



Assessment Framework & Metrics - Was gilt es bei DAOs zu beachten?

DAAA - 27 September 2022

What is a DAO?

Decentralised

→ Investment DAOs

Autonomous

→ Crowdfunding DAOs

Organisation

→ Insurance DAOs

→ Dispute resolution DAOs

→ Natural resources DAOs

→ Metaverse DAOs

→ Gaming DAOs

→

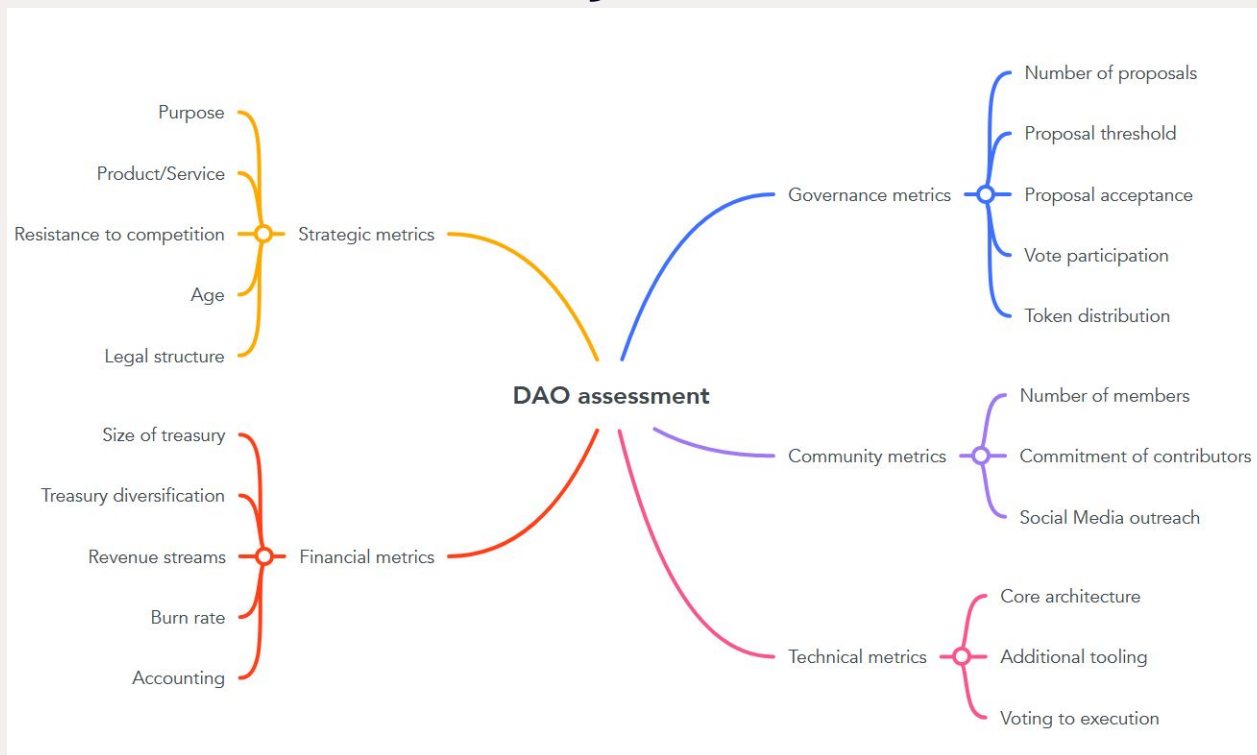
Due Diligence Criteria and Focus Areas (non-exhaustive)

Team	PPP Product, Positioning, Potential	Technology	Token design	Legal / Regulatory	Financial
<ul style="list-style-type: none"> → Execution ability → Motivation → Experience and expertise → Long-term focus → Time and efforts dedication → Alignment of incentives (across the whole team incl. advisers, investors, etc.) 	<ul style="list-style-type: none"> → Innovation → Competitive advantage → Dedicated USP → Clear benefits to the user → Value-add to Web3 → Industry/sector/ niche leader potential → Go-to-Market strategy → Communication strategy 	<ul style="list-style-type: none"> → Software quality → Git (or other code repository) → Number and timing of commits → General activity level per team member → Infrastructure/ platform choice → Tech stack 	<p>Token Economics:</p> <ul style="list-style-type: none"> → Distribution scheme to stakeholders (e.g., founders, team, community, treasury, investors, etc.) → Founders' long-term goals (beyond own involvement) → Release schedule to parties, milestones, multi-sig structures <p>Token Utility:</p> <ul style="list-style-type: none"> → Token flow model → Value accrual mechanisms → Token benefit to the network 	<ul style="list-style-type: none"> → Deal structure (equity + token or token deal only) → Regulatory landscape for business model → Specific license requirements → Licensing process and (lead) timing → Legal documentation (e.g., corporate structure, litigations, company assets, etc.) 	<ul style="list-style-type: none"> → Business Plan (incl. technical roadmap and staffing) → Financial Model (incl. granular cost split) → Fundraise information (e.g., amount, use, runway, etc.) → Management information

Minimum criteria for a DAO

- Operates on a sufficiently decentralised blockchain protocol
- Secure, shared on-chain account for value storage
- Transactions involving DAO assets must involve set rules
- Transparent decision making process / governance votes
- Clearly defined rules for membership

Initial assessment: 21 objective metrics



Strategic metrics

- Purpose
- Product / Service
- Resistance to competition
- Age
- Legal structure

Financial metrics

- Size of treasury
- Treasury diversification
- Revenue streams
- Burn rate
- Accounting

Governance metrics

- Number of proposals
- Proposal threshold
- Proposal acceptance
- Vote participation
- Token distribution

Community metrics

- Number of members
- Commitment of contributors
- Social media outreach

Technical metrics

- Core architecture
- Additional tooling
- Voting to execution

An example

Strategic metrics

Purpose

To become a coordination hub for DAOs by providing services and guidance to DAOs across their full life cycle.

Product/Service

Prime Launch / Prime Rating / Prime Pools / Prime Deals

Resistance to competition

Deep value alignment with core partners (builders & partner DAOs) creating a hard to replicate social-economic network.

Age

1,5 years

Legal structure

None, supporting entity in Curaçao and builder groups from The Netherlands, Portugal, Switzerland and Germany

Financial metrics

Size of DAO treasury

36.3 million USD

Treasury diversification

Yes, Gitcoin (GTC), Olympus (OHM), Balancer (BAL)

Revenue streams

Fee capture from Launch, Pools and Deals - currently at 0%, but managed by the DAO.

Burn rate

Approx \$125K per month

Accounting

Self accounting through Treasury Squad

Technical metrics

Core architecture

Self-coded (<https://github.com/PrimeDAO/contracts-v2>) / Leveraging Balancer V2.0 infrastructure

Additional tooling

Boardroom

Voting and execution

Off-chain (snapshot), Reputation contracts created by PrimeDAO

Governance metrics

Number of proposals

57

Proposal threshold

50 REP tokens (ERC20)

Proposal acceptance

All proposal were accepted

Vote participation

Low, about 5 votes each. Stagnating trend

Token distribution

Fair (see: <https://etherscan.io/token/tokenholderchart/0x3ba4ecfb611c9694e7c35d3baf90ab137aff137b>)

Community metrics

Number of members

325

Commitment of contributors

Several contributor levels (e.g. stewards). In total approx 20 FTEs + 30 active community contributors.

Social media outreach

About 6k Twitter followers

Thank you!