Arbitrum Incentives Working Group – 2024/09/04 18:58 EEST – Transcript

Attendees

Alex Lumley, Ana-Maria Yanakieva, Anastassis Oikonomopoulos, APLsdcOttr's Notetaker, Brian Flynn, Brick, Caesar Premia, Carolina, Coin Flip, Darren Mims, David Rodriguez, Feems G, Francesco Castle, Gianluca, Hayden Tsutsui, Hirangi Pandya, JoJo, Krzysztof Urbański, Matt Grunwald, Matt Losquadro, Matthew Stein, Matthew Stein's Presentation, Pruitt Martin, Sam Martin, Saurabh Dhekale, Smol Phil, Taylor Pedde, Traversi Normandi, ZER8

Transcript

Anastassis Oikonomopoulos: Matthew.

Matthew Stein: There's a guy.

Anastassis Oikonomopoulos: good. How about you?

Matthew Stein: Doing pretty well.

Anastassis Oikonomopoulos: So, You ready to presentation today?

Matthew Stein: Yeah, I think Jojo and I worked on a presentation. How long should it take?

Anastassis Oikonomopoulos: There's no other argent item for today specific so feel free to take your time. We'll probably discuss the presentation and…

Matthew Stein: Okay.

Anastassis Oikonomopoulos: findings and everything anyway, so probably use a whole

Matthew Stein: I think the presentation will probably take, 20 minutes, and then we'll have plenty time to discuss and stuff like that.

Anastassis Oikonomopoulos: Yep, so it was great. All right, let me pinging without you.

Anastassis Oikonomopoulos: And give some time for you.

Matthew Stein: Morning.

Anastassis Oikonomopoulos: Hello, good morning.

Anastassis Oikonomopoulos: Online portion. Come here.

Anastassis Oikonomopoulos: so while we wait for another minutes for one to come in, Today's agenda, is that we'll have a presentation from Save Labs as part of the Lkpp Council. And then we'll just be discussing the findings and the presentation. And as we first time, I just want to remind everyone that disco ideally want everyone to express their views and opinions and the goal. The first few of these calls is to just aggregate all the info that we have on hand in all different opinions and views on incentive programs. Both the ones we've had so far, what worked, what didn't as for future ones and we're just trying to aggregate all that, so we can Basically, get on the same page and what the possibilities are.

Anastassis Oikonomopoulos: So that's what we've been doing so far. I've been posting the summary of what was discussed as well as the recordings and everyone on the forum thread. For anyone who can't make one of those calls so you can see and also, similarly this goal is recorded, so if you have to drop in the middle or if someone doesn't make it, so listen it One thing to notice that as I mentioned, it is being recorded. So, if anyone doesn't be want to be on camera, then don't open it. I see, only me and Matthew are on camera right now. So, yes, if you want to, you don't talk to your soldiers. We may have camera. All right, so Matthew, I think we already for your presentation. Got most folks in here,

Anastassis Oikonomopoulos: Yeah, do you want to presentation? You want to share your screen?

Matthew Stein: Yeah, it looks like I can share it.

Anastassis Oikonomopoulos: Can do. yeah, other years ago hosts just actually

Anastassis Oikonomopoulos: And you should be set now.

Matthew Stein: So JoJo and I created this presentation, I was the PM of the previous incentives, programs, and JoJo was an advisor in the program and in stiff Bridge, we've talked about all the content in this with the rest of the Council on advisors, but they haven't seen this actual presentation. So maybe at the end, any other people from the LTP work stream can also share their opinions. but basically we're going to go over What happened in the past incentives, programs, like how they are created the motivation behind them, what went wrong? And then our ideas for a future program and then some things we think the down needs to accomplish before future program and how we can accomplish those things and create a future program. Okay. So, this diff was created back in last summer.

Matthew Stein: With a open working group, I think it was so sled, by T Norm, I think funded by a foundation, grant, and some other things. And basically, after Cam lost those lasting for funding, the Dow wanted to start using that top Treasury funds to promote growth in the ecosystem, and create a framework to decide how to give out incentives. So, the Dow voted on every single proposal. I think there was 95,...

Anastassis Oikonomopoulos: This.

