Trust Token

A cryptocurrency for incentivizing a global community of people to help innovative companies meet customers.

Note: Trust Token is a work in progress. Active research and development is under way, and we will update this document as we make progress. If you have any questions, please email them to mikko@inbot.io.

The goal for this white paper is to define the architecture, rules and use cases of **Trust Token**, a cryptocurrency for rewarding trust. This document will be updated regularly to reflect the decisions and design choices that we collectively make.

Author	Version	Date
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Statements and Warnings

Trust Token is a security token. This means that it can only be traded in regulated exchanges under securities regulations. This section will be updated with appropriate statements and warnings, when the Initial Coin Offering (“ICO”) schedule is set.

The schedule for ICO will depend on when the first regulated exchanges will open, and when Trust Token qualifies as a tradable security in those exchanges.

1. Value Proposition

We propose **Trust Token** as means to compensate people, who introduce founders and executives of B2B companies to decision makers they know, with the intention of creating a long term trusted business relationships. Later in this document, we call these people as “**Ambassadors”** and the B2B companies “**Vendors”**.

We propose **Trust Shares** as a mechanism for creating a shareholder-like relationship and incentives between the Ambassadors and the Vendors. Every time a person makes an introduction to a company, she receives one Trust Share in that company.

The Trust Share gives the Ambassador a right to earn Trust Tokens from every subsequent reward distribution from the Vendor, divided equally among all outstanding Trust Shares of that company.

Trust Tokens will be issued based on incoming assets in the form of cash and stock payments from the Vendors, making Trust Token an **asset-backed cryptocurrency.**

Trust Tokens can be spent to purchase introductions from the Inbot Ambassador Community, which makes it a useful utility token for anyone, who wants to expand their business globally.

Trust Token provides:

1. **B2B companies:** A powerful mechanism for incentivizing a global community of Ambassadors to make introductions, and to help build trust that is necessary for revenue growth. What’s even better, this mechanism incentivizes the community members to act like **shareholders** in the long term interest of the company.

2. **Community members:** A simple and unencumbered way to earn long term income from your help, and get compensated without having to set up commercial entities, deal with currency exchanges, international wire transfers, local legislations, or other complexities that exist with Fiat currencies.

3. **Token Holders:** An asset-backed cryptocurrency, with which you can purchase and reward warm introductions to B2B decision makers all over the world from their trusted acquaintances and friends.

2. Introduction

In this chapter, we introduce the current problems in B2B lead generation and sales, especially when expanding internationally, and our solution to these problems.

2.1. The Problem with B2B Growth

Growing a B2B company is challenging. Direct sales is expensive, and “inside sales” is one of the most despised jobs in existence. Nobody expects a sales development representative to last long in their jobs. A sales executive who’s good at closing deals usually does not want to do cold outreach, as it is seen as a “dirty job”.

When expanding internationally, these problems multiply. Companies need to manage multiple teams in different geographies that require a nuanced understanding of cultural differences and local business practices.

2.1.1. There is no trusted sales platform for digital business products and services

While low-cost digital products and services have such widely trusted global distribution channels as Amazon, Apple App Store, Google Play and Alibaba, there is currently no trusted global platform for selling **high-value** digital business products and services.

As B2B business has moved from packaged offline products to online services, traditional reseller channels don’t work anymore. Resellers make their living from owning the customer interface locally. This puts their incentives in direct conflict with customer expectations of dealing directly with the service provider.

Today, every successful digital service provider serves their customers directly.

Customer acquisition is an expensive problem with a typical **SaaS** (Software as a Service) company often seeing **CAC** (Cost of Acquiring a Customer) of over 12 months of revenue. The faster you try to grow, the more expensive your CAC is.

Growing a B2B business rapidly requires a lot of venture capital, unless the company finds a mechanism for viral distribution, which is only possible for products that are targeted to communities of professionals like Github, Slack and Dropbox.

What’s more, companies launching from smaller home markets have to invest millions to open local offices to larger export markets. The required investments are often so large that they can become an existential risk to the company.

This is why many potentially great B2B companies have settled to staying small and being local leaders in their home markets.

2.1.2. The Problem with Marketing Automation

Marketing Automation is often pitched as the best answer to scaling B2B customer acquisition. It has become one of the fastest growing segments of enterprise software worldwide.

According to Chiefmartec, who released their latest marketing technology landscape in May 2017, there are currently 5000 vendors of marketing automation software. Unfortunately, most marketing automation today amounts to little more than automated spam over email and social media channels.

As much as we hate spam, automated cold email drip campaigns are still the most popular and cheapest way to promote B2B products and services. But as everyone grows more resentful of spam, it provides its users ever-diminishing returns.

Robotic emails with fake human signatures certainly don't build trust, let alone series of pre-scheduled social media posts by a bot that pretends to be human.

Search Engine Marketing and Optimization are another popular mechanisms to generate leads. When someone is searching for a solution, they are signaling demand. What could be a better moment to engage?

For most B2B companies in their early growth stages, it is expensive and difficult to dominate keywords. Larger competitors outspend you at all times, and if you don't show up at the top, you don't exist.

Therefore, getting good rankings on search engines is a by-product of creating a lot of social media content, and getting people engaged with it to create a lot of backlinks to boost the organic standing and relevance of the search result. This motivates people to use marketing automation bots to create a lot of fake engagement.

