Financial Stability Poll Results

Link to raw responses: [LINK](#)
This doc represents the results of the recent poll posted on Discord on 6th of March 2024. The takeaways from this poll formed a foundation for prioritisation of the future Treasury Management Framework
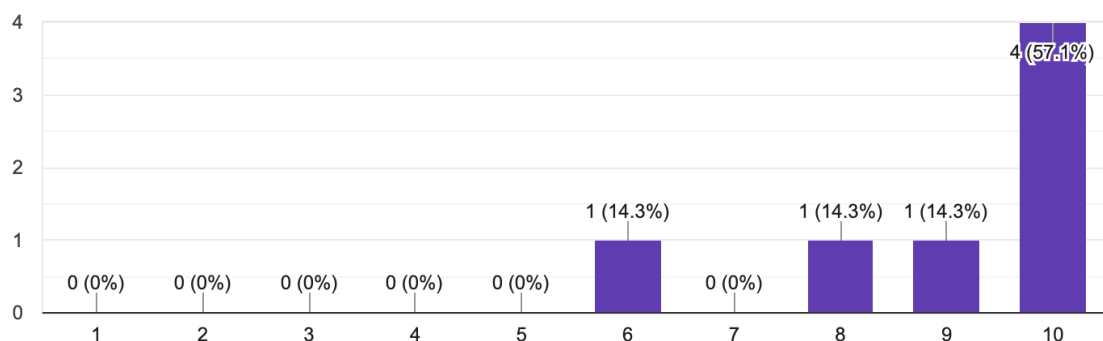
General Questions

1. How familiar are you with the concept of Treasury Management within a DAO framework?

- **Results**: 50% familiar, 50% somewhat familiar
- **Takeaway**: we can be more detailed with framing Treasury Management Framework since the audience is experienced

2. On a scale of 1 to 10, how important do you believe a robust Treasury Management Framework (TMF) is for the sustainability of a DAO?

7 responses

- **Results**: 57.1% 10, 28.6% 8-9, 14.3% 6
- **Takeaway**: The majority treats a robust framework as a tool to make the DAO sustainable

Treasury Management Framework

3. Do you agree with the need for establishing clear Treasury Management Principles as the foundation for effective treasury management? Why or why not?

- **Results**: 5/7 responses and all agreed. Reasons include preparation for black swan events, efficient resource planning, communication effectiveness, and risk mitigation.
- **Takeaway**: Principles are valuable as long as they don't contribute to unnecessary complexity

4. How critical do you think Liquidity Management and Budgeting are for the DAO's financial health? Can you suggest any improvements?

- **Results**: All respondents emphasize the critical importance of Liquidity Management and Budgeting for the DAO's financial health. Suggestions for improvement include implementing budgeting practices, forecasting financial standing over several quarters, enhancing budgeting processes, and providing more contextual information through hyperlinks for better understanding and engagement.
- **Takeaway**: **Liquidity Management and Budgeting** should be the highest priority for DAO Treasury Management, as it lays the foundation for financial health and provides transparency for all participants. Runway is an important metric to address
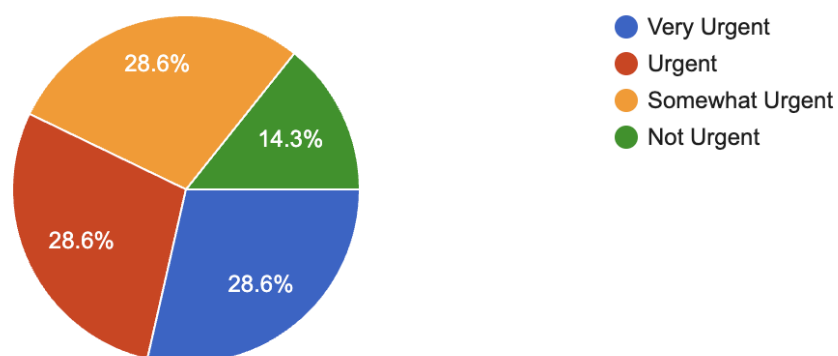
Treasury Diversification

5. Do you support the idea of diversifying the treasury by converting a portion of HOP tokens into stablecoins or other assets? Please explain your reasoning.