Matthew Stein: that ended up going to Snapshot because this was the first incentives program, those kind of a lot of chaos. People didn't really know how to select which protocols to funds. So it's a lot of people just choosing based off protocol name, not really looking into incentive design. So it led to a lot of poor incentives, designs being funded and then the operational team in step was only the multisig and the PM. To the main challenges for the protocols They didn't really know how to interact with the Dow. They weren't sure how to apply or how to design and effective incentives program. And then once they were chosen, there was a lot of kyc delays. So it delayed the start of the program. For the delegates, there was all of a sudden 100 votes they had to vote on, and they weren't sure how to judge these. And then there was no real clear goals of the incentives program. So it's hard to tell a successful. It was

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Matthew Stein: And then the operational challenges the multistig had the power to cut streams, but they weren't sure, really, what their responsibility was to, they kind of avoided, making decisions and giving too much feedback. So we ended up not cutting any streams during step and then the PM, There's only one person, working on incentives full-time. Basically. So one person for 75, protocols and 70 million arb, it's a ton of work and then there was no data included in the step proposal. Disruption, Joe funded unbox or open blocks afterwards, but that led to a lot of protocols, not really complying with their data requirements because it wasn't in the initial requirements to be in step. But then, For L tip. We realized we need to make some changes to step. So in November, we started writing another proposal

Matthew Stein: It was supposed to basically run at the same time of steps a step was supposed to end in March. L2 was supposed to run January through March, obviously that didn't happen. The doubt argued about it for a long time and then Kyc took a really long time so we ended up not starting…

Anastassis Oikonomopoulos: but,

Matthew Stein: until June. So it ended up overlapping with stiff at all and I'll tip We added the advisors to help solve some of the problems of the protocols not knowing how to design an incentives program and then a council to filter out bad incentives, plans, and make better decisions, but the Dow ultimately had the final say, they still had to vote on. I can't remember over a hundred applications. so in this, there was a bigger operational, team of the advisors, the Council program manager. And then open blocks was incorporated into the actual proposal in L2. So, the main challenges,

Matthew Stein: Again, protocols weren't really sure how to apply, they had the advisors, but some people missed the deadlines and stuff like that. They also couldn't alter their proposals, once, they counsel decided. So if you protocols only needed to make small changes for the Council to approve them, but there was no back and forth process, which was a mistake. And then there was a lot of kyc delays in the pilot program again. So this led to And then compounded by it. It was only three months incentives. so a lot of people had only a few weeks to give out a bunch of incentives. And then when they were signing there and send just plans was about two dollars, and then when they actually got the arbit was about 50 cents. So this led to a bunch of misjudged goals and

Matthew Stein: Basically, expectations, how their program would go. And then for the delegates, at this point, there was over a hundred ongoing incentives program. So it's hard to keep track of who had incentives, what they were doing, especially with no marketing. And even though we had the council, they still ended up having to vote on every single proposal. And again, there is no clear objective. So it's hard to tell the success of the program. so the operational challenges the advisors did a really great job, but they had way more work than they were expecting. We had a lot more applicants so they ended up having to do double or triple the amount of work they were expected. the council also did a great job of reviewing, all the applicants like making the rubric and all that, but the council is made up of

Matthew Stein: Most of the biggest delegates in the Dow who are very busy people. So they can be so involved in the day-to-day of the operations, which left kind of only one person working full-time on Giant program with 120, protocols and 60 million are and then with the data. So this time we had open block involved from the start. So the protocol started submitting their data early, but the actual dashboards and get published until a few weeks ago, so it's taking a little bit to get everyone actually onboarded to the dashboards even though now the program is basically over.

Matthew Stein: And then with stiff bridge, this was created in April at a time, when the market was really pumping and a of l2' We're giving out a bunch of foundation grants. So it's created to kind of fix the disadvantage that they would face with LTI pp protocols, getting funded, and these protocols not getting funded and also to keep these flagship arbitrum incentives were offering at the time. So with this, we added the advisors, they help people submit addendums, which was basically changes to their and it'll stip plans. And then all applications, were anyone that's made Application was optimistically approved, unless the Dow challenge them And with this, the operational team is only the advisors and the PM. the challenges for protocols in this was,

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Matthew Stein: A short incentives, period only twelve weeks. And then they didn't have any guidelines for...

Anastassis Oikonomopoulos: it's

Matthew Stein: how they were supposed to use the art. So it led to some negative competition dynamics with a race to zero and fees, and all that. We'll talk about that a little bit later too. And then for delegates, people didn't really want to post challenges. They weren't sure how to judge past performance. They weren't sure if there should be a challenge and then because the proposal was so rushed the delegates kind of new. This wasn't such a Complete proposal but it was pretty sensitive and they didn't want to stifle growth, so they just kind of approved it and then operational challenges there's no data funding for Stiff Ridge. So there's not much data being collected on it and then there's no council. So it's unclear who can make her approve changes in the fridge. and then, Though, kind of put that all together, the biggest issues, the past programs. So we had no objective or goals. This makes it hard to.

