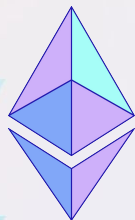




The Future of Social Coordination of DAO's

We love DAO's but they **need** to be better



Chandler
Growth at Astaria



Section 1

Why the DAO experience sucks - a story about governance, incentives and organisation

My history

- I have worked with over 20 DAOs/projects
- Helped implement UMA's KPI options with various projects
- Worked on expanding Optimistic Governor Module awareness
- Researched various governance and incentive programs

The DAO timeline

DAO is created

Lots of excitement,
participation is high,
contributions are high

DAO operates

Things get hard, a effective
talent is increasing getting
frustrated and leave,

Medium levels of
participation

DAO explodes

Left with a few key players,
diverging power dynamics,
in-fighting, talent has left

Low participation and
contributions are
extrinsically motivated

The things that don't work

- Community contributions are always going to be **suboptimal** in monolithic DAOS
 - Participation is not the same as contribution
- Token rewards and distribution methods are not effective at keeping **talent**
 - Liquidity mining as an example does NOT create aligned mission goals
 - Airdrop farming
 - Rewards maximising
 - Grants scrapping

The things that do work

- The **[Insert name here]** Labs foundation that works on a protocol model
 - Highly **skilled** team
 - Compensated
 - Have both intrinsic and extrinsic motivations
- Small, highly motivated teams working on a particular problem, mainly motivated by **intrinsic value** but can also be **extrinsic**
 - Impact DAOs as an example
 - Community organizations
 - Verifiable credential access to DAOs

What are the main
lessons here

Community contributions need to align

Passing out governance access without clearly understand the **human dynamics** that play out afterwards has clearly not worked

The SushiSwap example - it was a horse show!

What are the main
lessons here

Governance is not easy

- **Monolithic governance** is also painful
- Context is missing each individual is required to vote
- Attention is a fading asset
- Not all things need a blockchain vote

What are the main
lessons here

Bigger is NOT better

The size of the DAO does not translate to better outcomes. In fact, it can even be **detrimental**.

Uniswap is famously a **small team** with more volume than Coinbase, a famously **large team**.

Humans work well in small **highly effective** teams.



Section 2

My experience with tools so far

Conditional metric tokens

A conditional payout token based on an external metric

- Powerful primitive
- Has demonstrated community impacts
 - **Community compensation**
 - **Token rewards**
 - **Outcome based results**

The issues with conditional tokens

- Teams (much to my surprise) don't know their key metrics - crazy!!
- Required a level of mistrust between parties
 - Many DAOs trust their admins

Optimistic Governance

The lazy DAOs choice

- Good for smaller scale honey pots
- Security assumption is predicated on attention, the most valuable asset in a DAO
- Context for understanding what these transactions are is hard
- Untested at scale



Pods/Units/Core

Small team structures that can fit into a larger organization

- Can set up their own governance mechanisms, be it optimistic or not
- **Connecting groups of activity in organizations, pods turn DAOs into highly networked, legible organizations.**

Your DAO can interface with other DAOs or Units

- DAOs cannot thrive in isolation. Units make your organization consumable by tools, people, or protocols – unlocking endless possibilities to plug and play.



Section 3

So what does the future look like

Incentives
Governance
Organization

Adding the pieces together

Having a DAO experience where small groups of highly **contextually aware** talent work together to a **common goal**, controlled by a fair governance structure that is suited for their needs and an **incentive model** that ensures direct alignment is always going to be greater than any monolithic DAO

Small Unit > Big DAO

Incentives
Governance
Organization

Being clear on participation vs contribution

A participant and a contributor need to be different when it comes to allowing access to a DAO

Contributor is contextually aware, has the **right skills** for the task and should be able to verify their abilities

A participant is **keenly vested** in the project and wants to see it succeed, but may lack the required skill to push a direction

Armchair commentary is much easier than doing the work.

Shout out before I say
bye to you and we say
bye to Colombia

📌 Pinned Tweet



Clayton | UMA | Bogota @TokenArchitect · 2022/10/01

Are you coming to devcon / bogota?

Im seeking old laptops, phones and tablets to send with college freshman who are coming from a high-risk neighborhood in Barranquilla, Colombia.

Would anyone have something like that they can bring along (or send to someone whose going?)



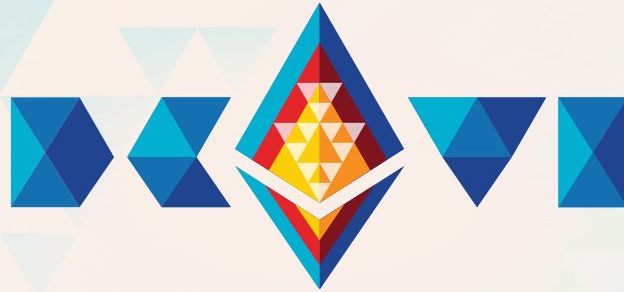
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Thank you!

Chandler



@chandler_dkk