

Crowdsourcing site DesignCrowd receives \$3M investment from Starfish Ventures

Australian based Internet start-up DesignCrowd has received a \$3M investment from leading Australian venture capital firm Starfish Ventures.

DesignCrowd – an online marketplace that helps businesses around the world outsource or ‘crowdsource’ creative projects – has received a \$3M venture capital investment from Melbourne based Starfish Ventures. DesignCrowd (which was founded in 2008 by Alec Lynch at the age of 23 from his “mother’s dining room table” and which specializes in graphic design crowdsourcing) is now a multi-million dollar business with users/clients spanning 159 countries. DesignCrowd’s disruptive crowdsourcing business model has helped it grow internationally and attract clients like Harvard Business School (who received 267 logo designs from 57 designers when they ‘crowdsourced’ their Forum for Innovation and Growth logo via DesignCrowd). DesignCrowd already has 40,000 registered graphic designers from around the world (four times more than the 10,000 designers employed in design studios in Australia). Founder and CEO Alec Lynch said, “Starfish’s investment is very exciting - it will help us grow from a bootstrapped Sydney start-up into a global company. We’ve done well in Australia, now we want to take on the world and Starfish is the perfect partner to help us succeed.” Tony Glenning of Starfish Ventures (who led the investment in DesignCrowd) said, “We really believe in the crowdsourcing model. In particular, we are really attracted to the idea of crowdsourcing the solution, rather than simply providing a marketplace for outsourcing, which ends up as a race to the bottom and is neither beneficial to the customer nor the designer. Alec and his team have done a great job providing a unique offering that serves both.” Starfish’s investment in DesignCrowd is particularly noteworthy given the current economic climate. It is the second time DesignCrowd, which launched during the ‘global financial crisis’, has raised capital during an economic downturn. In 2009, Lynch received \$0.3M of investment from ‘angel’ investors and the business has since grown more than 1300% - highlighting the strength of DesignCrowd’s business model and team. DesignCrowd, which launched in New Zealand via DesignCrowd.co.nz in October, plans to use the investment to grow its client base in markets outside Australia (particularly in the US) and to launch two new services in 2012. In the short term, DesignCrowd plans to hire aggressively and Lynch says “We’re looking to hire ten people by January and we need a Chief Operating Officer immediately to help us handle the growth and implement our plans.” DesignCrowd has setup its own subdomain <http://hiring.designcrowd.com> to advertise various startup jobs in Australia and the US that it is looking to fill.

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