Matthew Stein: Decide how to select protocols and how to make a rubric and which protocols you should choose. It also makes it hard to understand who is successful and was the program overall successful. There is not enough operational structure so we had no one Live monitoring all the funds to see if there is misuse of funds. In real time, we had Awkwards do that as part of the Ardc after stip, but we didn't have anyone doing it as the program went on, there was no marketing. So a super confusing which protocols had incentives, what they were doing. And then there just wasn't very many people working on these. So it's hard to track hundreds of And advise 180 protocols with three people.

Matthew Stein: And then the timelines have been unclear and too short. So we've had a bunch of delays and trying to start. So protocols are unsure when they're going to actually get to use these incentives. And then a lot of them have had shortened incentives periods because of kyc, you're like integration delays and then people are also unsure when they can apply. So protocols are unsure about their future. And arbitrum incentives program is going to be

Matthew Stein: And then the final thing is, we've had a single bucket of incident of incentives in the past programs. So basically all particles have to follow the same rules when they have a bunch of different goals and use cases and all that. So it's really hard to create a standardized rubric and then judge protocols, according to one metric. And then it's also really hard to create guardrails of how protocols should use incentives when they have a ton of different use cases and ways they want to use incentives which leads to a bunch of negative consequences like race to zero on fees, which is detrimental to certain protocols. they would have been better off with no incentives. So those are basically all the biggest issues in a back history of all the past incentives, programs. And now JoJo will talk about what we think should happen in a future incentives program.

JoJo: Yep, thank you much. So

JoJo: We're basically trying to put together all that Matt just said What does it mean that we try to address the mistakes and in general the experience, So that we accrued in the last almost 12 months because it has been almost 12 months that we mean and try to also see how we can have a program that can be improved with internal. What did I want? So what the protocols wants a user wants and so on. So this is how I level structure. I'm sorry if it's not clear to dream but it's basically the approach that we think we should have and that's why we want to exploit these detox period to do So we start with this core working group right along the down and we try to define what are the goals of the incentive program. We currently have liked the discussion for me, to which I suggest everybody to participate, which is what are the goals.

JoJo: Over though. Everybody should at least try to read and at least try to give their idea on these based on these, right? We can just derive the goals of the incentive program because, intuitively the incentive program, or any program in the back in the house should just be a facilitator of the goal. Now from these goals, we derive the specific program, There can be a, generic one, a specific one for free of protocols. we are still brainstorming on this and we will start to do a proper work on these and when the time is due, but then we have a set of programs with different mechanics which protocols can apply. Also, the fact that we are targeting a one year program means that we are not bounded to have these and stick to these for the world program and we can iterate and change this with the specific miles on likely.

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JoJo: Is milestone over time. So, in the next slide, we can see some more of the details on this structure, which is basically a core working group that is obviously based by the PM or more than 1pm. Depends a general counsel. This counsel is not wondering what we've seen in the LT for more or less. It's basically a set of people that are able to advise protocol. Eventually judge protocol will give recommendation to the Dow. But let's keep this definition, high level and generic for now. What is more important is that? We want to introduce a marketing team. It can be internal or external. We will talk about this, but we need marketing because we are literally spending millions without proper marketing behind. And I watch dog, that is an entity that is able to catch what is going on and the specially. See if there are misuse or other

JoJo: A problem. So with the incentives, all of these basically creates these goals for the incentive program, This goals is something that the core working group can work upon and propose to the Dow and the Dow can vote on. I don't think we're working group should take all the decision power on these. That I think there is space for the doubt to chimine, but also, there will be space for All in the program, if you last one year, to both the new goals might trigger new programs and new rules. we want to be able to adapt right over time. And This can also be seen in the next slide in which from the goals. as we said, There are the program. we can really think that there could be maybe one generic programmer, there is more of a generic about it.

JoJo: At least some programs, maybe try to categories of protocols or maybe to how new the protocols are there. There are infinite metrics to be honest that to build this and I don't think it's specifically the time to talk about this but the thing is We want to create different programs with different budgets and potentially unlikely with different people working on it because as we're seeing in past programs we didn't add enough people. we will have here because we just a friendly disagree in term of prodigal supplying, we will have more and more proddable applying over time. The watchdog that we see here as the big scary red circle is something that we keep the tab on the protocols and the idea is not to catch exactly in real time. But we want to know that if there is a fans, when your program it makes sense to be able to catch these misses of program in a matter of days, weeks and address these addresses.

