Dash Incubator Strategist Role

New role to supplement admins and minimize proposal owner tasks

This specification documents a new role, title, budgetary and accountability mechanism to be added to Dash Incubator. The purpose is to have a role with responsibilities similar to the current proposal owner (PO) role, but open to more than one person, and where rewards/incentives are aligned with creating and maintaining value in the Incubator. The proposed title is ‘value strategist’, or simply ‘strategist’ for short. Current admins can either opt into this role, or remain as normal admins working with strategists. After the initial staffing of strategists, it will be up to the strategic committee (discussed below) to add other members.

If adopted, the current proposal owner role with its associated tasks and responsibilities will be eliminated when fully assumed by the strategic committee.

1 Introduction

This document is a significant revision of an earlier proposed RFC, which will be expounded upon in the Background section. The purpose of this proposal is to help scale and increase the value of the Incubator, which will be expounded upon in the Motivation section.

1.1 Background

In December of 2020 Andy Freer authored a proposal owner specification which created a formal role in the Incubator called the ‘proposal owner’ (PO). The spec listed four main responsibilities for the PO:

1. Proposal management
2. Fund management
3. Service management
4. Strategic management

To date, these responsibilities and tasks have been carried out by Andy Freer and me, Rion Gull, and are tracked in the Dash Incubator Proposal Owner service bounty.

In December of 2021 (see version history for details) I (Rion) authored and presented the original version of this RFC as part of the Dash Incubator Org bounty. It was proposed as an update and replacement to Andy’s original PO spec (see Motivation section for details). The document was discussed with Incubator admins internally through voice calls, Discord messaging, etc.

A separate strategy proposal was later presented by Sam Kirby, representing alternative ideas on how to improve strategy and governance in the Incubator. Admins discussed these two proposals and documented some of the feedback on GitHub. Additional discussion followed, including more voice and text conversations. We came to verbal agreement on a compromise that included aspects of each proposal.

This proposal is the deliverable for specification task 5 of the newly created Dash Incubator Restructure project.

1.2 Motivation

One purpose of Andy's original PO specification, as stated in its opening paragraph, was to facilitate a smooth transition from one proposal owner to another if ever needed, keeping all responsibilities met. Such a transition was in fact needed as Andy passed PO responsibilities to me on July 22, 2020. The PO document was critical to the successful handover, and has helped us retain overwhelming support despite this major change.

Through my service as proposal owner I've found that for the Incubator to scale effectively (healthy growth in both quantity and quality) we need to update our structure. This proposal could be considered a successor to and replacement of Andy's original specification.

Goals of this proposed restructure include the following:

- Increase value creation and retention in the Incubator.
- Improve accountability and autonomy of Incubator leadership.
- Facilitate efficient scaling by reducing 'tragedy of the commons' funding.
- Incubate and prepare teams to operate their own independent DFOs.
- Increase income potential for Incubator participants.
- Facilitate smoother transitions of leadership changes.

Overall, I'd like to bring the responsibilities and incentive structure of the proposal owner to more people. Masternode owners entrust a certain budget to the Incubator. They expect a certain level of value in return. The proposed updates aim to spread this responsibility and value expectation to more leaders - existing and future - in the Incubator.

2 Specification

As mentioned above, this is an update from the original strategist role, with feedback from the initial spec incorporated.

2.1 Role Updates

2.1.1 Proposal Owner & Strategic Committee

In the previous version of this RFC it was proposed to have strategists take on responsibilities of the proposal owner, and to have a 'lead strategist' approve strategist budgets. In this updated spec the responsibilities of the strategists remain mostly the same as the original spec, but all major decisions (including budget approvals) are made by a strategic committee.

Assumptions about the governance committee are as follows (detailed in a separate spec):

- The strategic committee consists of all strategists
- The committee votes on key aspects of the Incubator
- Participation is optional for most (if not all) votes
- The committee approves budget requests

The current proposal owner (PO) **role** will be reduced to tasks that can be carried out by strategists. The main PO task that will now fall to a strategist will be assembling the various strategist proposals into one comprehensive proposal and submitting it to the network. Each strategist will present their own output and value propositions and there will be no single person fully responsible for (i.e. owning) strategy in the Incubator.

