

NodeBlocks - DAO Treasury Staking Grant Proposal

Introduction

Company & Vision

Our inspiration emerged from recognizing the challenges faced by numerous DAOs, including dwindling participation and treasury depletion. While DAOs often begin with strong momentum and an ample treasury to achieve their objectives, over time, contributors disengage, conflicts occur, and treasuries are drained without much advancement toward their goals.

As a result, we started developing [NodeBlocks](#), a versatile platform tailored to enhance resource management, collaboration, security, and productivity for decentralized autonomous organizations (DAOs) within a unified interface. Our MVP, at the time known as [GovBlocks](#), won us the 2023 ETHDenver hackathon in March, in the DAOs & Communities Track, which provided us with early market validation.

NodeBlocks is dedicated to assisting DAOs with depleting treasuries, and by offering ETH staking on the SSV network, we are creating a mutually beneficial situation in the market. With this service, DAOs can earn yields on their treasury balances, SSV Network benefits from a massive influx of capital to their staking network, and NodeBlocks can collect fees for providing an easily accessible staking pool. Although many DAOs hold a substantial portion of their treasuries in ETH, they currently hesitate to generate yield and income through staking on centralized platforms due to the risk it poses to their assets. However, by partnering with SSV Network, which uses a distributed validator technology (DVT), NodeBlocks can provide an ETH staking service that is further decentralized and one that instills confidence within DAO communities when allocating their treasury funds.

Team

Eric Gilbert-Williams (Twitter: [MemeBrains](#)) is the CEO and Co-Founder of Nodeblocks. Eric is an active DAO contributor, producer/host of the CityDAO podcast, and is also a lifelong entrepreneur. He bootstrapped his last company to a team size of 60+ people and \$6M+ ARR then sold it in 2018 to become more involved with the blockchain ecosystem.

Bhargav Patel (Twitter: [0xTheBossDragon](#)) is the CTO and Co-Founder of NodeBlocks. Bhargav is a serial tech entrepreneur with a proven track record of success. His previous venture in data analytics & membership management was acquired by Battery Ventures, serving over 20M users. Bhargav is a passionate developer with extensive expertise in building scalable technologies, specifically in Web3 frontend and smart contract development.

The Product

What is NodeBlocks?

NodeBlocks is a modular platform designed to optimize resource planning, collaboration, security, and productivity for Web3 communities and decentralized autonomous organizations (DAOs) within a single interface. Integrating seamlessly with a DAO's existing domain & website, NodeBlocks offers a wide array of modules such as proposal management, voting systems, role management, marketplace, rewards system, treasury staking and management, AI code & transaction reviews, and more while fostering brand confidence and fraud prevention. The platform supports third-party developers in creating new modules, contributing to a network effect that benefits all users. Utilizing the Diamond proxy ERC-2535 standard, NodeBlocks offers infinite scalability and customization options, with interconnected, adaptable modules designed to meet changing community needs.

Website: <https://nodeblocks.io>

Unique Value Proposition

NodeBlocks offers a unique value proposition by enabling DAOs to efficiently manage their treasuries using NodeBlocks' comprehensive role management, governance, and treasury management tools. NodeBlocks provides the additional benefit of offering an ETH staking service via the SSV Network within the same user interface. This not only instills confidence within the DAO community but also makes it easier for NodeBlocks to market staking features to prospective clients. The DAO market is expected to grow to \$1 trillion, so the opportunity to operate the staking pool at scale is massive for NodeBlocks.

GTM Strategy

We started building after 3 months of market research including talks with over 100+ potential customers and are developing an MVP to beta test with our early customers and partners. We have a first customer commitment from a community of 10,000 members along with a \$70,000 USDC grant to continue building the platform. We also have 12+ signed MOUs by large potential DAOs ranging from 1,000 to 80,000+ members each and several million in DAO treasury balances.

Competitors

Our primary competitor is Aragon, which has struggled to deliver on its promises due to technical challenges and a failure to heed market feedback. Despite having a hefty treasury and recently relaunching with reduced functionality, Aragon remains more of a theoretical threat than a real threat. In contrast, we were able to develop over 70% of Aragon's core functionality in just two weeks at the ETH Denver hackathon.

