

CASE STUDY

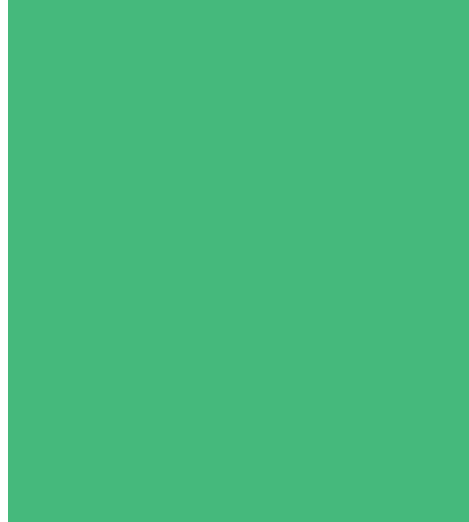
Food Connect Shed

Total Raised:	\$2.1 million
Number of Investors:	513
Age of company:	< 1 year
Annual Revenue:	\$0
Sector:	F&B / Social
Country:	Australia

Food Connect connects local buyers with local producers.

The Food Connect Shed was officially formed as a public unlisted company just two days before their equity crowdfunding campaign launched on PledgeMe. While the concept had been in the works for longer, it was the first that their community heard about this new Food Connect initiative.

[Pledge Me](#)





Food Connect Shed case study



BACKGROUND

How Food Connect started.

Emma-Kate Rose met Robert Pekin in 2007 at a Climate Change conference. A whirlwind romance turned into her joining his nascent social enterprise, Food Connect, eventually as General Manager. In the past fourteen years, they've won environmental awards and been recognised for their ethical trading practices, all while paying farmers and workers a fair price, shortening food miles, and incubating small food businesses in their commercial kitchen.

Their work led the Food Connect team to launch the Food Connect Foundation, to support their advocacy and research on best practices in local food hubs. One tactic they found proven by overseas social innovators was community owned infrastructure. When their landlord signalled he wanted to sell their warehouse, they decided to go to their community to buy it.

Pledge Me

“In order to fix our broken food system, the infrastructure needs to be owned by the public.”

Robert Pekin, Food Connect



Pledge Me

TIMELINE

MAR 2018



Emma-Kate first learned about equity crowdfunding & met with PledgeMe to discuss the model.

JUL 2018



The directors confirmed they'd crowdfund & started preparing their company and campaign (including PledgeMe's CrowdfundingU program).

AUG 2018



Food Connect Shed was established as a company. The equity crowdfunding campaign with a party!

SEP 2018



The campaign was extended so the team could continue conversations with their crowd.

NOV 2018



The campaign hit it's goal, with \$800,000 raised in the final day after a Courier Mail article and some key relationships turning into big pledges.

WHAT WORKED WELL



It was good for business

During the campaign, sales increased and staff morale was boosted.

It gave their crowd different ways to help

They had everyone from Griffith University providing a film crew through to Costa, a famous TV presenter, hosting Facebook Lives through to architects supporting with their warehouse plans.

It got media interest

The campaign had Channel 9 news coverage the day before it launched and Courier Mail coverage the day it closed (as well as interest from media in between).

It worked

They raised the money they needed to buy the warehouse & showed it could be done ethically.



Pledge Me

WHAT DIDN'T WORK

It was hard to educate their crowd

Equity crowdfunding was so new that the first 30 days was mainly spent explaining what equity crowdfunding was to their crowd (and that, yes, it was legal!).

Financial language was hard

They had to explain financial concepts and the risks around investing in early stage companies.

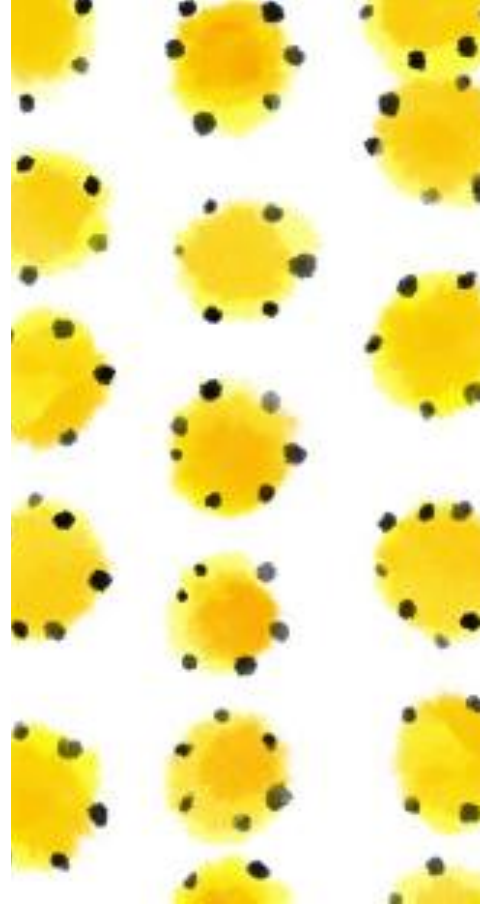
The launch of their campaign felt rushed

They spent a lot of time on the documents, but didn't have time to prime staff.

Extended the campaign three times

In hindsight, they would have spent more time on the lead in on crowd activation.

Food Connect Shed case study



Pledge Me



Head

Food Connect Foundation Limited

Non-profit / advocacy & education

Directors:

Steve Williams,
Emma-Kate Rose,
Robert Pekin



Heart

Food Connect Shed Limited

Property Owner

Directors:

Jennifer Le Saveat,
Emma-Kate Rose,
Robert Pekin

Shareholders:

Food Connect Foundation Limited
Rosey Pekin Trust



Hands

Food Connect Pty Limited

Local Food Distribution

Sole director & shareholder:

Robert Pekin

THE GOLDEN SHARE

How they baked the social mission into their constitution

Their constitution outlines their social mission and effectively gives Food Connect Foundation Limited a veto right over any matter that limits or detracts from the Food Connect Shed's ability to pursue that social mission.

By setting up a separate entity as the head and giving it the power of veto, it means that Food Connect Shed has governance around staying true to its mission.

(Pssst...their constitution is publicly available so check it out if your organisation is driven by a social mission)

Pledge Me

CONCLUSION

Food Connect Shed raised \$2.1mil and has 513 Careholders.

Though the PledgeMe campaign ended in November 2018, it was just the beginning of the relationship between Food Connect Shed and its Careholders.

In May 2019, over 500 Careholders were invited to celebrate in the Food Connect Shed with a giant potluck dinner. There was something beautiful about food connecting all the humans who wanted to see the warehouse owned by the community, rather than by one individual.

Costa Georgiadis from ABC's Gardening Australia, who also came on board as a Careholder, MC'd the night, with other Careholders hosting seed art drawing tables, donating craft drinks, and dancing until late in the evening under one Careholder's sponsored lighting rig.





YOUR ACTION PLAN

Putting it into practice

Ask for help

Make it clear what you're doing, where you're going, and how people can help.

Make the most of media interest

News coverage for TV and print makes a massive difference. If you know your launch date and closing date, pitch it!

Have an education plan in place

Equity crowdfunding is new to most people so have a plan for communicating it to your crowd in plain language.

Activate your crowd before the campaign

Avoid having to extend your deadline and the stress that comes with it. It saves a lot of stress!

Get in touch

If you're considering an equity crowdfunding campaign, we're ready to help. [Contact us for a chat.](#) You can also learn more about creating [crowdfunding campaigns in Australia](#) or [New Zealand](#) on our main website.