JoJo: Also means defining and is not in this diagram. The responsibility who takes the responsibility to decide how to move forward Westin is for combo. We see these with synapse. So we need to know before what we're gonna do in cases like this and not to decide on the spot because of the time than that's what is head on the spotted, not necessarily the best decision ever.

JoJo: So this watchdog we think is really really important for these. And obviously we also work very close with the data analysis team that we've seen in the previous slide but it doesn't matter now so we can sum up what we have defined in the next slide. And to be honest, now that I see this deck likely this shouldn't be before they will diagram but it's about create an incentive program and we go. So okay and specialize this program inside it. Craig Gay lines Greg Airline's for Protocols means that if that sub program is started to the goal of, I don't know, incentivized the number of transaction from the users, the program will likely embed. The mechanic of having incentive distributing in certain way more than another on these is something that we need to work on to translate how to increase the amount.

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JoJo: Transaction sequencer revenue amount of user into specific mechanics, but this is the overall goal, so give guidelines to the protocols. And these guidelines will be fair for users, but also serve to the KPI that we define in the Dow.

JoJo: Obviously, we need more people to do these people that have been involved in the L tip and steep. They're really so that the numbers were through the roof for the amount of protocols, that apply, which were basically double what we expected. And I think we can just assume the amount of protons that will apply will go up over time. If we think about arbitrum incentives, rating during a steep ridge. I think, if we start a new program at the beginning of the year, we can easily have a 300 400 protocol supply angle together, right? So we need more people and we want to have a framework that is

JoJo: Continuous over time but also that we can tap into change both upon, if you feel that we need to change some stuff, we need to be more fluid. And this is I think my product of having a one year program instead of a three months one. And that's the high level vision of a new program.

Matthew Stein: And then we can go into stuff. We think that needs to happen before the next program. So we think we need to interview most of the protocols that have been funded in past incentives programs to see How they benefited from incentives and also what they would want change. we saw some weird competition dynamics that we should try to avoid. getting feedback from these protocols to really understand how we can prevent this and what kind of guardrails they want to see in an ex program. And then also delegate interviews like you delegates actually want a future incentives program. And what would it take to get them to actually pass an incentives because we could design all the stuff, but if Holly delegates, don't want it. Then we're just kind of wasting our time. And then we need the Dow to figure out what are the goals and incentives program. So are we trying to get

Matthew Stein: Non Webster users. Are we trying to get Protocols, Are we trying to increase just number of transactions? For what are the actual goals? This will help us. First structure the next program. And then also, after it's going on judge whether or not it's going We need to spend the time to create category guidelines. So if we're trying to increase transactions, what is the best incentive mechanism to increase transactions or different things like that. We now have Over a hundred and twenty power. More than that 200 past incentives programs that have tested out different things, we have a lot of data on what kinds of mechanisms work and what don't and what kind of are there intended and unintended effects and then we need clarity on operational costs and structure. So how many people do we need? How much should they be paid? What service better should we on board and all that stuff?

Matthew Stein: and so, how we think we get there is We see these three month detox, it's a good opportunity to get the dowel aligned in figure out all this research that we just talked about and work on a future proposal. All the past incentives, programs have been pretty rushed and have been created basically with They end up just get something that will pass instead of something, that'll be most effective for the Dow. So they all kind of tend towards media for designs.

JoJo: In the end, what do we want to do here? So we think about working group that can take okay, we have output a timeline here. What are the inputs? So the import is interviewing delegates and protocols.

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JoJo: Research What was done during TIPS? Status CB On this we have some fantastic research from works and also I think from Delphi and there should be also some people In any case this is a great products. There's just everybody to read, okay, see what is happening outside because there are grand programs outside of arbitrum incentives. create these gay lines are the best practice for protocol specifically for different type of protocols,

JoJo: And then put everything in trouble. So, we want to create in the end, the program that the dial can vote upon. They can decide if they want to adopt, if they want to scratch or just, use it as it is etc. In the end, we will give a completion of feedback, right? We want to be able to give everybody, not only a voice but also the ability to read the most of the others, Understand what are the targets? Create these details program? And obviously have the world that will involve the true calls like this one.

JoJo: In terms of timeline this day, you see something that we've been working on basically, for the good part of August. It's very high level but it's also involves some interview that we've done with some delegates, with some protocols, just to test the problem To understand. If effectively, they feeling that we got on how to forward was the right one or not. Next should be to effectively, see if now is interested to have about eventually create this working group, the deliverables that are describing. in here, the target is to have a working program by the end of the year.