In our opinion, marketing automation is creating a vicious cycle of one-uppance, where bots are competing against each other in an ever-escalating war. We have social media drip bots, email drip and response bots, customer service chatbots, ad-clicking bots, pageview-boosting bots, profile visitor bots, bots that comment and like posts, bots that send friend invites, bots that give 5-star reviews, and so on.

In this ever-escalating war of bots, human connection has been lost.

We take an opposite view. Automation should be used for discovery of opportunities, not on sending maximum amount of messages. Successful B2B companies of the future will focus on creating signal, not noise.

The following chapter explains our solution to these problems.

2.2. Solution: Inbot Ambassador Service

A simple truth is that businesses can only grow at the speed of trust. There is a reason why Harvard Business Review found that **84%** of all B2B deals start with a referral. There's almost nothing that builds trust more than referral from a person the customer already trusts.

But how to scale trust? British Anthropologist Robin Dunbar has proposed in his studies that any person can hold a maximum of **150** stable relationships. It is called the Dunbar Number. This is widely believed to be the upper limit of a person's trust circle.

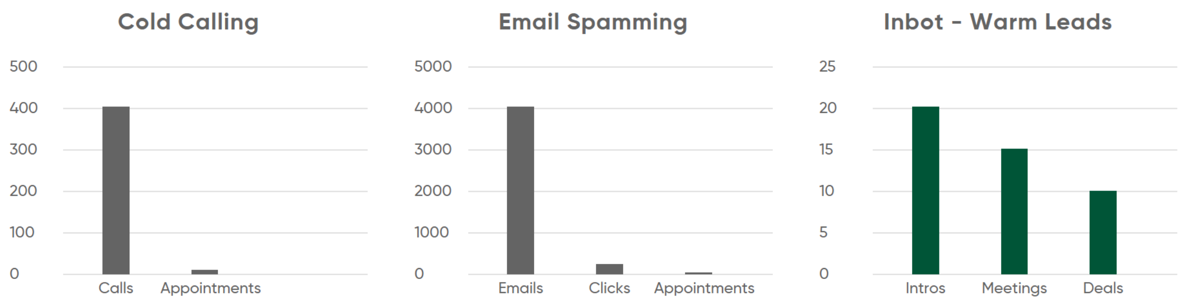
Therefore, hiring sales people is a slow and expensive way to grow a B2B business. No sales executive you hire has existing personal relationships with more than a handful of relevant decision makers. They have to build each relationship for the purposes of the deal, which is time-consuming and expensive.

The answer is in the network economy. You should not build a large sales organization anymore. Instead, you should leverage trust circles to be able to approach the most relevant customers one-by-one, by receiving introductions from people they already trust.

This is what we set out to do with Inbot. We started by creating **People Graph AI**, an AI-powered trust graph database and search engine. We invited a global community of Ambassadors, who are trusted entrepreneurs, executives and investors in 75 countries. We asked them to securely upload their relationship data for us to be able to suggest them relevant introductions.

With access to thousands of trusted Ambassadors, a trustworthy entrepreneur can enter a large number of trust circles worldwide in a rapid succession. Once the trust is built, the location of your company doesn't matter anymore. **It's all about trust.**

The following charts illustrate the difference in conversions between warm introductions and today's marketing automation.



Our current data from Inbot Ambassador service, a company with great product can achieve 75% conversion rate from introduction to meeting, and up to 50% conversion rate from introduction to deal. What's better, this is from international markets.

2.2.1. People Graph AI: Privacy Friendly Discovery

During the past year, People Graph AI has grown to **5,500,000** contacts. The machine learning -powered database analyses millions of data points against these contacts to understand, who is the best Ambassador to make the requested introduction to our Vendor.

These data points include overlaps of social graphs, communication patterns and job histories. We call this the **Contextual Relevance Score**. A person with the highest contextual relevance is likely to build the most trust between the B2B company and their prospect customer.

We leverage this scoring when suggesting introductions to our Ambassadors.

People Graph enables us to keep the discovery process **private and discreet**. Instead of publicly exposing the identities of our Ambassadors, who are often VIPs in their own communities, we suggest them opportunities that they can take or leave. Their identity is only exposed to the person who they personally decided to help.

2.2.2. Our Vendors & Business Model

Our Vendors are innovative B2B companies from all over the world. To be accepted as a Vendor, the company has to have:

- Innovative digital product or service
- Proven product/market fit
- Existing References in the Home Market
- Trusted and Reputable Management Team
- Typical deals sizes in the range of $10k-$1M
- Preferably leverages data and algorithms to add value
- Ability to serve customers in targeted geos

Inbot charges the Vendors a monthly fee for listing their company, and to serve them with introductions. The companies also agree to pay success fees for closed deals from our introductions. These fees apply to the **revenue from the first 12 months** of customer relationship, and can be paid in a combination of cash and stock.

The typical success fee structure is:

- 30% for deals under $25k
- 20% for deals $25k-$50k
- 15% for deals $50k-100k
- 10% for deals >$100k

The actual deals are negotiated based on the phase of the company and the nature of their business.

