

Quality label granting procedure

Danube Region

(D 4.2.1)



Symbolic map

Authors:

<i>Austria</i>	<i>Agency for European Integration and Economic Development ConPlusUltra GmbH</i>
<i>Bulgaria</i>	<i>Union of Bulgarian Black Sea Local Authorities</i>
<i>Croatia</i>	<i>Zagreb Innovation Centre Ltd.</i>
<i>Czech Republic</i>	<i>South Bohemian Agency for Support to Innovative Entreprising</i>
<i>Hungary</i>	<i>Pannon Business Network Association</i>
<i>Serbia</i>	<i>University of Belgrade</i>
<i>Slovakia</i>	<i>Technical University of Košice</i>
<i>Slovenia</i>	<i>Styrian Technology Park</i>
<i>Montenegro</i>	<i>Innovation and Entrepreneurship Centre Tehnopolis</i>

Published in 12/2018

Disclaimer

Responsibility for the information and views set out in these publication lies entirely with the authors. These publications do not necessarily reflect the opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein. While these publications have been prepared with care, the authors and their employers provide no warranty with regards to the content and shall not be liable for any direct, incidental or consequential damages that may result from the use of the information or the data contained therein. The online versions of these publications may include hyperlinks to other websites which are not under our control. The use of such hyperlinks is fully at your own risk. Reproduction is authorised provided the source is acknowledged.

Contents:

1.	Introduction	4
2.	Quality criteria for acquiring the transnational quality label	5
2.1.	Identification and prioritisation of quality criteria	6
2.2.	Selection of criteria for acquiring the quality label	7
2.3.	Scoring scale.....	8
2.4.	Quality label logo	11
3.	Quality label granting procedure.....	12
4.	Added value of the quality label for CF service providers	14
5.	Annex 1 – Declaration of truth.....	15
	List of tables:	16
	List of pictures:	16

1. Introduction

This document elaborates the achievement of Deliverable D.4.2.1 – Agreed, approved and published label granting procedure within the Activity 4.2 – Definition of Crowdfunding service quality label granting procedure.

In order to achieve the increase of CF initiatives in Danube region, there is a need to raise awareness on this alternative model of financing as well as to identify and promote quality service providers for CF activities. Therefore, CrowdStream partners created transnational quality label for CF services and agreed on formal granting procedure for the label that is elaborated within this document.

For the purpose of granting a quality label, online monitoring tool¹, in a form of web application, has been developed by CrowdStream partners. Service providers will go through a set of questions related to the identified quality criteria. Based on their answers, software will calculate their score and if they reached set requirements, they will be awarded a quality label. All service providers who obtained quality label will be listed in order for CF campaigners to be able to see the ones who met the defined quality standards.

Transnational quality label and support tools for crowdfunding service providers will ensure higher quality of campaigns for alternative financing.

¹ For more details on online monitoring tool please refer to the document D 4.1.4 Functional specification of online monitoring tool, Output 4.1 Quality monitoring tool on quality services for CF

2. Quality criteria for acquiring the transnational quality label

Quality assurance is the main surety for the sustainability of the project outcomes. The CrowdStream tools such as a transnational quality label will assure the quality of alternative financing initiatives in the Danube region.

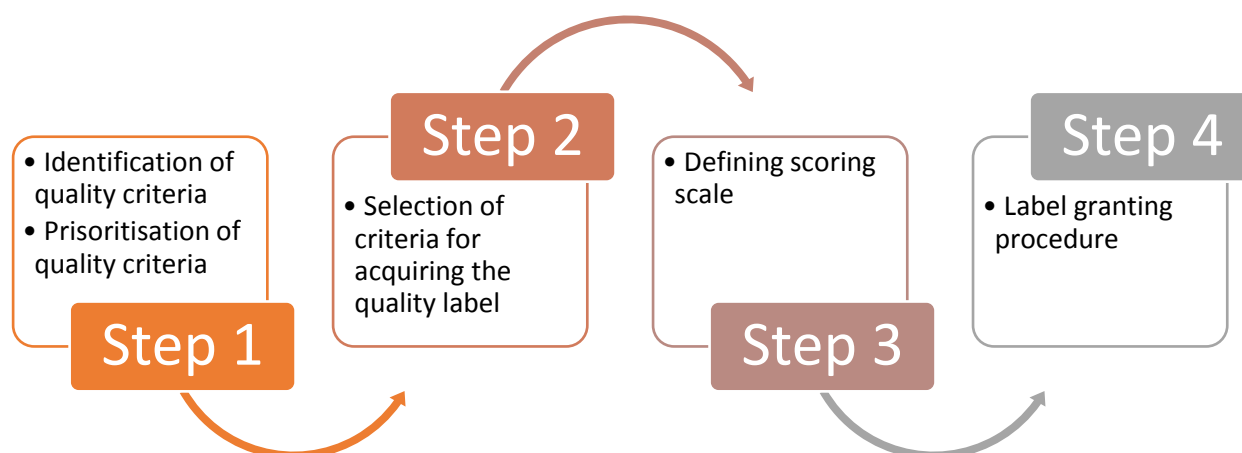
First step was to identify the quality criteria and to evaluate their importance for Danube region. This was done within D 4.1.1 Consultation on quality framework for crowdfunding services, D 4.1.2 Reports on 9 workshops with stakeholder networks on quality criteria for CF and D 4.1.3 Categorisation and prioritisation of quality criteria for CF services.