JoJo: I don't know if you will be able to protocols directly more from the 1st of January. It's maybe more realistic to think about onboarding protocol in January, starting on February, but we will see. And this is the whole idea. that I saw a hand raising

Anastassis Oikonomopoulos: Not probably accidental. Or something on our crystal.

JoJo: Great.

Krzysztof Urbański: Yeah, so I wanted to ask you about the operational stuff. Something that caught my ear. What Matt's mentioned is that you had 180 protocols in other people. You mentioned that three people is not enough to advice. 180, Protocols, and I would like to understand exactly why. Because it' 60 protocols per person doesn't sound very crazy for me. So I would like to understand better. What does it take to advise the protocol? How much time does it consume? And ...

JoJo: Yeah, yeah. For sure.

Krzysztof Urbański: How do you see it going forward? it's three person. 100, Protocols is not like how much should be? What are the issues here?

JoJo: Okay, what is the right number for. I can tell you about my personal experience in the LP, I advise it around the 60 protocols in the span of 20 25 days. What does advising a protocol means in real people protocol presents the

JoJo: they feel that in plate, right to ask to the doubt of finance, their project for sentiment incentive.

JoJo: Mechanisms on basically advising a protocol would mean either to go through the application, which it's several pages along application for each understand. Obviously, you need to study your protocol, Because if they say, Okay, I want incentivize this bolt to do this. You need to understand what level does. You need to understand the numbers? There are posted and if these numbers are fair in term of other metrics, like TVL users, etc, understand if the mechanics that the protocols deep proposed are fair, or if they can be made better and at the time, it was also about advising the protocols in a way that their application will come to the Council because at the time Council was David's, in counseling advice in the way that was most likely for them to give a green light to that application. I'll be honest.

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JoJo: It takes several hours per protocols a few days per protocols In some cases. There were protocols that Basically didn't even have the experience to write an application. So

Krzysztof Urbański: Wait, few days. You spend few days, full-time protocol. Advising them.

JoJo: In a couple situation. Yes, you'll see the…

Krzysztof Urbański: What kind…

JoJo: Yes because

Krzysztof Urbański: what did you give examples? Because it's a s*** ton of you…

JoJo: Of.

Krzysztof Urbański: many hours. a few days,…

JoJo: I literally didn't leave for a month.

Krzysztof Urbański: it seems like

JoJo: Okay, I basically did the 4am every day to serve all the protocols, it was really crazy. What one thing that you can do to understand is if you go into the altip section, Just take any application, Go just copy us, apacism, word, try to see how long it is. And try to see how many IDs we're done in this application. All the edits that were done. Every single one was discussed with the advisors, every change, everything you can see here was literally advised by a single person. And we didn't Ted all the protocols coming at the first day. some protocols literary came seven days before the end. So

JoJo: I'll be honest, there was no obligation on the advisor side to just work 20 hours in a day to serve people. They just came late, but we did our best to do. So, because we had a responsibility that

Krzysztof Urbański: Sorry Jojo, but that doesn't do that. if you say that you spend 20 days, And you say that you spend several days per one protocol.

JoJo: yeah.

Krzysztof Urbański: Then, was only several days in, 20 days, simply what I'm saying?

JoJo: I know. the application is,…

Krzysztof Urbański: What I'm saying is that

JoJo: So there are application which you need to spend a few hours other application in which you need to spend a couple of days. not all teams are equal in term of presentation and application. Their protocols are for example, extremely experienced. They know how to presentation these numbers they're very new protocols even they can have traction, they might just not have these experience. There are also protocols coming from a non-Western countries that have language barrier, Just to be in a call or to present their stuff really there is everything in there. It's so Interrogenius that you can give an average to these

JoJo: Just try to ever read all the application they are there. It's 180. Okay.

JoJo: Okay.

Krzysztof Urbański: Answer where we had twice that money applications. And I've been doing the top five grants in European Union, which were 60 babies long. so, I've been

JoJo: then I really want you as a matter in the next program and really because people

Krzysztof Urbański: I've been doing this a lot and really this seems like something's wrong in this process. Because If this is,…

JoJo: I can tell you.

Krzysztof Urbański: what you are saying is not over exaggerated. We should make those protocol paper.