2.2.3. Ambassador Community

The members of the **Inbot Ambassador Community** are trusted entrepreneurs, investors and executives. The membership includes VIPs such as unicorn founders, public company CEOs, partners of top VC funds and other notable influencers.

We launched the community in August 2016, and have grown since then to over 2100 members in 75 countries by August 2017.

To preserve quality, the community has been invite only so far. After the launch of Trust Token, we may let our existing Ambassadors invite their friends to the community, as we can measure the trustworthiness of each ambassador programmatically.

As a result of the Trust Token launch and our ability to measure trustworthiness automatically, we expect the growth of our community to accelerate significantly.

2.2.4. Ambassador Rewards Prior Trust Token

Before the launch of Trust Token, the Inbot Ambassador community members have been compensated with revenue share from closed deals. This model creates trust, because we incentivized only results, not the introduction itself.

With this model, nobody has made introductions to make money from the intro itself, but because they saw an opportunity to help their decision maker friend to solve a real problem.

But this model also has some painful drawbacks. There is no instant gratification, which is currently expected from most products and services. In addition, the often long negotiation times of B2B deals makes it less interesting to follow the progress of a single introduction.

Another major problem is that only a small percentage of people who offer help get to participate to the resulting rewards.

This is why we decided to implement and launch the Trust Token. It solves all of the above-mentioned issues, and much more. It is the perfect model to incentivize trust.

3. Trust Token: Growth from Trust

Trust Token cryptocurrency enables a completely new and unique programmatic model for rewarding trust. This unique new model resembles a shareholder relationship rather than a paid sales agent relationship - perfect for building trust and long term business relationships.

There are three main components to the compensation: Trust Score, Meeting Rewards and Trust Shares.

3.1. Trust Score: Get Rewarded for Trust

With Trust Score, we can reward our Ambassadors for the trust they build.

Every new Ambassador starts on our platform with 50% Trust Score, and can build up their score by making introductions. Each endorsed introduction and closed deal increases the Trust Score by 10%. Each non-endorsed introduction reduces the Trust Score by 10%, enforcing good behavior.

The Trust Score acts as a direct multiplier to the Ambassadors rewards. At maximum of 200%, they double the rewards.

Connecting your email offers a simple way to boost the Trust Score by 20%, and offers our algorithms better data. People Graph AI uses the email metadata (time stamps, contacts) to establish contextual relevance between the Ambassador and their contacts, boosting the relevance of that ambassador as an intro source.

To protect the privacy of our community members, People Graph does not read or store content of the emails. Also, the Trust Score is not exposed to the Vendors directly.

In the future, we may introduce badges such as “% Most Trusted” for the best, “New” for the beginners, and “% Least Trusted” for the worst performers to help our Vendors decide from whom to take the introduction.

Trust Score	**%**
New Ambassador <5 intros	**50%**
After first 5 endorsed intros	**100%**
Bonus for connecting email	**20%**
Bonus for each endorsed intro and closed deal	**10%**
Penalty for non-endorsed intro	**-10%**
Minimum Trust Score	**0%**
Maximum Trust Score	**200%**

3.2. Meeting Rewards from Introductions

With Trust Tokens, we can offer a reward for our community members for introductions that lead into a meeting, without losing the incentive and motivation for long term success of the company helped. These meeting rewards are paid as soon as the meeting has taken place.

The following chart lists the instant rewards from introductions. The initially expected USD amounts are listed too. The value of rewards in other currencies varies depending on the exchange value of Trust Tokens. We reserve the right to change the intro rewards as Trust Token value changes against a basket of currencies.

Example Intro Pricing	**TT**	**USD**
Intro fee per Trust Score Point	**1**	**0.10**
Intro fee when Trust Score 100%	**100**	**10**
Intro fee when Trust Score 200%	**200**	**20**

Please note that because each of our vendors have prepaid future rewards to an escrow account, the ultimate income from a successful introduction is almost guaranteed to be much higher than the initial intro reward.

Please note that the Ambassador reward depends on the Trust Score. The highest reward is paid to those who have the maximum Trust Score of 200%.

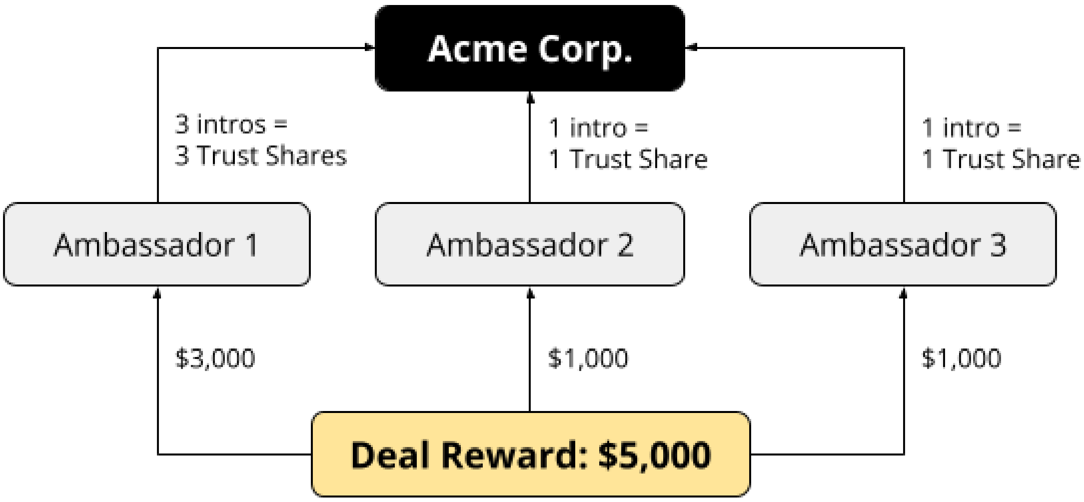
We automatically destroy all undistributed Trust Tokens. This increases the substance value of Trust Tokens for the benefit of all Trust Token holders in our community. In other words, the undistributed rewards from introductions are always shared to the whole community.