Our other competitors are indirect, as they offer individual modules that will be integrated within NodeBlocks. Examples include OpenSea, Snapshot, and Otterspace. By incorporating the best features of these competitors into a single interface, we eliminate the need for users to rely on multiple apps and we provide an enhanced user experience. As we continue to develop and integrate additional modules, our market position will become even more attractive and defensible through a compounding network effect of increasing value.

Proposal Details

Technical Overview

How DAOs will stake their treasuries

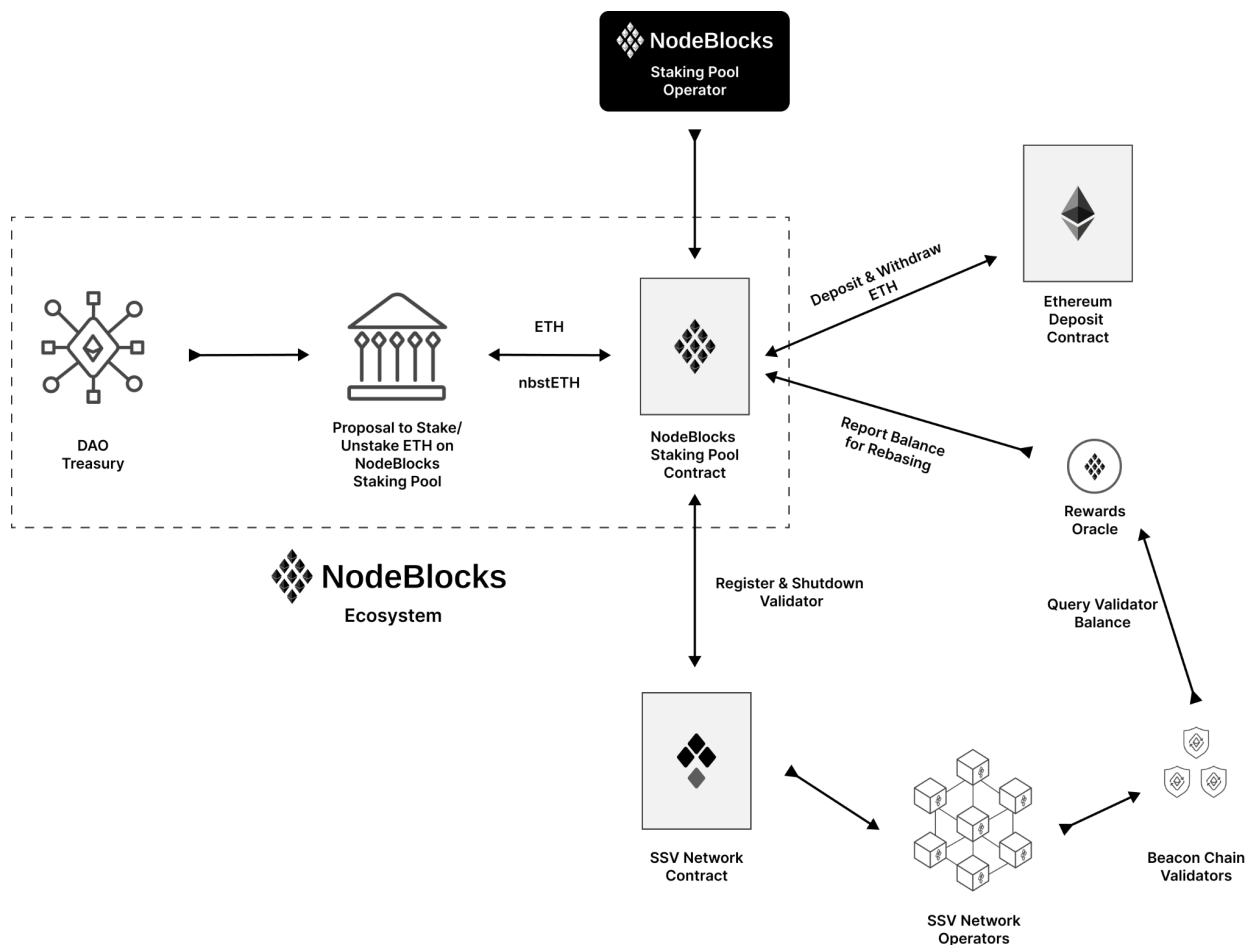
NodeBlocks will deploy each DAO on a Diamond Smart Contract (ERC-2535), a multi-facet proxy for infinite scalability and upgradeability while maintaining on-chain records of each upgrade. The DAO contract itself will act as its owner, ensuring that all upgrades or operations on smart contracts must go through governance protocols activated collectively by the DAO members on the smart contract.

