

## Scott issues and Questions

- 1) Which hypothetical index coop set do you think is the best?

**THIS ONE.** 20% month over month revenue growth, -50% profit margin  
12% month over month revenue growth, 0% profit margin  
5% month over month revenue growth, 50% profit margin

Core costs across all products are fixed costs

- 2) What part of Coop life fills you up the most as a person?

Two faces of crypto - people trying to build a better world and people trying to sell their bag

Index Coop is very firmly planted in the build a better world side of the spectrum. I have worked with people not on that side of the spectrum. 100x more rewarding working with people who are committed to making the world a better place.

- 3) What part of coop life drains you the most?

Fear about the risks of losing zero-sum games and the time wasted playing them.

- 4) Of the time spent with partners, what portion do you think is spent on building together vs managing inter-organizational relationships (set <> coop, dfp <> coop, set <> dfp, coop <> other partners) ?

80 managing/20 building

- 5) Are you happy with that? What do you think it *\*should\** be?

35 managing /65 building or 30/70

Basically there should be a high-scrutiny to addressing new things and giving them scrutiny. Fair may be the goal but equitable is fine.

Band where something isn't exactly fair but still within the band of equitable. Ensuring that things are outside that band prior to revisiting.

- 6) In your vision of the future, if the coop succeeds, what accomplishment will we be most proud of?

Being part of the effort in building a good steward institution. Winning a market as the good guys. Building something that is done the right way. Needs safe and effective ways for people to invest.

7) If the coop falls apart in the next 2 years, what will have been the reason?

Factionalization of the social structure. People becoming more incentivized to fight each other rather than finding the solution. Do you have a high social status if you are seen as a problem solver or a drum beater.

8) What makes it hard for the competition to keep pace with the index coop?

Legitimacy and reputation. Not just the brand - professionalism of contributors, Set technology. Legitimacy + trust = compounds over time. More bottoms up than corporations, less bottoms up than many other DAOs.

9) If you were going to compete with the coop, what part of the market would you focus your energy?

Focus on being liscencer friendly and low friction. External partners = distribution. Making it easy to distribute.

**Must haves** - IC has to be a reliable partner to build a scalable business with

- What does reliable mean? [Felix]
  - Need confidence that you can scale a business around this relationship
- What are the components and what is required for that to be true?[Felix]
  - Expectation that when things change it needs to be reasonable from a third parties perspective
  - Ensuring the goal is not to go around the partner
  - System needs to be designed so that is not economically optimal behavior
- Something is unreliable if collaborative conversations become competitive
  - Ensure that information from collaborative conversations remain collaborative
- Ensure that there is a framework re: conflict of interest to de-risk IC partnerships

**Can't Give** - Ability to scale sustainably

- What does that mean? [Felix]
- What would you be giving up that would mean you are giving up the ability to scale sustainably?[Nate]
  - Good example is 2 of 2 multi-sig
  - Think about what it would be like if the tables were 100% turned
    - Dichotomy between how things are changed and ensuring that all parties have equal say / representation
- There needs to be a recognition that these things are bi-lateral vs unilateral decisions

**Strong Relative Wants** - Clear understanding that the people who are working on DFP products are working on those products and not competitors

If you are making product decisions on a product there needs to be methods that reduce conflict of interest.

Competing products is a spectrum - where is the line? And how do we draw it?

- How would you define that spectrum? [Felix]
  - There has to be some demarcation
  - Short answer is it is complicated
- How do we define that spectrum together? [Nate]

Look at a band - the manager just works for the band. The record label is responsible for much more of than just one band. Who is the manager of the band (PWG?). Different groups need different levels of insight around products.

**Strong Relative Indifferences** - Cares less about the bottoms up or top down stuff than either Set or IC. Pick the right organizational framework for the job.