Ecosystem Value Flows

TMG1 Course, **S2PL**, May 2021 edition

Agenda for today

- **Check-ins & have you met...** (5-15 mins)

- **Q&A -** 15 mins

- **Rainbow canvas -** (5 min explainer + 10 minutes breakouts --- work on the canvases)

- **Incentives - inspiration**
  (15-20 min brief, - quick perspective exercise 5 min)

- **Stakeholder matrix**
  (10 min intro + training, 5 min explainers, breakout 1st try - 10 minutes,
  10 minutes discussion & questions, 15 mins - second breakout)

- **Stakeholder stories - joint filling-in**
  5 minutes - 1st one // 5 minutes - 2nd one + (first piece of the 3rd one)

- **What's next (10 minutes)**

- Games --- short exercise - 5 mins

- Connecting the dots - 5 mins

- **OPTIONAL // Debrief & questions - 15 minutes**

  Close in ~2-2.5hrs

Check-ins

and *"have you met..."*

Agenda for today

Check-ins & **pending questions**

- **Rainbow canvas**

- **Incentives - inspiration**

- **Stakeholder motivation matrix**

  break?

- **Intro to stakeholder stories**

- **What's next + how to prep**

  Debrief & questions, as needed

  Close in ~2-2.5hrs

Pending questions or obstacles?

Rainbow canvas

Rainbow Canvas

Neutral Stakeholders

Be specific, if it's for everyone, it's for no one.

There will be stakeholders, who might benefit, be interested, or were in this "genre", but won't be in this ecosystem.

Benefiting Stakeholders

Once the ecosystem exists they will benefit from it.

They will have incentives to maintain, sustain this ecosystem with their contributions, which only becomes possible after ecosystem is minimally viable.

Obstructing Stakeholders

Not everyone wants to see the purpose of the ecosystem to be fulfilled.

They have stakes to lose in this "genre". Some of them may see this ecosystem even as a threat.

Sponsoring Stakeholders

They may not actively contribute to build, but they want to see this ecosystem exist and thrive.

The can make things happen, even if not actively participating.

Closely aligned members

Participants who want/need can build with you to reach the purpose.

They have valuable capabilities, assets to contribute towards the purpose.

Purpose box:

Continue to wordsmith the purpose of the ecosystem

Ecosystem Value Flows

Incentives: Intrinsic, Systemic, Extrinsic, Internalized Extrinsic

"Incentive Machine"

In short:

Ocean Protocol
A New Data Economy

Follow

👏 1.6K

💬 7

🔖

We have a life form that we basically can't stop, which is optimizing maniacally for that most precious resource — energy. This life form is called Bitcoin.

Top highlight

How's *that* for the power of incentives? Which means: we *need* to get incentives right when we build these tokenized ecosystems.

8. Conclusion

Satoshi almost certainly didn't mean to suck the life force out of the planet. Objective function design aka incentive design is *hard*. But we have to try! To do a good job, we need solid engineering theory, practice, and tools. That is, *token engineering*. The next article in this series explores this further.

With *that* power, we also got equal response-ability

"Can Blockchains go rogue?", 2018, Trent McConaghy
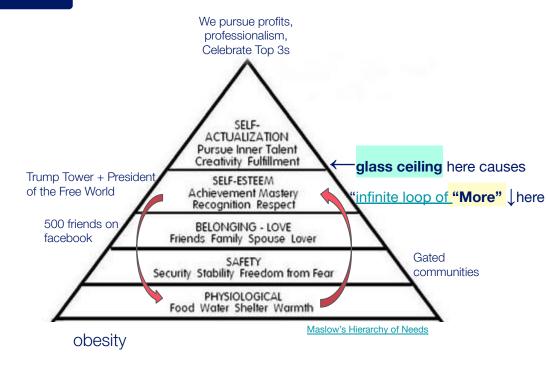
Engineer "Incentive Machines"?

*You can **get people to do stuff**, by **rewarding them with tokens**. Blockchains are incentive machines.*

"*Can Blockchains go rogue?*", 2018, Trent McConaghy

Yes. But are we **legitimate** to do so?

Why will it be **different than the current system** that rewards people to get stuff done.

How will we know?

We pursue profits, professionalism, Celebrate Top 3s

SELF-ACTUALIZATION Pursue Inner Talent Creativity Fulfillment

← **glass ceiling** here causes

Trump Tower + President of the Free World

SELF-ESTEEM Achievement Mastery Recognition Respect

"infinite loop of **"More"** ↓ here

500 friends on facebook

BELONGING - LOVE Friends Family Spouse Lover

SAFETY Security Stability Freedom from Fear

Gated communities

PHYSIOLOGICAL Food Water Shelter Warmth

Maslow's Hierarchy of Needs

obesity

Engineer "Incentive Machines"?

You can get people to do stuff, by rewarding them with tokens. Blockchains are incentive machines.

"*Can Blockchains go rogue?*", 2018, Trent McConaghy

Blockchains do go rogue.

It matters what values we program.

It matters what we value.

We're not Choosing Values, We're Choosing Assumptions

f ⤳

By Donella Meadows

–October 27, 1988–

"This election is about values," says George Bush, without mentioning which values. He can't mention them, because in fact the election is not about values at all.

