

Allo Protocol: Product Vision + Strategy

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Goal	1
Vision	1
Mission	1
Product Strategy	2
What is Allo?	2
What problem does it solve	2
How does it solve the allocation problem	2
For end users	2
For builders	2
How does this fit at Gitcoin	3
Long-term GTM	3

Goal

Allo Protocol is intended to be an open-source, decentralized protocol that enables communities to easily invest in their shared needs. Allo's best path to success involves nurturing a large ecosystem of builders and users, and this doc is meant to establish its long-term vision and strategy so that our ecosystem will:

- Have a shared understanding of what we are trying to build
- Be inspired to create extraordinary use cases for our users

Note: Allo is just one expression of Gitcoin's organizational vision, and this document is meant to supplement and ladder up to our [DAO's artifacts](#).

Vision

Empowering digitally local communities to invest in their own future

Mission

Building resource allocation technologies that enable communities to efficiently deploy their shared funds

Product Strategy

What is Allo?

Allo is an open-source, blockchain-based protocol that empowers groups to efficiently and transparently allocate pooled capital.

What problem does it solve

Unlocking a community's ability to invest in itself. We are in a unique era where modern, Internet-powered communities have accumulated vast amounts of financial power, but have been unable to effectively use those funds. This is because today's technology only offers solutions for two out of the three essential pieces of a healthy capital ecology:

1. **Accumulation** — how an organization gathers its wealth. In a modern community, this is facilitated by a spectrum of tokenization technologies.
2. **Safeguarding** — how an organization secures its wealth. Multisigs combined with tools like Tally and Governor Bravo allow modern communities to keep their funds safe.

We need similarly sophisticated technology for the third pillar: **allocation**. Modern communities need to be able to efficiently and transparently deploy their capital, and Allo Protocol is designed to be the foundational technology to unlock this capability.

How does it solve the allocation problem

For end users

Allo enables communities to efficiently delegate resource allocation to different collections of their members. Communities can securely send funds to pools with specific rules (called strategies) so that their members can trust those funds will be allocated according to the desires of the community, even if a member is not directly involved in the pool allocation.

For builders

Modern resource allocation as described above will require a whole new ecosystem of resource allocation products. Allo enables builders to focus on creating beautiful, user-friendly products by giving them a backend that provides:

- **State-of-the-art mechanisms** — there is a vibrant community of researchers creating new allocation mechanisms. Allo provides an easy interface and library of mechanisms so that builders can take advantage of the cutting-edge without having to maintain their own research resources.
- **Transparent, reproducible allocations** — communities want to know that their funds are allocated according to their wishes. Allo's smart contracts provide the data and logic that enables anyone to reproduce and verify how the funds were allocated.

- **Trust layer** — allocators need to vet the recipients of their funds to ensure the safety of their capital. Allo's profile registry provides a wealth of on-chain, verified signals about recipients that builders can surface to their users.
- **Flexibility** — every community is unique, and will want to take slightly different approaches to allocating their capital. The simplicity of Allo's interfaces and its interoperability with web3 technology give builders enormous flexibility in designing their products.
- **Security** — communities don't want to lose their funds, full stop. Allo's audited smart contracts give builders a secure avenue for creating the resource allocation products of the future.

How does this fit at Gitcoin

Gitcoin's mission is to [create technologies and opportunities that enable communities to build, fund and protect what matters](#). Through that lens, **Allo is a pure expression of our aims: it is a technology that enables communities to fund what matters.**

Beyond its values-alignment, Allo has a responsibility to help Gitcoin sustain the pursuit of its mission. Allo needs to at least fund its ongoing development, and hopefully can become a source of funding for other public goods initiatives powered by Gitcoin. While there is still significant market exploration to be done, Allo will explore generating these funds through two general levers:

1. **Revenue** — Allo is a software service, and offers an opportunity to generate revenue through usage of the protocol.
2. **Token utility** — GTC utility will not be built into the core function of the protocol (creating pools, creating identities, allocating pool funds), but there is a large opportunity to integrate token utility into supplementary mechanisms and applications.

Long-term GTM

[Allo Protocol's vision](#) is ambitious: be the foundational resource allocation infrastructure for digitally local communities. Modern resource allocation is a large, nascent category that Allo is in a unique position to define. Given how broad and undefined this space is, Allo will start with a **vertical go-to-market (GTM) strategy**: identifying verticals with specific resource allocation needs and systematically bringing targeted use cases to those user bases.

The initial focus is **the web3 ecosystem growth vertical**, as Gitcoin is closer to the problem space from our history with Gitcoin Grants and has a healthy pipeline of interested web3 ecosystems. There has been [signal](#) that web3 organizations tend to have ecosystem growth funds, which can be deployed through a variety of channels, including:

- grants programs
- improvement proposals
- hackathons

- bounties
- RFPs
- investment

Allo will be the backbone for all of these channels, with an ecosystem of products serving these use cases. You can learn more about the GTM plan for this vertical [here](#). Other potential verticals that plan to be explored include:

- Web3 governance
- Foundation grants (i.e. web2) funding
- Ephemeral fund allocation

What does the world look like if Allo is maximally successful?

In a world where Allo Protocol has achieved its ultimate potential, there is a global landscape characterized by unprecedented collaboration, community-driven initiatives, and resource allocation efficiency. Communities of all sizes, from grassroots initiatives and groups of friends to large-scale philanthropic organizations and governments, are harnessing the power of Allo to make informed, equitable, and democratic decisions about how to deploy their shared funds. Allo Protocol has become the bedrock of decentralized organizations, transcending borders and ushering in a new era of community ownership and investment.

At the heart of this vision, the Allo ecosystem thrives as a vibrant and ever-expanding network of builders and users. It has grown beyond its initial focus on grants tools in web3 and now empowers a wide array of verticals, encompassing fields like education, healthcare, environmental conservation, and beyond. The success of Allo has inspired a fundamental shift in how capital is allocated, dismantling traditional hierarchies and ensuring that funding decisions are transparent, accountable, and inclusive. In this future, projects and initiatives that truly benefit society gain the support they need, and individuals across the globe have a voice in shaping the world they want to live in.

Maximum success for Allo would also lead to a significant shift in how public goods and community initiatives are funded. There would be a flourishing ecosystem of public goods, open-source projects, and community-driven innovations. These projects would be adequately funded, fostering an environment where developers and creators are incentivized to contribute to projects that have far-reaching benefits for society. The quality and diversity of these projects would be unmatched, as Allo's mechanisms for community allocation would ensure that the most deserving initiatives receive the support they need to thrive. Allo Protocol's end game envisions a world where shared resources are deployed efficiently, ethically, and for the collective well-being of all.