3.3. Trust Shares: A Revolutionary New Compensation Model

Trust Token enables us to offer a completely new compensation mechanism for introductions that we call **Trust Shares**.

When an Ambassador makes an introduction, she receives one Trust Share, a virtual share that provides rights to the future success fees and stock-based distributions from the Vendor.

The following diagram explains how the proceeds from deals are distributed among Trust Shares. In this example, there are three Ambassadors who have made a total of five introductions to a Vendor named Acme Corp, resulting in one deal with $5,000 cash reward. This deal came from the 5th introduction, making all of the previous Trust Shares eligible for the reward.



Every time a Vendor closes a deal from an introduction by our community members, every Ambassador who has made an introduction for that Vendor will get a share of the rewards, based on the number of Trust Shares they have in the company.

Share based rewards from our Vendors work differently from the cash rewards from each deal. The proceeds from a share sale are distributed equally to all outstanding Trust Shares at the time of the exit.

3.3.1 Trust Shares incentivize all parties to behave well

Early boost. Trust Shares offer a bigger reward for the Ambassador, who makes the introduction early, as the share is eligible for all future distributions from that company. This creates an early boost for new companies joining our platform.

Portfolio approach. Trust Shares also encourage Ambassadors to help as many companies as possible to create a distributed portfolio of future incomes. This is equivalent to investing sweat equity against shares, but with more likely payout.

Vendor Incentives. All ambassadors who have made an introduction for a Vendor will see, how much distributions they got from that Vendor. Therefore, Vendors are highly motivated to report the deals they make quickly. This also motivates Vendors to add stocks to the compensation mix.

Trust Pays Off. To maximize their Trust Score and to boost their rewards, Ambassadors are motivated to make many introductions, and to build trust with the Vendors.

3.3.2 Example Reward Distributions on Trust Shares

Let's start with the assumptions. A B2B Company, **Acme Corp**, has joined the Inbot Ambassador platform as a Vendor. Acme Corp has a typical deal size of $40k, an average conversion rate of 25% from intro to deal, and offers a success fee of 20% of the first year revenue, 10% in cash and 10% in stock at a predefined valuation.

Acme Corp targets Chief Marketing Officers at medium sized companies.

Acme Corp receives a total of 20 introductions before exit, and closes 5 deals, leading to the above mentioned 25% conversion rate. After that, the shares are sold at a valuation that multiplies the value of stock rewards by a factor of 4x. Please note that we mint Trust Tokens from startup stocks at a discount, which is typically 50%. This means that to reach a 4x exit, the stock needs to appreciate only 2x from their official valuation.

Assumptions	**$ at 200% TS**	**$ at 100% TS**
5 Deals closed from the intros	**200,000**	
Total success fees, cash	**20,000**	
To fund Inbot operations	**10,000**	
Cash rewards to Ambassadors	**10,000**	**5,000**
Cash rewards per intro	**20**	**10**
Exit reward at 4x stock growth	**40,000**	**20,000**

The next three tables illustrate, how an Ambassador receives rewards from their Trust Shares in different scenarios.

Table 1. This table assumes the Ambassador has 100% Trust Score, makes the first introduction for Acme Corp, and makes no further introductions. This table illustrates the benefit of making the introduction early, as the ambassador will earn income from all subsequent deals to her Trust Share.

Intro from	#	Intro Reward	Cash Reward	Amb. Share	Cash Payout	Stock Payout	Total
Amb. TS 100%	1	10.00			10.00	1000.00	1010.00
Other	2						
Other	3						
Other	4		1000.00	25.00%	250.00		250.00
Other	5						
Other	6						
Other	7		1000.00	14.29%	142.86		142.86
Other	8		1000.00	12.50%	125.00		125.00
Other	9						
Other	10						
Other	11						
Other	12						
Other	13		1000.00	7.69%	76.92		76.92
Other	14						
Other	15						
Other	16						
Other	17						
Other	18						
Other	19		1000.00	5.26%	52.63		52.63
Other	20						
Total					**657.41**	**1000.00**	**1657.41**

The total proceeds for the Ambassador are $1657.41, out of which $657.41 come from cash rewards, and $1000 from the eventual stock distribution.

In this example, the important work the Ambassador did for this company was making the first introduction, de-risking other Ambassadors in the process. If she made more introductions, or had a higher trust score, she would have gained higher returns.

Table 2. In this scenario, the Ambassador has an initial 100% Trust Score, and makes a total of three introductions for Acme Corp in between deals. Her Trust Score goes up by 10% after each intro.

This table illustrates, how multiple intros bump up the ambassador's share of total rewards, as there will be more than one Trust Shares earning income from the deals.