JoJo: I can tell you what is wrong in this process. The fact that protocol said that 20 Windows days to apply for a three months, grant, that means that every products were rushing at the door, right? This is a byproduct of a certain program. The only thing, which you have a one year program, yes, initially, you will have a book of products applying, but then, if a protocol is launching in three months in March April, may they don't feel the need the first to rush their protocol and second to apply. so again, some effort to something like work will be down initially, but the one year probable will solve a lot of stuff, including the fact that produce for example, are late, because of integration. And then they need to rush a lot of incentives in a month instead of three. And so on all these just, it doesn't go away totally but it goes away as the biggest part. The moment in which the program is long,

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JoJo: On the other end for We can make the process. Organized thinner, And one advantage that we have is that and this was a very very prominent in Sea Bridge versus El Keep Bridge. You only a protocol the participated to steep right or protocols that already came already at an application. The process for them to go swim. The advice was so much smoother compared 12 deep in which we had the first time protocols. So this is another very important factor. Is it the first time that you apply? Or is it the third time that you come here, This really changes a lot of stuff

Matthew Stein: and I think another thing that will improve the advisor set up in a future program is all sorts of protocols, we're applying that some of which the advisors weren't so familiar with. So they had to learn about a whole type of protocol. If we split it into objective-based sections with Objective-based Advisor Council, then it makes it a lot easier for the advisors, to one have less protocols to review, but also they'll have more specific expertise and whatever the category is, if it's increasing perplex volume, then the Advisor Council should theoretically, all have a lot of experience with that, which should cut down on having to learn new things and stuff like that.

Matt Losquadro: Yeah, I can. I mean, hey, I don't know what the order of jumping into these conversations are but I will say that as Matt from synthetics by the way, but I will say the sheer amount of feedback that the advisors gave Is leaps and bounds more than traditionally. What is given at optimism grants? I think that even in reviewing some of the application that we put out and then L tip reviewed and the advisors kept sending very in-depth feedback like it was I'm telling you, who's probably

JoJo: Sorry, if I interrupt this is a brick feedback because effectively what we sell is the following First. The protocols tend to the attention of the type of feedback that we gave as advice, or because we try to go in depth as much as possible. The second time. Yes, we do. Agree that there was a problem in heaven, is a disconnection between the council that voted yes or no, on protocols and the advisor who didn't vote. So this is one of the things to address, of course. But effectively it was there because there was this type of disconnection. All in all, if you tell me that here, we went way more in depth, then what we do in Opie, I can just say, I'm satisfied about these results if any because that means that we try to better understand and taylor the program and the incentive mechanism to the protocols.

Traversi Normandi: Yeah. I think first off, I just want to say, Thanks you guys. You put a lot of work into this spoke with you a few weeks ago and a lot of that feedback was integrated. I think it's also a good sign that people are arguing about the hardest part about incentives here, which is kind of the deployment and tactics and not the strategy. thank you guys. Kind of nailed the strategic framing there and that is a huge step beyond what the Dow has been able to do for a year. done practically. I think JoJo and Matt made really good points Kristoff if you think about it. I actually don't think, 20 hours of review and advising for something that could be up to two million dollars. And incentives is unreasonable. I also think that these are extremely complex issues and practically at that tactical level. I think that's really the biggest hole in this prop

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Traversi Normandi: I'd like to see more thought really around For each objective that you guys have each bucket putting in.

Krzysztof Urbański: Okay, let me jump in so I'm just to be clear. I'm not trying to say that it's unrealistical that it's not true, but I'm saying that what doesn't adapt for me is if somebody was spending several hours per protocol and doing 60, protocols, there is not enough hours in the month to do this, which means that some protocols got one hour. others did that 20 hours, but there's my opinion. And also, that means that maybe, I'm asking myself where the protocols that required simply less prepared where they offloading the work to write. Proposals out to the Council or was this, some other issue. However,

Krzysztof Urbański: Fortunately, there is a very good text for that already out there in the world. In the traditional grants programs, there is a very well functioning commercial advisory services. So I believe and it absolutely makes sense. So for me, I agree, it makes sense to spend 20 hours or even 60 hours, advising the protocol that is supposed to get two million worth of dollars of incentives. But in that case, this compensation for this advice, should probably be coming from the protocol if the protocol

Krzysztof Urbański: things that there's advice is worthy and it think that it makes sense then it's protocol. Should have no issue with actually covering that cause I don't see I think that it would also allow for good alignment of and amount of time of advice to how the protocol is actually committed to getting those things. I don't think we should come in this from now, apart from that, and

JoJo: Let me jump in really quickly to answer your question, why? Some products were maybe understated or not. It took him down mostly to when The application and designer was a ruling, which, okay, we advise the protocol for 20 days. We anticipated at the time by one week so what happened is that? Okay Let's say there were 30 days I don't think they were 30 but let's say 30 in the first 20 days. We like the first

