



# Denheath Case Study

**They've been around**  
17 years

**Amount crowdfunded**  
\$379,001

**Area**  
Food & Beverage  
(of the sweet variety!)

**Number of investors**  
167

**Annual Revenue**  
NZD \$949,300  
(FY2016)

**Type of Crowdfunding**  
Public Lending  
Campaign

## Who are Denheath?

Timaru's iconic kiwi custard square-makers, Denheath Desserts were our second ever [crowdfunding campaigners](#). Wife-and-husband duo Lisa and Donald Templeton are carrying on Lisa's mother's legacy after her unexpected passing seventeen years ago.

Their unflinching local pride and family values have been central to their story, since Lisa's mother began selling custard squares out of their Point Pleasant cafe back in 1996.

They raised \$379,000 through their crowd of lenders to help fund their self titled "World Custard Invasion". Upgrading their factory and adding Hong Kong, Korea and the USA to their spread of export markets were top of their sweet-toothed agenda. This case study covers some of the things that worked for them (and didn't).

## How does crowdending work?

Crowdlending is when you borrow money from your crowd and pay them back over time with an interest rate you set. You need to be an organisation of some kind (company, charity, or even school) and you have to be able to show that you can repay the loan. You set the interest rate, your minimum and maximum goal, and the timeline in which you'll repay the loan.

Learn more about how crowdending works at: [pldg.me/howtolend](http://pldg.me/howtolend)



## Running their campaign

The PledgeMe and Denheath paths first crossed at the beginning of 2016. Lisa and Donald's ingredients of a loyal and widespread community, a proud regional story, some high profile media fans and big expansion plans combined into a tasty crowdfunding recipe. We initially chatted about them running an equity campaign but they were adamant that they wanted to do something a little different.

Fast forward six months, and following Eat My Lunch's successful Lunch Bond campaign, Donald got back in touch. A crowdfunded loan from their supporters was the bit of different they were searching for. They already had a clear idea from speaking to their crowd of the rewards that would entice them: a combo of squares, discounts and 8% interest.

In September they started the CrowdfundingU programme to solidify their key messages, map out their crowd and begin spreading the excitement throughout their crowd. The PledgeMe team took a day trip down to their quaint Timaru home for a productive Pitch Kitchen session that got them stepping out of their preparations to think and answer questions that they'd yet to consider.

Lisa made an appearance on their long-time friend Paul Henry's show ten days before launch which helped to grow their audience and the awareness of what was around the corner.

The World Custard Invasion campaign launched on 31st October, the birthday of both Lisa's mother and their son, Bingle. Five weeks later, they'd raised \$379,000 from 167 of their crowd throughout NZ.

Since then they have been progressing their export plans, and have made their first loan repayment.



### July

Donald shares their plan for a lending campaign and they passed the CRED test, confirming they could borrow from their crowd.

## 2016

### January

First met with the PledgeMe team.



### September

CrowdfundingU kicked off.



### October

[Paul Henry coverage](#) and campaign launched.

### November

Nationwide tour (Auckland, Wellington, Christchurch, Timaru)

### December

\$379,000 raised from 167 pledgers.



## 2017

### May

First repayment made to their lenders.

## What worked well

- **Being clear on the purpose of the money.** From early on they knew that in order to capitalise on the demand they were getting from overseas, they'd need to upgrade their custard-cutting and packaging equipment. Quicker production meant more squares, without compromising on quality.
- **Getting media coverage.** They connected into the folk who'd already shown them love and they'd loved back. Lisa got a pre-launch morning slot on the Paul Henry Show, mid-campaign interviews with Helen Jackson and Radio NZ and write-ups in the Timaru Herald, Newshub and Stuff.
- **Defining their values.** As they worked through CrowdfundingU, Donald realised that they constantly mentioned their family values, but had yet to define what that really meant to them. So they brought together their staff to workshop on what family values meant to them as a collective so that they could clearly communicate the reason why they do what they do - honesty, integrity, respect, trust, a sense of belonging and direction.
- **Local pride.** The Denheath journey has centred around a determination to prove that great things can be done (and kept) at a regional local level. Lisa & Donald were very vocal about this and it helped to tap into the shared local pride of their crowd, who helped spread the word on their behalf.
- **CrowdfundingU & their Pitch Kitchen.** Their six sessions working with us allowed them to think about a whole feast of things that would help them better plan, prepare, pitch and promote their campaign. The highlight was their Pitch Kitchen, and in particular getting an honest and constructive perspective from one complete (local) outsider.
- **Personal fans & followers.** Their crowd wasn't just made up of their customers and custard custodians. Both Lisa and Donald reached out to their own respective personal circles and communities - Lisa's cake decorating enthusiasts, Donald's music mates and their Timaru business network.
- **Letting their crowd guide them and flexing to give them what they desire.** Lisa and Donald discovered over the first week of their campaign that many of their crowd were of an older generation and wanted to support without the heartache of tackling technology. So we helped any that were finding it tricky by talking them through the steps and we co-created a paper pledging pack for those that preferred pen, paper and post.
- **Meet, Greet and Eat #IRL tour.** They hit the road during the second half of the campaign to give their crowd a chance to meet them face to face, hear about their plans, why they were crowdfunding and share a square (or four!).
- **Adjusting their campaign for mother nature.** The earthquakes hit in the final week of their campaign, so they had to put their Meet, Greet & Eat tour on hold. They extended their campaign for an extra week, which allowed them travel to see their crowd in Wellington and Christchurch.
- **Providing updates during the campaign.** Lisa was clued in and marked every milestone, every challenge and every good story with an update to their crowd, which kept them involved and excited.

## What could have been different

- **Kicking off with a bang.** With so much last minute prep, the plans for a launch party had to be scrapped. It would have been a great opportunity to bring the local community together to mark the start of an exciting month-long journey, thank them for their support and get the pledge momentum going.
- **Getting their crowd comfortable with registering and pledging beforehand.** A good chunk of their crowd were new to crowdfunding so better guidance on how it all works could have helped to get them familiar before pledging.
- **Reaching out personally to their First 50.** Lisa & Donald wanted to find the balance between involving their closer crowd and bombarding them. Picking up the phone earlier into the preparations to hear their crowd's thoughts, ideas and questions and get them buzzing could have given their campaign a stronger foundation to grow from.
- **Follow on coverage.** Once the first push was done, it was hard to get further pick up. Some positive traction in New York was just a week or two too late, but being able to show progress towards your big plans during the campaign can give journos that extra appetite to write.

Every crowd is different, and for a brand that's so well-known, the age range and location range in their crowd was beautiful to see.