Intro from	#	Intro Reward	Cash Reward	Amb. Share	Cash Payout	Stock Payout	Total
Other	1						
Other	2						
Other	3						
Other	4		1000.00	0.00%	0.00		0.00
Other	5						
Amb. TS 100%	6	10.00			10.00	1200.00	1210.00
Other	7		1000.00	14.29%	142.86		142.86
Other	8		1000.00	12.50%	125.00		125.00
Other	9						
Amb. TS 110%	10	11.00			11.00	1200.00	1211.00
Other	11						
Other	12						
Other	13		1100.00	15.38%	169.23		169.23
Other	14						
Other	15						
Amb. TS 120%	16	12.00			12.00	1200.00	1212.00
Other	17						
Other	18						
Other	19		1200.00	15.79%	189.47		189.47
Other	20						
Total					**659.56**	**3600.00**	**4259.56**

The total proceeds for the Ambassador are $4259.56, out of which $659.56 come from cash rewards, and $3600 from the eventual stock distribution. The Ambassador does not receive distribution from the first introduction, because she made her first intro after that deal.

Please note that the ambassador receives the eventual stock distributions at the Trust Score level she has at the time of distribution, which in this case is 120%.

Table 3. Now we assume the Ambassador has the maximum 200% Trust Score, and makes the same three introductions for this company in between deals as in the previous table.

This table illustrates the significant boost that a high Trust Score can have on the total income from Trust Shares.

Intro from	#	Intro Reward	Cash Reward	Amb. Share	Cash Payout	Stock Payout	Total
Other	1						
Other	2						
Other	3						
Other	4		2000.00	0.00%	0.00		0.00
Other	5						
Amb. TS 200%	6	20.00			20.00	2000.00	2020.00
Other	7		2000.00	14.29%	285.71		285.71
Other	8		2000.00	12.50%	250.00		250.00
Other	9						
Amb. TS 200%	10	20.00			20.00	2000.00	2020.00
Other	11						
Other	12						
Other	13		2000.00	15.38%	307.69		307.69
Other	14						
Other	15						
Amb. TS 200%	16	20.00			20.00	2000.00	2020.00
Other	17						
Other	18						
Other	19		2000.00	15.79%	315.79		315.79
Other	20						
Total					**1219.19**	**6000.00**	**7219.19**

The total proceeds for the Ambassador are $7219.19, out of which $1219.19 come from cash rewards, and $6000 from the eventual stock distribution.

As you can see from the tables above, it pays off for the Ambassadors to make many introductions, as every introduction will generate revenue from all of the future deals. It also pays off to have a high trust score, as it can double the income from both intro rewards and Trust Shares.

3.4. A New Deal for B2B Companies

Trust Token enables B2B companies to engage a global community to help them get introduced to customers worldwide, and incentivize the community to offer long term help instead of fire-and-forget intros.

It is like having a worldwide sales force of thousands of people to help you grow, but without the hassle of recruitment, salaries, bonus negotiations, accountants, employee shareholder agreements, bank accounts, tax filings, legal costs, etc.

In addition, the quality and influence of our community is well beyond what would be available for any company trying to hire on its own.

3.4.1. Our New Business Model

To incentivize long term help, we require our Vendors to commit 50% of the purchased Trust Tokens to a reward pool that is distributed when the deals close. There are two benefits from this requirement.

First, these Tokens act as a minimum conversion guarantee, as we expect the Vendors to close deals from the introductions they receive. Second, if the substance value of Trust Tokens increase from the time of purchase to the moment they are spent, the Vendor will benefit from the value increase and has to pay less than what they would have paid otherwise. This motivates Vendors to have a long-term partnership with Inbot.

Example Monthly Purchases	**Min $**	**$**	**$**
Monthly Token purchase	**3,000**	**5,000**	**10,000**
Allocated to Ambassadors	**1,500**	**2,500**	**5,000**
To fund Inbot operations	**1,500**	**2,500**	**5,000**

Please note that these purchases can be partially made with stocks or cryptocurrency tokens, and that we expect a significant amount of our Vendors to allocate either stocks or tokens to the reward mix.

4. Market and Competition

B2B products and services is a giant worldwide market. iGate Research says that the Enterprise Software market alone will exceed $500Bn worldwide by 2022. To be able to quickly become a market leader, we need to choose a segment where we have the biggest competitive edge and smallest friction for growth. The following chapters explain our positioning and competitive edge in our chosen niche.

4.1. Market Positioning

4.1.1. We focus initially on AI and data-driven services

We have decided to focus on **innovative technology product companies**. These products change the way something is done, rather than offer small, incremental improvements or cost savings to the existing solutions.

In addition, we currently rule out services that are charged per time spent by people. This excludes all law firms, consulting firms, accountants, software development agencies, marketing agencies, and other types of companies that can only scale by hiring more people.

The reason we rule these B2B service companies out is that they can only scale by hiring more people, which we find limiting and slow. In addition, our underlying thesis is that expert services will be eventually replaced by AI and data-driven services in the future.

Which is precisely why we are focusing on AI and data-driven services. These companies can solve problems with technology that used to require a human expert or consultant to solve in the past.