- **Results**: There is overall support for diversifying the treasury by converting a portion of HOP tokens into stablecoins or other yield bearing assets as the next step. Reasons include securing runway for the next bear market, providing more operational funds for growth, managing market cycles, reducing single-asset exposure, and covering ongoing expenses.
- **Takeaway**: The treasury should be diverse to tackle operational resilience, but it's still unclear on plans about how this should be executed given the limited market liquidity.

6. In your opinion, how urgent is the need for treasury diversification?

7 responses

- Very Urgent
- Urgent
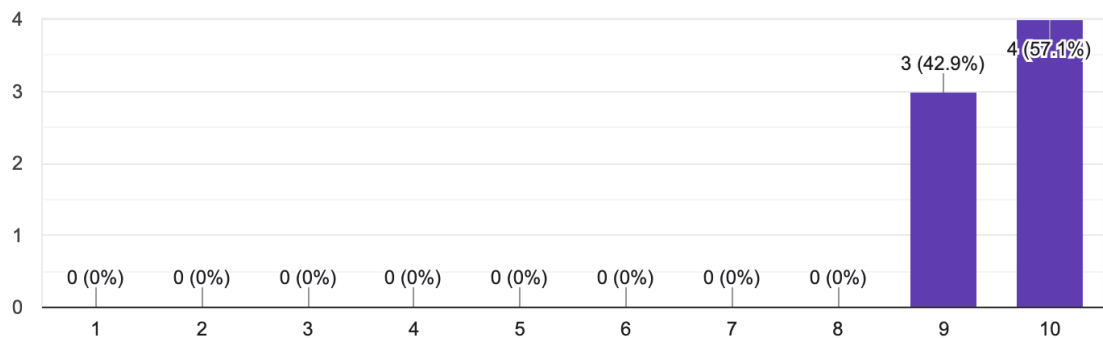- Somewhat Urgent
- Not Urgent

28.6%
14.3%
28.6%
28.6%

- **Results:** 57.2% of respondents view the need for treasury diversification as very urgent or urgent, while 42.8% see it as somewhat urgent or not urgent.
- **Takeaway**: While there's a consensus on the urgency of treasury diversification, there may be higher priority topics that need attention before addressing this issue

Governance and Responsibility

7. How important is it for the DAO to have a transparent and decentralized governance process for treasury and risk management decisions?

7 responses

- **Results**: 100% 9-10. Unanimously, respondents emphasize the critical significance of a transparent and decentralized governance process for treasury and risk management
- **Takeaway**: HopDAO needs a transparent operational model with procedures, policies, and tools employed to ensure efficient treasury management, risk mitigation, and decision-making
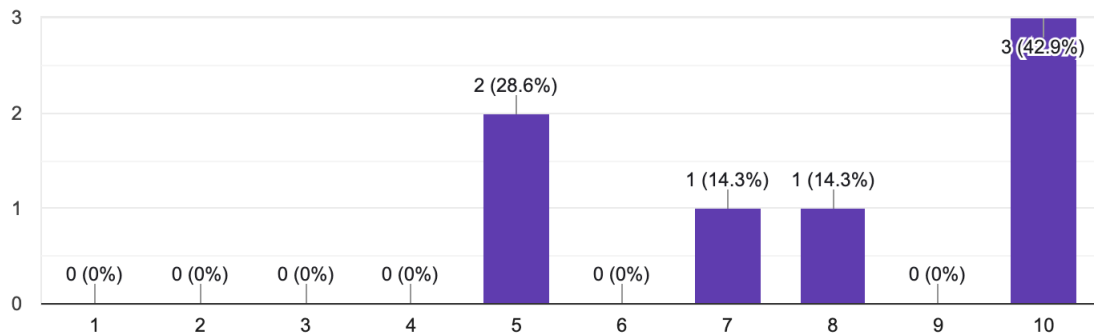
8. Would you support the idea of assigning multi-sig to be fully responsible for the Liquidity and Treasury Management setup, considering they have the requisite expertise and trust of the community?

- **Results**: Some respondents express uncertainty, highlighting the need for more information and understanding. Concerns include the necessity for failsafes against collusion and the desire for oversight and voting on basic guidelines to prevent unchecked trading.
- **Takeaway**: A clear operational model is vital for fast decision-making, possibly using platforms like Brahma Console. Fair elections with KYC are also crucial.

