe provides to others?
10. What are the top three tips you would give to someone wanting to run a successful equity campaign?

### 10.2 Successful crowdfunder questions

1. Tell me about your organisation/business. What is your main purpose?
2. How did you hear about PledgeMe?
3. Why did you decide to pursue equity crowdfunding as a way of raising money?
4. Why did you choose to run your campaign on the PledgeMe platform?
5. What was your strategy when embarking on the campaign? Apart from making your funding goal, what were you wanting to achieve?

6. Tell me about the lead-up to your campaign launch – what were your preparation activities?
7. How did you know what to do? What were the key ways that you learned about running an equity campaign?
8. Who was involved in running your campaign? What strengths and experience did those people provide?
9. Following your campaign, what were your next actions?
10. What did you do to stay organized during your campaign? How did you cope with multiple demands on your time?
11. Is there anything that you think would have been really helpful that wasn't available? What was it, and how would it have helped?
12. What are the top three tips you would give to someone wanting to run a successful equity campaign?

### 10.3 Unsuccessful crowdfunder questions

1. Tell me about your organisation/business. What is your main purpose?
2. How did you hear about PledgeMe?
3. Why did you decide to pursue equity crowdfunding as a way of raising money?
4. Why did you choose to run your campaign on the PledgeMe platform?
5. What was your strategy when embarking on the campaign? Apart from making your funding goal, what were you wanting to achieve?
6. Tell me about the lead-up to your campaign launch – what were your preparation activities?
7. How did you know what to do? What were the key ways that you learned about running an equity campaign?
8. Who was involved in running your campaign? What strengths and experience did those people provide?
9. Following your campaign, what were your next actions?



10. What did you do to stay organized during your campaign? How did you cope with multiple demands on your time?
11. Is there anything that you think would have been really helpful that wasn't available? What was it, and how would it have helped?
12. What are the top three tips you would give to someone wanting to run a successful equity campaign?

#### 10.4 Prospective crowdfunder questions

1. Tell me about your organisation/business. What is your main purpose?
2. How did you hear about PledgeMe?
3. Why are you considering equity crowdfunding as a way of raising money?
4. Why are you thinking about running your campaign on PledgeMe in particular?
5. What will be your strategy for the campaign? Apart from making your funding goal, what are you wanting to achieve?
6. What activities are you undertaking at the moment to prepare?
7. How do you know what to do? What are the key ways that you are learning about running an equity campaign?
8. Who is involved in planning for and eventually running your campaign? What strengths and experience do those people provide?
9. What challenges do you foresee while running your campaign?
10. Is there anything that you think would be really helpful that doesn't seem to be available? What is it, and how would it help?