As Artificial Intelligence removes jobs that were traditionally safe expert jobs for humans, we offer new opportunities for people who have build trusted connections to leverage those connections and be sweat equity shareholders in the disruptive AI and data-driven companies they help.

We do not rule out helping hardware companies that leverage data, and helping find funding for companies building innovative technology products.

Related to the previous point: In the not so distant future, we may introduce an intro service for fundraising for disruptive tech companies. We understand that relationships are very important in building trust between entrepreneurs and investors, and we might be able to solve a major problem in making the best tech startups known to investors who are interested in them.

4.1.2. Deal sizes

In terms of deal sizes, we position to the high end of the spectrum. The minimum deal size we accept is **$10k a year**. This has to do with the amount of available rewards per intro, and how many intros are realistic to make during a year. The following diagram illustrates our focus area.

Deal size	$ / Year	Deals / $1M	Inbot Focus
Tiny	500	2000	No
Small	2,500	400	No
Medium	5,000	200	No
Large	**10,000**	**100**	**Yes**
Enterprise	**100,000**	**10**	**Yes**

Inside sales is the most common model for deals between $2,500 and $10,000. For the smallest deals, the most common models are freemium, app stores, online advertising with free trials, and automated conversion flows with self-service sign-ups.

When deals are large, personal relationships are important, and you can only win the deal if you gain the trust of your customer in person. In this category, we compete against **direct sales teams** and **resellers**.

4.2. Competitive Comparison

In this chapter, we will compare the Trust Shares model to the main competitive options currently available for international B2B growth in our category: local direct sales teams and resellers.

When compared to building local sales teams, the savings are obvious. The investment to set up a country office ranges from hundreds of thousands to millions. This creates an unnecessary burden on short term profits, and rarely guarantees results.

Realizing the risks, many B2B companies prefer to start via a reseller. The problem with resellers is that their livelihoods depend on their ownership of customer interface, which is directly at odds with the interest of the vendors. It is also likely that you have to negotiate and contract with multiple resellers to cover different geographies, adding to the risks and complexity.

The commissions by resellers are often steep, and usually they ask for revenue share from the whole duration of the relationship. A typical reseller represents multiple vendors with relatively small teams, making the relationship difficult to scale.

The following table illustrates some of the benefits of Trust Shares compensation model over its main alternatives.

Comparison	**Trust Shares**	**Local Sales Team**	**Reseller**
Setup costs per country	**-**	**200k**	**20k**
Need for local office	**Optional**	**Yes**	**No**
Ramp up time	**1 day**	**26 weeks**	**12 weeks**
Monthly cost	**3-5k**	**20k+**	**5k+**
Commissions	**10-30%**	**10%**	**20-50%**
Available resources	**1000s**	**1-2**	**10s**
Shareholder type relationship	**Yes**	**Maybe**	**No**
Ownership of customer	**You**	**You**	**Reseller**
Instant launch in 75 countries	**Yes**	**No**	**No**
Spamming	**No**	**Yes**	**Yes**
Cold calling	**No**	**Yes**	**Yes**
Customer approach	**Warm**	**Cold**	**Cold**

As this table illustrates, there is no cheaper or better way for B2B company to expand internationally, when they have deal sizes over $10k that require direct sales force. It is possible to grow globally just with online advertising and without direct sales, when the price of the product or service is small enough, typically below $3k.

When we talk about disruptive innovations - which is our core focus market - it is even more important that the people who intimately understand the technology in question, the founders, are involved in the sales process. The Inbot Ambassador community can build the trust, and the founders can scale their innovations without the need to build large internal sales organizations.

This is the power of networks that Inbot Ambassador unleashes, for our Vendors, and to the benefit of all Trust Token holders.

5. Trust Token Implementation, Economics and Distribution

5.1. Trust Token Ecosystem

Trust Token ecosystem includes the underlying technology and the smart contracts that govern the issuance and distribution of Trust Tokens. The following chapters explain the current architecture.

5.1.1. Implementation: ERC-20 and beyond

Trust Token will launch as an ERC-20 compliant contract on Ethereum blockchain. In the future, we may decide to make improvements to the Trust Token contract interface, based on the needs of our Vendors and to preserve the competitiveness of our community and ecosystem.

To make Trust Token fully future-proof, we will establish a proxy interface: an ABI (Application Binary Interface) which is fixed from the beginning and designed to provide us seamless control over the Trust Token lifecycle and any derivative smart contracts.

Therefore, the entire Trust Token Ecosystem will eventually emerge out of coherent and tightly coupled smart contracts. Each and every contract will provide an essential subset of functionality underpinning key activities (like introductions, endorsements etc.) of our Ambassadors, Vendors and ordinary users.