2.1.2 Admins & Strategists

For the most part, the admin role remains unchanged with the addition of strategists and the strategic committee. There are however, a few changes:

- Admins will no longer approve new concepts/projects
- Admins will no longer take part in regular governance votes
- Admins will work with and be paid by strategists instead of the PO

Currently admins can approve new concept requests into the Incubator by commenting on the new request and creating a new card/project. In the new system it will be a strategist who approves each new concept. The strategist may choose to work with a separate admin to carry out the day-to-day administration from there (see next section for details).

The addition of strategists is the most significant part of this proposal. The name "strategist" reflects the main purpose of the role, which is to find and pursue strategies for the Incubator to create and sustain value for the Dash network (specifically for masternode owners).

Currently only the PO is tasked with strategy. This proposal opens this responsibility to strategists, consisting initially of any current admins who opt in, and subsequently to anyone else that the strategic committee admits as a strategist.

In general, a strategist:

1. proposes and is given custody over DASH-denominated budget (which could be held by a nominated 'Strategist'),
2. has full autonomy over their strategy, subject only to Incubator rules, and
3. carries out the associated requirements as documented in the following sections.

2.2 Requirements

This section outlines the requirements for strategists. They are modeled after the requirements Andy listed in his original PO specification linked to above.

2.2.1 Proposal management

General proposal management responsibilities of each strategist include:

1. Writing a proposal each quarter to request a monthly budget from the Incubator's general budget. This proposal should be similar in nature to the current PO's budget proposal to the Dash network (detailing the past quarter's spending, outlining the coming quarter's priorities, asking for a specific budget, etc). Like the overall proposal, strategists may build buffers into their individual budgets to build reserves. Templates can be developed to help with proposal writing.
2. Submitting their quarterly proposal to the strategic committee before the predetermined date to allow the committee enough time to review and approve it. These dates will be determined when these changes are implemented.

There will be a proposal compilation task to combine strategist proposals each quarter for the overall superblock/network proposal.

2.2.2 Fund management

Initially there will be two types of funds:

- The Incubator general fund
- Individual strategist funds

Individual stategists request funds from the Incubator general fund. Initially, the general fund will be administered by the existing PO (Rion) under a PO task. The general fund should be controlled as soon as possible by a multisignature arrangement with the strategic committee as key holders. A possible alternative is to have the general fund held by a 3rd party service like Crowdnode or Valkyrie. These decisions will be made by the strategic committee once formed.

Fund management responsibilities of each strategist include:

1. Setting up and maintaining a Dash wallet to receive proposal funds.

2. Taking adequate steps to hold funds/keys securely, including off-site backup accessible by a designated 3rd party. Strategists are not financially liable in the case that funds are stolen or otherwise lost.
3. Sending Dash transactions to award claims they (the strategist) or their admins approve. Payments are to be made within 14 days of claim approval.
4. Accounting for budget transactions as per the funding rules (which may need to be updated), including payments made and current balances, and ensuring that all accounting information is correct and up to date.
5. Alternatively these responsibilities could be assigned to a strategist tasked on behalf of other strategists or the wider strategic committee.

2.2.3 Service management

Strategists may need to maintain service uptime required for operations. Some of these services are Incubator-wide services, and may need to be managed by the strategic committee (or the temporary PO). These details will be best worked out over time as needs become clear.

Service management responsibilities for each strategist include:

1. Renewal and hosting of strategist-controlled domains
2. Management of strategist project management software (e.g. Trello, GitHub, etc.)
3. Management of strategist team memberships and access controls
4. Moderation on team communication platforms (e.g.Discord channels, etc)

2.2.4 Strategic management

As noted above, strategy is probably the most challenging and important aspect of the current proposal owner and admin roles. This has prompted the addition of an explicit Incubator role for strategists.

In general, the proposed change is to replace the relatively static and prescriptive funding criteria list referenced in the strategy section of the rules with a dynamic and flexible budget model that gives strategists full autonomy of their budgets, while having said budgets checked by an overarching strategic committee.