Liquidity Management

9. How important do you think it is for the DAO to actively manage the liquidity of its native tokens? Please provide a scale from 1 (not important) to 10 (extremely important)
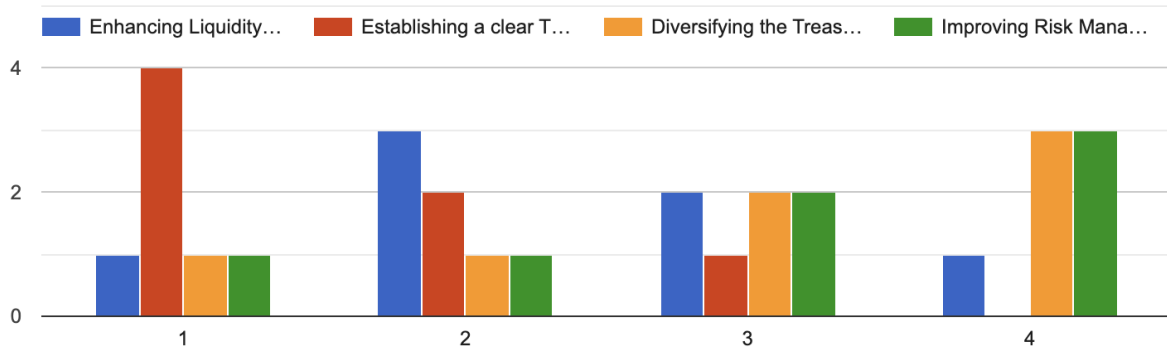
- **Results**: Most respondents (42.9%) consider actively managing the liquidity of the DAO's native tokens as extremely important (rated 10), with smaller percentages rating it as important to some degree (14.3% rated 8, 14.3% rated 7), while a notable portion (28.6%) perceive it as less critical (rated 5).
- **Takeaway**: Most people think it's really important to manage the liquidity, but it seems like not everyone fully gets what that means. So, we really need to explain things better and make sure everyone understands how to handle it right.

10. After considering best practices for native token liquidity management, do you believe the DAO should prioritize market depth or price stability for its tokens? Why?

- **Results**: Responses are divided between prioritizing price stability and market depth. Reasons for prioritizing price stability include preventing liquidity provider exits or immediate token selling, ensuring the market is liquid enough to prevent significant price impacts from dumping, and enhancing attractiveness for contributors. One respondent emphasizes the importance of both market depth and price stability for attracting stakeholders and contributors. Another respondent expresses a need for further information and understanding before making a decision.
- **Takeaway**: As noted earlier, there's a need for an educational session on liquidity management, explaining how it affects different areas like investor confidence, grant distribution, budget planning, and future investments in the DAO.

Additional Concerns and Suggestions

11. Please rank the following topics based on what you believe should be our priority. (1 being the highest priority)

Priority	1	2	3	4	Avg
Establishing a clear Treasury Management Framework	4	2	1	0	1.57
Enhancing Liquidity Management	1	3	2	1	2.43
Diversifying the Treasury	1	1	2	3	3
Improving Risk Management Practices	1	1	2	3	3

- **Results**: Establishing a clear Treasury Management Framework was ranked as the highest priority by most respondents, with an average rank of 1.57. Enhancing Liquidity Management followed closely, with an average rank of 2.43. Diversifying the Treasury and Improving Risk Management Practices were both considered priorities but ranked slightly lower, with average ranks of 3 for each.
- **Takeaway**: It's clear that the DAO needs clarity of its financials before making any big moves, so based on the results of the poll and my personal belief, we should establish a robust Treasury Management Framework to make sure we are moving towards POL and diversification with a clear plan

12. Are there any other issues related to Treasury and Risk Management that you believe the DAO should focus on? If so, what are they and how might we address them?

- **Results**: The poll results highlight several key areas for improvement in treasury and risk management within the DAO. People want better dashboards to track treasury information over time, while others stress the importance of making financial reporting and protocol performance data more accessible to everyone. There's also a suggestion to appoint a dedicated person to drive resolutions and ensure progress, as many acknowledge the importance of these issues but feel there's a lack of initiative.
- **Takeaway**: Clear, simple, and transparent reporting mechanisms should be implemented so the financial state of the HopDAO is communicated clearly. Moreover, there should be an accountable person, who drives all initiatives and being responsible for the KPIs