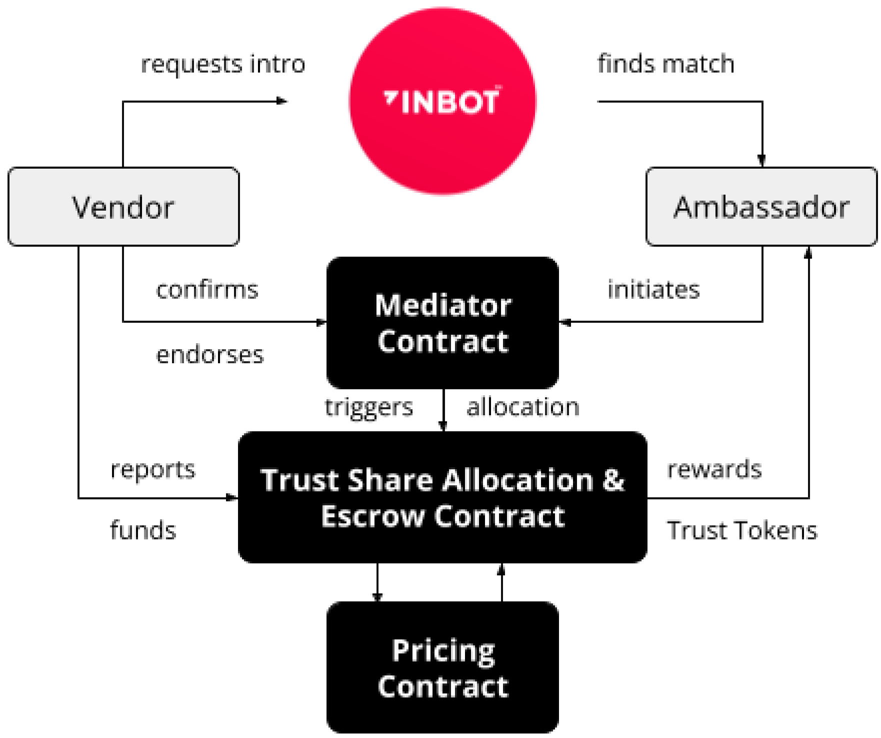
For example, the lifecycle of any introduction will be managed by a Mediator contract, which keeps track of the involved parties and mitigates any possible disputes.

We currently do not plan on implementing our own blockchain technology for the purpose of managing Trust Token, but reserve the right to move on a new platform if a significantly better and more efficient technology arises.

In the beginning, there will be four main smart contracts.

1. **Mediator Contract** manages the agreement and execution of the introductions.
2. **Trust Share Allocation Contract** manages the distribution of rewards to those Ambassadors who have made introductions, based on Trust Shares.
3. **Escrow Contract** is a “virtual” sub-contract which is embedded as an integral part of the Trust Share Allocation Contract ABI and is designed to withhold a fraction of Vendor’s monthly payments, which will be allocated for future deal rewards.
4. **Pricing Contract** puts a price tag on these introductions, taking into account the currency fluctuations and market prices for each type of introduction.

The following diagram illustrates how the smart contracts works in practice.



5.1.2. Mediator Contract

Any user or Vendor within the Trust Token Ecosystem is entitled to ask Inbot for the most relevant introduction to a specific target customer of interest. Our People Graph AI matches and displays these requests to a subset of its Ambassadors, who know the person being requested.

The intro requests are executed outside the ERC-20 token in the Ethereum blockchain, as we do not intend to deluge the network with lots of unconfirmed requests. Once there is a match, the Ambassador **initiates** the Mediator Contract, providing her and the intro requester's addresses. Once executed, we invoke the Trust Share Allocation Contract.

Requester, who usually is a Vendor, has to **confirm** the Mediator contract by inscribing the deposit amount priced according to Ambassador's trust score into the internal (to the Mediator contract) book of "orders", i.e. ordered but not yet executed introductions with corresponding pricings. To receive her specified deposit, Ambassador is incentivized to perform well at the introduction and requester has to **endorse** her by executing one more confirmation transaction.

In case the Ambassador is being endorsed or not, we perform one additional step where we **resolve** the case by updating the Pricing Contract accordingly, decreasing or increasing the involved Ambassador's **Trust Score** and paying or nullifying the deposit amount in the book of "orders". When the deposit amount is being paid we mint the corresponding number of tokens beforehand and approve the Ambassador as the guaranteed receiver of funds under the Trust Token contract. When introduction is not being endorsed we simply nullify the deposit in the book of "orders" and change the transition state of the latter introduction. We keep track of all endorsements and non-endorsements to promote trust and good behavior among our Ambassadors, Vendors and users. We also keep track of all transition states of all introductions to enforce the correct usage of the provided ABI.

5.1.3. Trust Share Allocation and Escrow Contracts

Trust Share Allocation Contract is a smart contract that manages the allocation of Trust Shares to the Ambassadors, and the subsequent dividends coming from any reported deals by the Vendor.

Each Vendor's account and Ethereum address is associated by a separate transaction in this contract. A portion of the Vendor payments is minted to Trust Tokens, which are placed on an **Escrow Contract** and reserved for future deal rewards. Escrow contract can be considered as a "virtual" sub-contract to the Trust Share Allocation contract and as an integral part of its ABI.

When a deal happens, the rewards are invested into Trust Fund, and an appropriate amount of Trust Tokens are minted for distribution. The exact number of Trust Tokens being minted is calculated by the **Pricing Contract** which pulls in information on involved (crypto)currencies and stocks.

Trust Share Allocation contract plays a vital role in the previous Mediator contract as it is subsequently triggered once the Mediator contract is enforced by the Vendor. Each enforcement results in the allocation of one Trust Share to the involved Ambassador.

Once Vendor decides to **distribute** the rewards, we trigger again the Trust Share Allocation contract to know the exact payout in Trust Tokens for all participating Ambassadors. This results in the transfer of tokens from the Vendor account to the Ambassadors. The allocation for each Ambassador depends on the amount of Trust Shares they hold.