Section 2.5 of the Dash Incubator Proposal Owner Spec (PO Spec) lists several strategy responsibilities of the proposal owner. Some of them will move to individual strategists, others to the strategic committee, as follows:

Committee responsibilities (to be finalized in a separate spec):
1. Managing changes to the Incubator rules
2. Defining the Incubator's mission and vision
3. Management of admin performance (appointments, reviews, removals, etc) and arbitration of disputes

Strategist responsibilities:

1. Selecting and executing strategies to pursue the Incubator's mission and vision, thereby creating and maintaining value in Dash ecosystem (from the perspective of MNOs) through rewarding Incubator users who do the same
2. Mentoring and guiding Incubator users (devs, admins, etc) including the onboarding, participating in group calls, explaining processes, etc
3. Representing the Incubator in public communications
4. Oversight of bounty system data, ensuring admins and the bounties they own are correctly adhering to the Incubator rules and moderating and directing admins where actions need to be taken (e.g. moderating processes not being followed, missing information, stale/overdue bounties, reviewing actions on tasks, decisions taken, pricing decisions and overall quality of admin work)
5. Curating and maintaining the bounty ideas list and helping users to create and get new bounties started

2.3 Rewards

The PO spec recommended a monthly service production task to reward the PO. This proposal takes a different approach. Instead of normal task rewards, strategists are rewarded with a percentage of the budget they manage, similar to how admins have been rewarded up until now, but with a higher commission to cover their increased responsibilities. As mentioned above, the current PO bounty would be reduced to a set of tasks that any strategist could be assigned.

This proposal recommends having strategists set their own commission with a 20% maximum of tasks approved.

In general, the strategist process goes as follows:

- Strategists write quarterly proposals as described in section 2.2.1 above.
- The tasked strategist compiles proposals and requests funds from the Dash DAO (superblock) based on the combined funds approved by strategists. Note that this doesn't need to be the exact sum of strategist requests. At times it may be best to request more than the sum, and at times it may be best to request less than or equal to the sum. The strategic committee should set the final amount.
- If the proposal passes, the DAO pays out monthly to the general Incubator fund
- Depending on details about how the Incubator treasury process is specified (another separate spec still being drafted) funds will be either moved, or simply accounted to each individual strategist's address, as requested and approved.
- Strategists earn up to 20% of the budget they manage, and get paid as rewards are paid to approved claims.
- Strategists working with admins would reward them from their 20% portion. For example, they could split payment 10% / 10%, or 5% / 15%.

3 Implementation

Full implementation details are not provided here, as this change is still being proposed, but in general we would need to do the following:

1. Decide which admins will take on the strategist role in the Incubator
2. Update the main Incubator rules document to include the new roles
3. Update other documentation in Trello and/or GitHub with the new roles
4. Update or replace the Dash Incubator Accounting model

4 Summary

The Incubator is a novel way to fund developers. It has an innovative model, having parts which are very useful, and parts which present challenges. One of the challenges has been the incentive structures and responsibilities of admins and the proposal owner. The proposal owner currently bears the full responsibility to the network over all funds it receives, and it's difficult to justify the value we're giving to masternode owners (and Dash in general) without periodic reporting from admins about how those funds have been, are being, and are planned to be used, particularly at each of our quarterly proposals. Hence the need for strategists to fill this gap.

Some admins are happy with their current role, and don't want it to change. They will be able to continue that. For those who want to take on more responsibility and autonomy over strategic decision making I'm proposing the new strategist role. This role would act very much like the current proposal owner role, just to a smaller scale. The PO role will be minimized or eliminated over time, with Incubator-wide decisions being left to the governance committee.

Adopting these changes will help spread responsibility and leadership to more people in the Incubator. It will help incubate strategists and their teams of admins and developers to become fully autonomous, exiting the Incubator and leading their own dash-funded organizations. When ready, they can simply direct their proposal to the Dash treasury, rather than the Incubator. Having built a reputation in the Incubator MNOs will be able to make more informed decisions with their proposals. Having successful teams exit the Incubator and create new and independent organizations through this process would increase decentralization, competition, and thus value in the Dash ecosystem. Either way (teams working within the Incubator, or exiting it) having strategists should increase the value we create for Dash.