JoJo: 50% of the protocol, And in the last week, we got the last 50% rushing in, obviously, the problem that were initially, they just had more time right through to talk with us and in the last few days up until Detroit itself the last minutes, Of submission, we were talking with a lot of probable trying to do our best. Of course the products that came in late where not as well served as the initial one just because we had literally 10, 20, 30 protocol each advisor. They were just rushing in the last few minutes. Now we can also think about mechanism for which if you presentation your application late you get some sort of model. whatever. But again these is mostly in my opinion address by a one-year program in which if you can't apply now and that in 20

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JoJo: You can apply again. You want to just rush it, you will wait 30 days and apply, And for compensation, sorry, there are problem in general, we compensation. Of course, there is a size of worker that depends on the amount of products that come in. So there is a general competition problem for the people, they participate to this. But this is really granular again. don't think it's the time to discuss this, but we are knowledge that there are problem about the cost and the competition of people.

Coin Flip: I think chrisley the reason I probably would advocate for not charging for that time is actually I think and again this comes out to if we can get the right people in those advisor roles and we have professionals who from our ecosystem can be it in things, like incubator, programs accelerators and even in our grants programs who can sort of provide a bit of that knowledge overlay. I definitely think that what it will do is it'll reinforce as an ecosystem that we're considered about how we look at providing grants how we look at providing support to protocols, doing it in a way that is a little more holistic. Because again, one thing I'll say is that we only had the one lever last year and because we only had the one lever we did over index on just simply giving out grants for the only tool we have available because the doubt, another one was the foundation staffed up. That was the Dow stop.

Coin Flip: And so I actually do think that again, if we have good resources and hopefully good Oversighted management for them and not management piece, still doesn't really exist yet in the Dow. I would advo These will probably be a far better expenditure of our resources than just simply adding more funds to say, grants etc. And I also think that one becomes important is we as a Dow can then communicate what our objectives are, because a lot of this is also making sure that The incentives that are being given in untrusted to protocols are delivering on what we as the Dow want to see. It might be users, it may be tvl and maybe transaction counts. And so by being able to say, Here is the feedback so that your program serves our needs as well.

Coin Flip: I think we'll set us up for, better success to jojo's point. You're right. we I think protocols that's submitted their application. Early definitely got more time with advisors. That's just simply the nature of I think being an early applicant and benefit of being in an early applicant. and I think the fact that anybody who did apply early kind of showed commitment that they wanted to be part of this process and I don't think it's an unjust reward compared to anybody who showed up at the last minute and didn't see it feedback and then thereby didn't get it. And I think it probably also means that they did sort of get Let's record. No, they may not have done as well, in this process. And over time it'll get better.

Coin Flip: One of the small example, we sort of ran a similar parallel program during the GMX Grant program, everybody who went through the program was sort of handheld through it. We would spend a lot of time and this was part of our step and there was a lot of them who actually succeeded during L2, because they'd kind of gone through that process. They had, advisors then gone through that sort of assistance, and I think it better preparedness.

Alex Lumley: I'm going to Crest if you're gonna respond.

Krzysztof Urbański: For me? I don't understand why should we be covering that in my opinion. this is a perfect spot where if a protocol wants to get, two million dollars incentives and this protocol doesn't feel like it's worth spending two thousand dollars on advisor, that could improve the chances that the Grand will be report. Then, this is a red flag for me for the whole program from this protocol. And I truly believe that and basically asked compensating, this means that

Krzysztof Urbański: We are giving additional grants to those protocols that got this time. I don't want them to upload I believe that having this, advisorship covered by the protocols would be beneficial all together to stop. the problem overall also we'll talk of the issue of increased causes but I'm hearing that we need to increase the operational costs for that from what was that. And if we increase number of protocols from one of 180 to 400 and they hear that three advisors is not for 100. So then what we are only 10 of users then I want protocols to keep this stuff.

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Alex Lumley: And I agree with what T Norm said in that some of I'm looking at what we need for this next program slide which on your deck is slide 13. Matt, you guessed about you guys need protocol interviews, delegate interviews, doubles proposals, and you guys want to have a marketing team and all this stuff and I think some of this is something that an incentive team should have, right.

Alex Lumley: some of this is something that incentive team have. In addition, some of this is stuff that should be given to the incentive team, Things like the Dow goals is probably holistically Right things like gathering requirements from delegates is something that provided inputs, the incentive team and some of this marketing should probably be a holistic dial function that incentive team can tap into. So I think part of this is what we're seeing across multiple kind of working groups, is that support is needed, across a coordination layer of the Dow and that I think things are being done to tie those together but on ideally, in the next three or four months whatever. By the time, the incentive groups comes around, we're able to have that coordination across the Dow goals. having a better marketing function, you guys can tap into as well as coordination amongst multiple grants programs. So that if the goal is to kind of bet on builders or support builders, then you guys are working with the other grants program.

