

Are.na on Republic: A Case Study in Synchronicity



Introduction

“Creativity is just connecting things.” - Steve Jobs

It was the kind of synergy that the [Are.na](#) platform itself strives to create. Like blocks in a channel - Are.na lingo for parts of a whole - the decision to “crowdfund” synchronized Are.na with its members in a way that simultaneously elevated the platform’s concept and aligned the interests of Are.na users with those of investors. Indeed, members were converted into investors (at an astonishing rate) and investors, already natural champions of Are.na, became loyal members. Word of mouth spread. Community coalesced. Are.na, having exceeded its fund raising target by a staggering 540 percent, found itself in the enviable position of hosting a vital, growing community and being capable of meeting its expanding needs. A synergistic scenario indeed.

Background

“I’m very concerned that our society is much more interested in information than wonder.” - Mr. Rogers, *Mister Rogers Neighborhood*, 1994

A group of artists in New York needed a platform to help them better organize their creative ideas online. It was 2011 and the available social media platforms were becoming increasingly “circus-like” and cluttered, filled with ads, “likes”, notifications, and other time-wasting distractions. More importantly, the mainstream social media platforms were not structured to be conducive to mindful, meaningful interactions and innovative idea-sharing among a creative group of members. In other words, social media interactions were making a lot of noise but not enabling very much productive output or synchronicity. The artists who founded Are.na set out to change that, initially as just a “passion project” to satisfy their own personal creative needs. But like any valuable idea, the concept evolved and grew, and the passion project deepened into a community-based productivity tool. With every new member, continually adding new blocks to create and curate new channels, the potential for synchronous collaboration exponentially increased. Much more than just a platform, and well beyond an isolated “ideation tool” for a group of artist friends in New York, a global network of thoughtful, creative thinkers formed. All without compromising the key premise upon which Are.na was founded: to create a focused online space where ideas can happen and synchronicity can occur.

With the aid of a small seed investment, the founders of Are.na began to focus full-time on developing the business in June of 2017. The opportunity for growth was clearly vast - the U.S. “creative class” comprises 15 million workers and there are 230 million “knowledge workers” worldwide. Designers, developers, artists, students, and entrepreneurs were obvious targets who could benefit from using Are.na, and with data privacy scandals increasingly coming to light in the national headlines, demand for a better alternative was growing rapidly. But the challenges Are.na was facing were the same as those confronting almost every start-up tech

company: expand the member base, increase engagement, increase revenue, secure sufficient financial runway, and get noticed by the press.

It turns out that crowdfunding provided the perfect solution.

Solution

“Instead of thinking outside the box, get rid of the box.” – Deepak Chopra

Are.na initially considered raising capital from traditional VC investors. While the interest from VCs was there, the possibility that Are.na would have to sacrifice its founding ideals in the name of “growth” was too great. And receiving VC investment would do nothing to help the company to accomplish its other, equally important goals of increasing user engagement and attracting media attention. Crowdfunding Are.na’s growth was the obvious solution, but also a “scary choice” for the founders, who recognized a more-than-theoretical possibility of very public failure. (*Spoiler alert*: they succeeded with flying colors.)

The Are.na founders vetted several crowdfunding platforms and ultimately selected Republic to host their campaign. Not only was Republic well-recommended by several trusted advisors, but also the Are.na team sensed a certain synergy between the two platforms. As a collaborative media network that prides itself on having discerning taste, it was important for Are.na to choose a crowdfunding platform that was similarly selective. Republic’s robust due diligence process, attractive platform design, and affiliation with AngelList, the prominent start-up platform, were the major factors that guided Are.na’s decision. For Republic’s part, their due diligence process demonstrated Are.na to be a well-run, promising company with significant potential to benefit from a crowdfunding campaign. What neither Republic nor Are.na anticipated was just how successful that crowdfunding campaign would ultimately be.

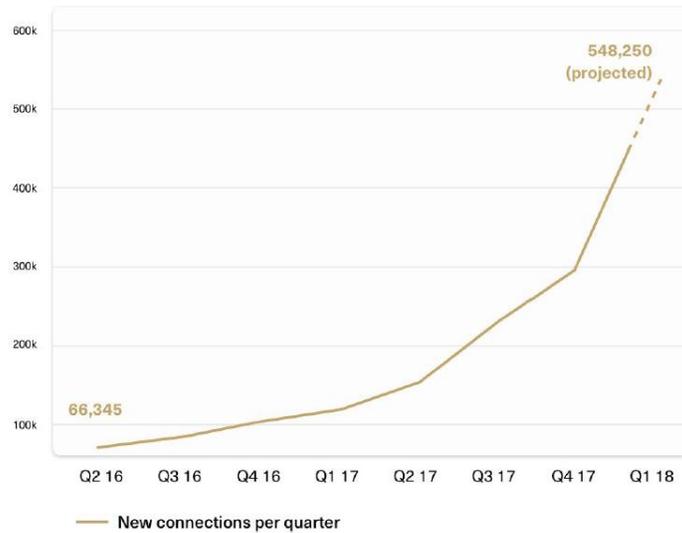
Results

“As you have sown so shall you reap.” - Marcus Tullius Cicero

Are.na crowdfunded \$270,106 from 848 investors in just over two months, from mid-March through late May of 2018. With an initial fund raising target of \$50,000, Are.na exceeded its goal by an impressive 540 percent! In addition, the company achieved excellent results related to the conversion of members to investors. 73 percent of investors in the crowdfunding campaign were existing Are.na users, with 71 percent of the total capital raised generated from within the Are.na community. Paying Are.na members comprised 28 percent of participating investors in the campaign.

Are.na also has achieved significant results in 2018 pertaining to growth of its membership base and coverage by the press. Are.na membership, just in 2018 alone, has grown by 60 percent and now exceeds 40,000 people. In the first quarter of 2018, more than 410,000 new pieces of content were added to the platform, and connections (synergistic links between channels or pieces of content) continue to dramatically rise. Crucially, and as a key indicator of the value that the Are.na platform increasingly provides to its members, Are.na’s user base of paying members increased by 42 percent in a single quarter. 2018 got off to a great start!

Chart: Quarterly Connections Made on Are.na



Press coverage of Are.na in 2018 has been favorable and abundant. (Word-of-mouth also continues to meaningfully spread.) You can read about Are.na on [ARTnews](#), [Artsy](#) ([here](#) and [here](#)), [Co.Design](#) ([here](#) and [here](#)), and [Garage](#).

Curious to understand more about *why* investors chose to fund Are.na? The Appendix contains selected testimonials from Are.na’s member-investors.

Looking Forward

“You must be the change you want to see in the world.” - Mahatma Gandhi

What’s next on the horizon? In a word, plenty. Are.na is launching a team product for small businesses and enterprise clients, in addition to enhancing the platform’s privacy features, improving the available organizational tools for bulk content, and preparing for the release of an Android app. The capital raised via Republic will also enable the team to hire a developer, plus make UX/UI improvements and bookmarklet updates; increase image processing speeds; and allow members to save and archive entire websites.

Much further on the horizon, the company seeks to return capital to its investors at an above-market rate of return. A variety of exit strategies are possible, but Are.na’s goal, in keeping with its mission to create a “safe space” for online collaboration, is to remain independent and issue equity returns to investors in the form of quarterly dividends. A great synergy has been created, and the Are.na team is tasked with preserving and growing that vital force while remaining true to its guiding vision. Are.na’s crowd of members-turned-investors will expect no less.