5.1.3. Pricing Contract

Pricing Contract governs the substance value of Trust Tokens, as well as the market prices of the introductions in Trust Tokens. The Pricing Contract also pulls in the Ambassador's Trust Score multiplier to allocate the rewards properly.

In addition, the Pricing Contract also governs the discount multipliers for various types of assets, when they are invested to the Trust Fund for minting an appropriate amount of Trust Tokens.

5.2. Trust Fund

Trust Fund is a legal entity, which hasn't been founded yet, but which will be the entity that receives all the invested assets and mints the Trust Tokens against them. We are considering the optimal locale for the Trust Fund, based on the favorability of the local legislation to cryptocurrency-based assets.

5.2.1. Minting of Trust Tokens

Trust Fund issues Trust Tokens based on assets invested in the fund. These assets can be any FIAT currencies, cryptocurrencies, stocks or other assets we may agree upon with our customers. For the purposes of minting Trust Tokens, we have set up some rules on how to value the assets in a conservative and fair way.

The goal is to gradually increase the value of assets in the Trust Fund, mint new Trust Tokens based on the assets, and update the Trust Token substance value by recalculating the asset values regularly. We do not have planned inflation for the Trust Token.

5.2.2. Valuation of Assets

Trust Tokens are minted against assets invested to the Trust Fund. Because different assets have different risk profiles, we will value riskier assets more conservatively The table below describes the minted values for various assets:

Asset	Minted value
USD, EUR, other major FIAT	**95%**
Major public stocks	**90%**
Ethereum, Bitcoin	**85%**
Small cap stocks	**75%**
Other cryptocurrencies	**70%**
Startup Stocks	**50%**

The aggregate value of these assets make up the **substance value** of the fund, and the substance value of a single Trust Token is the total value divided by the total amount of outstanding Trust Tokens.

To make the market, Trust Fund will offer to buy back Trust Tokens at the substance value that is in force at each moment, up to a limit. The limit is in place to prevent fund depletion by a malicious actor, or a run in an improbable case of market panic.

With this model, the market value of Trust Tokens will reflect the market's expectation on future growth of the substance value of assets in the Trust Fund.

To keep the substance values as stable as possible, we may change the valuation formula against various assets based on changes in their risk profiles.

5.3. Initial Supply and Distribution

We will kick off the Trust Token distribution in multiple phases. The first step is the conversion of current Inbot investors' shares to the Trust Tokens. The valuation of the Inbot shares deposited against the Trust Tokens will create the initial **substance value** of the Trust Fund.

We expect the initial share conversion to result with the Trust Fund owning a majority of the Inbot Shares and therefore economic returns. In other words, if Inbot makes profits from its operation, majority of those profits will increase the substance value of the Trust Token for the token holders.

Inbot will be the main operational entity contracting with the Vendors and Ambassadors. Trust Fund will not have board seats or voting rights in Inbot. While we will keep Inbot as a for-profit entity, we see it as a purpose-driven company with intention to make a positive contribution to the humanity.

Once we have established the initial substance value, we will proceed to the second phase of the distribution, which is the crowdsale. In this phase, we will provision an initial supply of Trust Tokens, starting with the substance value, and increasing the value programmatically as the crowdsale progresses.

The crowdsale will be managed as a separately deployed smart contract and all undistributed tokens will be burned. All collected ETH will be transferred to the **Trust Fund** address and served as one of the available assets.

5.3.1. Ambassador Privileges

The members of Inbot Ambassador community will receive a right to purchase up to 10 ETH worth of Trust Tokens at the substance value, under condition that the purchased Trust Tokens are deposited into a 12-month escrow. This rewards Ambassador's long term engagement with the platform.

This right to purchase becomes available after the Ambassador has validated their identity and connected contact sources on our platform.

6. Team

Inbot has an international team of experienced serial entrepreneurs, developers and researchers. **The team below is behind the Trust Token design and economics.**

Mikko Alasaarela, MSc Economics, Founder & CEO

Prior Inbot, Mikko has founded 6 startups with 3 profitable exits. He has also made a handful of angel investments. Mikko has lived and built startups in Helsinki, London and San Francisco prior settling to Berlin.

Vilen Jumutc, PhD Machine Learning, Lead AI and Blockchain Developer

Prior Inbot, Vilen has been a researcher at the University of Leuven in Belgium, as well as a research engineer at Intel. His core skills are in the fields of Data Mining, Machine/Deep Learning, Big Data frameworks/algorithms and Blockchain technologies. Vilen lives in Antwerp.

Jilles van Gurp, PhD Software Engineering, Lead Server Developer

Prior Inbot, Jilles was lead architect for Nokia Places, now named as Here Maps. Jilles has published a large number of articles, book chapters, and workshop papers on Software Architectures and Software Engineering. He is world-leading expert on search engine technologies. Jilles lives in Berlin.

Joona Kulmala, Founder & Lead App / Web Developer

Prior Inbot, Joona has run his own successful development agency. Joona has proven track record on all important web and mobile platforms, including Android, iOS, HTML5 and JavaScript. He has also long experience with server technologies like Java and Node.js. Joona lives in Tampere.