After the evaluation, the second step was to choose criteria that will be assessed for the purpose of acquiring the quality label. This was done based on D 4.1.3 Categorisation and prioritisation of quality criteria for CF services as well as based on meetings with different stakeholder groups. Focus was on criteria that will ensure the quality of service providers, while at the same time the entire process remains simple and user friendly.

Third step was to define scoring scale of the individual quality criteria. This was done based on information provided by each partner within WP2, WP3 and WP4 project activities.

Final step was to define service quality label granting procedure.

Picture 1: From quality criteria identification to label granting procedure



2.1. Identification and prioritisation of quality criteria

Quality criteria² were identified through online consultation process (D 4.1.1) among project consortium. They were further evaluated within the stakeholder workshops (D 4.1.2) held in each partner's region in order to select those that are relevant for the Danube area. The evaluation of identified criteria was finalised through categorisation and prioritisation of quality criteria (D 4.1.3).

The quality criteria were prioritised based on their importance perceived by the stakeholders. Main stakeholders include SMEs (start-ups and social enterprises) with CF experience, business support organizations (BSOs) and CF platform representatives.

Table 1: Prioritisation of quality criteria

Prioritisation	CF service providers	High importance	No. of successful CF campaigns
			Success rate
			Experience in CF campaigns
		Medium importance	Total value of successful CF campaigns
			Positive feedback from other clients
			No. of CF campaigns
		Low importance	Total value of CF campaigns
			General experience
			Previous clients
	CF platforms	High importance	No. of successfully funded CF campaigns on the platform
			Success rate
			Total no. of backers
			Pre-screening of campaigns (before launched on platform)
			Total no. of launched CF campaigns on the platform
		Medium importance	Additional services offered by CF platform
			Interactions (how users interact with the platform)
			Frauds (how eventual frauds will be processed)
			Capital adequacy requirements (by law or platform specific)
			Data Treatment (what kind of information is stored and how)
Low importance		Specific resolution plans (in case of platform failure)	
		Payments (how payments are made, client money segregation)	
	Data aggregation (third party relations managed by the platform)		
	Form of regulation		

² For more details on identified criteria and categorisation and prioritization of quality criteria please refer to the document D 4.1.3 Categorisation and prioritisation of quality criteria for CF services

2.2. Selection of criteria for acquiring the quality label

Quality criteria for acquiring the label are divided into 2 categories:

- Criteria for CF service providers (such as IPR experts, marketing agencies, video producers, campaign managers etc.)
- Criteria for CF platforms

These two categories were already established within the categorisation and prioritisation (D 4.1.3) due to the fact that quality criteria differ for each category.

Quality criteria, for each category, for acquiring the transnational quality label were selected based on workshops with stakeholder networks held in each partner's region, stakeholder meetings and partner's consensus and they are shown in the table below. Main stakeholders included SMEs experienced in crowdfunding and CF platforms representatives.

Main guideline was to have the quality criteria that will reflect quality of CF service providers/CF platforms and for which data is easily provided, but at a same time not to request excessive and/or confidential information that would reject potential applicants.

Table 2: Quality criteria for acquiring the transnational quality label

Quality criteria for CF service providers	Quality criteria for CF platforms
<ul style="list-style-type: none"> ▪ No. of successful CF campaigns ▪ Success rate ▪ No. of total CF campaigns ▪ Total value of successful CF campaigns 	<ul style="list-style-type: none"> ▪ No. of successfully funded CF campaigns on the platform ▪ Total no. of launched CF campaigns on the platform ▪ Success rate ▪ Interactions (how users interact with the platform) ▪ Total no. of backers ▪ Frauds (how eventual frauds will be processed) ▪ Pre-screening of campaigns (before launched on platform) ▪ Information on capital adequacy requirements is available on the specific platform ▪ Information on data treatment provided before registration (what kind of information is stored and how, the way data privacy and online security are taken care off) ▪ Additional services offered by CF platform ▪ Specific resolution plans (in case of platform failure) ▪ Data aggregation (third party relations managed by the platform) ▪ Form of regulation

Quality criteria identified for the purpose of awarding the quality label, give an insight into knowledge, experience and success of the CF service providers and CF platforms in the field of crowdfunding. This is very important for CF users, especially for beginners who lack experience so they can surround themselves with experienced and quality team of professionals which will contribute greatly to the success of their CF campaign. Also, they will be able to choose the platform best suited for their needs.

