

## 7.1: Introduction



Figure 7.1.1: An advertisement showcasing the features of the iBackPack.

In 2015, Doug Monahan, the CEO and founder of iBackPack of Texas, Inc., introduced a revolutionary technology package encased in a typical backpack. The iBackPack boasted the capacity to incorporate WiFi/MiFi, a battery system, smart power transfer cables, and a car-charging system—while carrying four notebook computers and their accessories. Monahan promised that the iBackPack would be a “communication hub and corresponding electrical powerhouse for students and business professionals alike.”<sup>1</sup> To bring the project to market, iBackPack sought crowdfunding through an Indiegogo campaign that raised \$723,395 from 4,041 backers. An additional \$76,694 was raised from 252 Kickstarter backers.

In 2016, iBackPack raised over \$800,000 to fulfill investors’ orders, but the product never materialized. The only update from the company was a Facebook post alluding to issues sourcing “safe” batteries. By 2017, the iBackPack crowdfunding campaign failed to deliver the product promised to its investors.<sup>2,3</sup> According to an article on the website The Verge in August 2018, the founders of iBackPack were under investigation by the Federal Trade Commission.<sup>4</sup> Although crowdfunding can be a great option for startups, those who abuse the system may find themselves subject to legal action.

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