Alex Lumley: The goal is to drive more user growth. then you guys are working with grants that do that because incentives is just the tool and the tactic as opposed to the overall holistic, goals of the Dow and making sure that we're being more coordinated across the doubt. But that's up to the coordination layer of the doubt to provide that for you guys.

Matthew Stein: I think eventually that's ideal, but I think it's going to take. A lot way too long for this incentives program. If we want to have an incentives at the end of the detox or start it in Q1 next year, we're gonna have to figure that out by ourselves. Basically, there won't be enough time for the doubt it.

Matthew Stein: They're good.

Matthew Stein: We don't.

Matthew Stein: We don't have to have it at the beginning of the year, I think. protocols will Push for it and say that there's other things that are trying to get them to move over. But I think we can accomplish all those goals with an incentive specific.

Matthew Stein: Mindframe. Basically, instead of having goals for the entire dial, we can just say Have a davao and say, Okay, these are there. Doubts incentives or that schools on incentives? I think we can get that all figured out in the next few months instead of waiting.

Matthew Stein: Six months to a year or whatever, for the Dow to figure out how all the Dallas operations are going to be handled.

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Matthew Stein: But I guess what are people's overall thoughts of the Next incentives plan that we laid out. Does it make sense to have these objective-based campaigns and have multiple incentives programs running within a larger structure? Or is that not what people are thinking?

Krzysztof Urbański: I am not convinced yet if this is the right approach, but I popped it just that I would probably comment on it when we share the sites. David that you

Matthew Stein: Yeah, David

David Rodriguez: Hey guys, one just want to reiterate with Pete Norm said earlier, really appreciate this entire slide back. That was really well Really appreciate all the lessons learned feedback and what have you and the overall conversation. and I think block works research in particular year agreement. it needs being abductive function based. It's a program. I think it'd be more pointed and more strategic. if we do that, a more generalized instead of program, like we've done historically those, don't work they're not as effective as they could be. So definitely in agreement on that. I also think that there's best practices and lessons learned across all the different analyzes that have been done on step, not just block first, researchers what is just better way to shoot an incentives? Give a good example in the perfect. Expertical right.

David Rodriguez: Vertex GMX and I think one other herb decks that's skate me right now. Kind of all settled on, 75% rebates on taker slash maker fees and that, far and away was a better way of distributing incentives and some other gamified incentive strategies and other perplexes have done. what I'm driving at is not only should be objective function, based incentive programs, but there should also be some criteria that if you are perplex, and you're trying to maximize her volume on your platform, all the perplexes in this incentive program for perplexes, should follow some templated incentive framework, give them flexibility to maybe add additional we want to create a freedom to those protocol. Founders in case

David Rodriguez: Experiment when you intended designs as well. But I think by limiting the overall bandwidth or limiting the overhead on advisors to kind of recreate and have these exact same conversations with every single team, everything upon their review and application. there should be some baseline incentive structure that we have taken as a best. Practice the lessons are from prior incentive programs, just like a limit the flexibility but give flexibility still don't have everything, the general if that makes sense. I also just want to add one other thing, so,

David Rodriguez: I don't know exactly if they already cb2 is gonna be a thing or not but I think is relatively important for this conversation. blockers research does have some of the capabilities to not just be like the watchdog but also we do want to kind of help and one of the scopes of work we're proposing for V2 is being an assistance like a shared service to a future incentives, working group and kind of tap us on the shoulder, for really any kind of need, but in addition to that, I think Alex, you had a really good take, which is the Dow kinda needs operationalize itself and have better holistic functions that better serve certain initiatives. So I think the best example that comes to mind immediately is this multi-6 sports service, I think enterpropos and I think something like that but talking and pasting this such a general data service, like the Dow needs a general data service arm that supports all these different working group initiatives at the DAO is doing so that not every single initiative, needs its own data to you.

David Rodriguez: I think it reduces redundancy and also reduces opex more generally and also it allows sharing dust practices and lessons learned across these initiatives. So I think that's something that the Dow should Look to do, not just for incentive design, but for other initiatives as well.

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JoJo: I guess.

David Rodriguez: things like,

Darren Mims: Thank you, peace.

Meeting ended after 01:01:11 👋

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