2.3. Scoring scale

Scoring scale was defined based on information collected throughout other project activities including regional profiles, stakeholder meetings as well as events and workshops with different stakeholder groups, which was provided by each partner within WP2, WP3 and WP4 project activities.

When deciding on range and number of points, main data taken into account were based on collected information on implemented CF campaigns in the region as well as regional CF platforms statistics.

As Danube region continues to evolve in the field of crowdfunding, the quality criteria and the scoring itself will adjust accordingly.

Table 3: Quality criteria points for CF service providers

	Quality indicator	Range	No of points
CF service providers	No. of successful CF campaigns	0	0
		1-4	5
		5-9	10
		10 and above	15
	Success rate	0% - 30%	5
		31% - 60%	10
		61% - 80%	15
		80% and above	20
	No. of total CF campaigns	0	0
		1-6	5
		7-12	10
		13 and above	15
	Total value of successful CF campaigns	0 - 10.000 eur	0
		10.001 eur - 40.000 eur	5
		40.001 eur - 70.000 eur	10
		70.001 eur and above	15

Maximum points	65
Required minimum for quality label (70%)	45,5

Table 4: Quality criteria points for CF platforms

	Quality indicator	Range	No of points
CF platforms	No. of successfully funded CF campaigns on the platform	0 - 5	0
		6-20	5
		21-50	10
		51 and above	15
	Total no. of launched CF campaigns on the platform	0 - 50	0
		51 - 100	5
		101 - 1000	10
		1001 and above	15
	Success rate	0% - 3%	0
		4% - 10%	5
		11% - 30%	10
		31% - 50%	15
		51% and above	20
	Interactions (how users interact with the platform)	No possibility for interactions	0
		There is possibility to complain and to provide other inputs	5
		There is possibility to retrieve help or guidance, to complain and to provide other inputs	10
	Total no. of backers	0-1.000	0
		1.001 - 5.000	5
		5.001 - 10.000	10
		10.000 and above	15
Frauds (how eventual frauds will be processed)	Procedures for identifying and managing fraudulent behaviour are not defined	0	
	Procedures for identifying and managing fraudulent behaviour are defined and available to all users	10	

	Quality indicator	Range	No of points
CF platforms	Pre-screening of campaigns (before launched on platform)	No	0
		Yes	10
	Information on capital adequacy requirements is available on the specific platform	No	0
		Yes	10
	Information on data treatment provided before registration (what kind of information is stored and how, the way data privacy and online security are taken care off)	No	0
		Yes	10
	Additional services offered by CF platform	No additional services offered	0
		Offered services include providing information on important rules and/or procedures	5
		Offered services include help and guidance with campaign preparation, marketing, financial and logistic aspects before and during the campaign, providing information on important rules and/or procedures	10

	Quality indicator	Range	No of points
CF platforms	Specific resolution plans (in case of platform failure)	No specific resolution plans	0
		Defined specific resolution plans	10
	Data aggregation (third party relations managed by the platform)	None	0
		Manual	5
		API or similar automatic	10
	Form of regulation	No regulation	0
		National level regulations	5
		EU level regulations	10

Maximum points	155
Required minimum for quality label (70%)	108,5

2.4. Quality label logo

Crowdstream partners designed a Quality label logo and certificate that will be awarded to service providers who obtained the quality label. The use of logo will facilitate international recognition of the transnational quality label as well as recognition of quality CF service providers.

Picture 2: Quality label logo



3. Quality label granting procedure

For the purpose of granting a quality label, online monitoring tool³, in a form of web application, has been developed by CrowdStream partners.

Each Crowdstream partner is covering its own region, therefore, each partner will have to assign administrator and official e-mail for the purpose of contact with applicants because messages and files will be sent to predefined e-mail address depending on applicant's country of origin.

In order not to discourage potential service providers in the process of acquiring the label, the entire procedure is kept simple and easily verifiable.