NodeBlocks is developing modules for DAOs to manage the DAO treasury, either through Gnosis Safe or NodeBlocks' smart contracts, accessible from the same interface. A DAO can propose to stake any portion of ETH within its treasury to the NodeBlocks Staking Pool, subject to the DAO's established parameters, such as vote support and quorum. If the proposal passes,

DAO can transfer the funds to the Staking Pool. When a DAO sends the funds over to the Staking Pool, they will receive an equal amount of nbstETH tokens to indicate their stake ownership. Initially, nbstETH will not be liquid, but NodeBlocks will work towards setting up liquidity for nbstETH so the token becomes liquid and can be used for other yield-generating opportunities.

NodeBlocks will exclusively use SSV Network for staking ETH from the NodeBlocks staking pool initially. Once the funds are received in the NodeBlocks staking pool, NodeBlocks Protocol will start depositing 32 ETH chunks and activate the appropriate amount of validators on the SSV Network. NodeBlocks Protocol will assign operators (up to 4) based on operator performance and/or reassign operators periodically to ensure maximum uptime and optimize fees paid to the node operators.

Platform Flow



Operator Selection

NodeBlocks will design an oracle that will monitor operator performance and automatically update node operators based on performance data to maximize uptime for its validators and staking rewards.

Withdrawals

Once withdrawals are enabled via the Shapella upgrade, DAOs will be able to withdraw funds by successfully passing a proposal request for the withdrawal. The withdrawal will then be processed by NodeBlocks within the earliest time window from which a validator can be deactivated, then funds will be withdrawn from the Ethereum Deposit Contract.

SSV Payments

NodeBlocks will reserve a portion of the SSV received from the grant and funds raised from VC funds to add balances to the validators initially. As NodeBlocks begins generating income from operating the staking pool, the collected fees will be used to sustain the payments for the staking pool service.

Project Plan

#	Milestone	Deliverables	Est. Effort
1	<i>Full Testnet Launch</i>	• <i>Smart Contract Development</i> • <i>Frontend Development</i> • <i>Platform Documentation</i> • <i>Bug fixes</i> • <i>Deploy & Launch on Testnet</i>	<i>16 weeks</i>
2	<i>Smart Contract Audits & Mainnet Launch</i>	• <i>Perform smart contract audits to ensure security</i> • <i>Refine Documentation for Mainnet Launch</i> • <i>SSV Mainnet Integration</i> • <i>Launch NodeBlocks platform on ETH Mainnet</i>	<i>12 weeks</i>
3	<i>Scaling ETH Staking (1024 ETH, 32 Validators)</i>	• <i>Work with DAOs to stake ETH from the DAO treasuries</i> • <i>Scale to 32 validators & build trust</i>	

Payments

We are requesting a total of \$50,000 grant for building a DAO staking pool on SSV

Terms

100% - SSV / USDC ratio calculated by a 90-day average.

Milestone Allocation

Milestone	Amount	Percentage
<i>Full Testnet Launch</i>	<i>\$10,000</i>	<i>%20</i>
<i>Smart Contract Audits & Mainnet Launch</i>	<i>\$20,000</i>	<i>%40</i>
<i>Scaling ETH Staking (1024 ETH, 32 Validators)</i>	<i>\$20,000</i>	<i>%40</i>
Total	\$50,000	100%

Open Source

Our smart contracts will be open source. You will be able to find them here once we get close to launching a beta version of our product: <https://github.com/NodeBlocks>