Label granting procedure consists of 5 steps:

1. Service providers will go through a set of questions related to the identified quality criteria. Based on their answers, software will calculate their score and display result. In case of positive result, web administrator will also be notified that the service provider has reached set requirements and is eligible for quality label.
2. Upon result display, and in case the service provider is eligible for quality label, he needs to provide a formal declaration, under material and criminal liability, on truthfulness of the data provided in the web application. Predefined declaration template must be used and it will be available for download to the service providers eligible for obtaining the quality label upon completion of self-assessment procedure. In case of legal entity, formal declaration needs to be signed by the authorised person of the legal entity and in case of freelancers with no legal entity, it is sufficient for that person to sign a declaration. The declaration must be send to the predefined e-mail address of web administrator that will be displayed to the service provider.
3. Upon receiving the declaration, web administator will proceed with verification procedure. Verification process duration is maximum 10 working days and it consists of following steps:
 - a. Verification that the correct declaration template was used
 - b. Verification that declaration is filled in correctly
 - c. Verification that the information given in the declaration matches the data from the web application (*this refers to the name and identification number of service provider*)

³ For more details on online monitoring tool please refer to the document D 4.1.4 Functional specification of online monitoring tool, Output 4.1 Quality monitoring tool on quality services for CF

<http://www.interreg-danube.eu/approved-projects/crowdstream>

- d. Verification that the declaration is signed by the authorised person in case of legal entity (*this data is verifiable through the online court registry, online ngo registry etc.*)

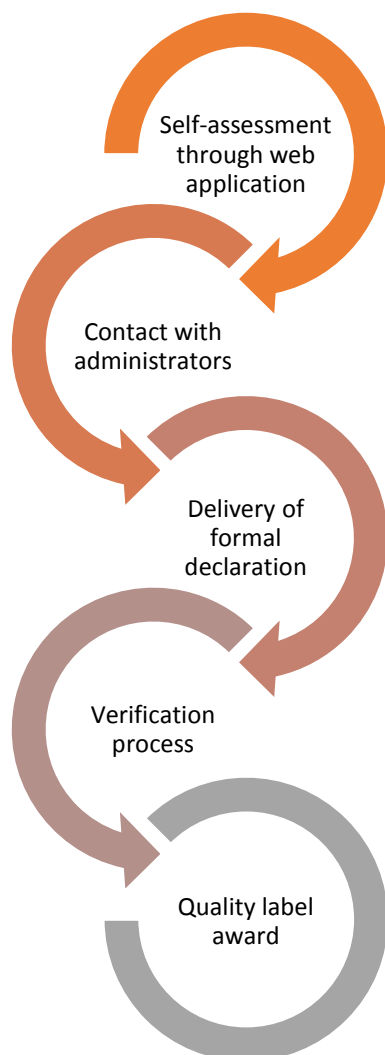
Administrator is responsible for archiving the declarations.

4. Upon declaration verification, service providers will be awarded a transnational quality label. They will receive a certificate via e-mail and they will have the right to use the quality label logo.

Quality label is awarded free of charge for a 3 year period.

All service providers who obtained quality label will be listed in order for CF campaigners to be able to see the ones who met the defined quality standards.

Picture 3: Label granting procedure:



4. Added value of the quality label for CF service providers

What do interested service providers stand to gain if they go through the process of acquiring the Quality label for CF service providers?

Networking, visibility and prestige

All service providers who obtain quality label will be listed in order for CF campaigners to be able to see the ones who met the defined quality standards. This will allow networking between CF campaigners and CF service providers as well as among service providers themselves, thus forming professional networks and sharing experience as well as raising awareness on crowdfunding.

The acquisition of quality label provides CF service providers with international recognition and legitimation for their work thus enabling them to reach new markets and to extend their target group. In addition, acquiring the quality label gives the service providers the right to use its visual identity, including relevant logo.

5. Annex 1 – Declaration of truth

Name of the service provider: _____

Identification number⁴: _____

DECLARATION OF TRUTH

I, (full name) the undersigned,
under material and criminal liability, hereby declare:

1) That the information given in the application for obtaining transnational quality label for crowdfunding is true and I undertake to provide all necessary written documentary evidence, without any delay, if required;

2) That I fully recognize and accept that the lack of veracity of the information or the distortion of the documents will entail the invalidity of the merits affected in full, and that I may be legally responsible;

3) That I accept all the terms of the label granting procedure;

I declare that the foregoing is true and correct.

Signed at(place),.....(date)

(signature)

⁴ For natural persons personal identification number or other number depending on the state of origin. For legal persons likewise or VAT. Please specify the nature of the number.

List of tables:

Table 1: Prioritisation of quality criteria	6
Table 2: Quality criteria for acquiring the transnational quality label	7
Table 3: Quality criteria points for CF service providers.....	8
Table 4: Quality criteria points for CF platforms.....	9

List of pictures:

Picture 1: From quality criteria identification to label granting procedure.....	5
Picture 2: Quality label logo.....	11
Picture 3: Label granting procedure:	13