4 assumptions 8 paradigms: "fab4rel8"

*Check your assumptions for **consistency**, fluent across all these **paradigms (worldviews)**:*

1. Mode: **command and control,**   worldview: **Everything runs from order into disorder**

2. Mode: **polarized opposites**,   worldview: **React** to reduce harm or realize advantage

3. Mode: **conservative**,   worldview: **Never change a running system**

4. Mode: **logical positivism**,   worldview: **What we can't measure, doesn't exist.**

5. Mode: **liberal**,   worldview: **We generate and steer towards the better** options.
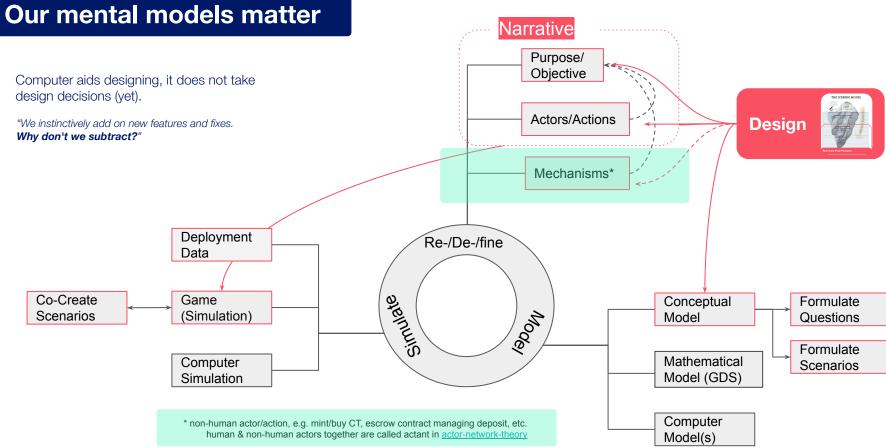
6. Mode: **possibilities,**   worldview: Identify & choose best, **construct** solution

7. Mode: **pattern-based solutions** (processes independent of content) worldview: **holistic**

8. Mode: **limits of knowability**,   worldview: **uncertainty** due to imperfect knowledge or indetermination

Our mental models matter

Computer aids designing, it does not take design decisions (yet).

"We instinctively add on new features and fixes.
Why don't we subtract?"

Narrative

Purpose/ Objective

Actors/Actions

Design

THE ICEBERG MODEL

Start from First Principles

Mechanisms*

Re-/De-/fine

Simulate / Model

Deployment Data

Co-Create Scenarios

Game (Simulation)

Computer Simulation

Conceptual Model

Formulate Questions

Formulate Scenarios

Mathematical Model (GDS)

Computer Model(s)

* non-human actor/action, e.g. mint/buy CT, escrow contract managing deposit, etc.
human & non-human actors together are called actant in actor-network-theory

The Inner Game of Token Engineering

"Just leaving the **rational mind** *to itself, it will tend to* **maximize** *towards* **efficacy & power***, without requiring the* **wisdom** *as to* **what to do with that power***."*

\- Fabian Bruder

"Epilogue: An Interface to Moral Philosophy for Token Engineers"

A Hitchhiker's Guide to Token Engineering

Before we start

Peer Learning Session 2: Incentives

A Systems Thinking Game

Explainer:

- Pick a pen
- Lift it up so you look at it from underneath
- Circle the pen above your head clockwise
- Continue the clockwise circling, whilst you bring the pen down
- Continue looking
  - In front of you
- Continue circling
  - Down
  - down
- Describe what you see now

- And a picture here

On Changing Perspectives
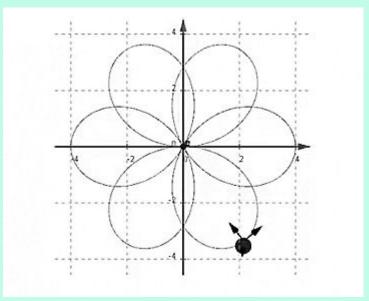
It all depends on your point of sitting and interpretation

https://giphy.com/gifs/l0ExayL8BbmqsQBY4

(Value exchange)
Motivation matrix

What is flowing within the ecosystem, and why?

(Value exchange) Motivation matrix

An ecosystem thrives only because of its members interacting with one another in a sustainable way
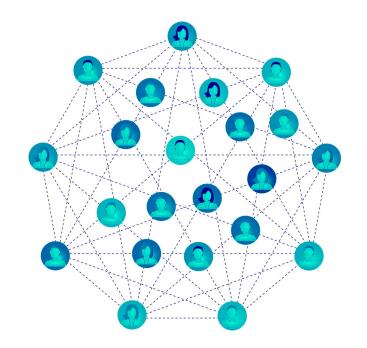
Image adapted from:
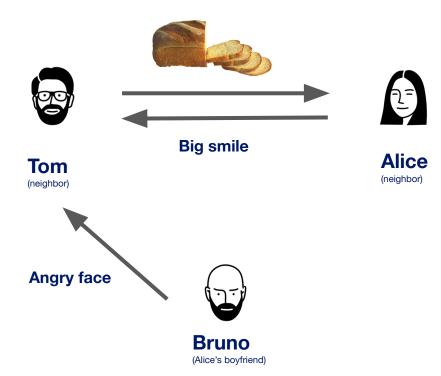https://pixabay.com/vectors/connections-communications-social-2099068/
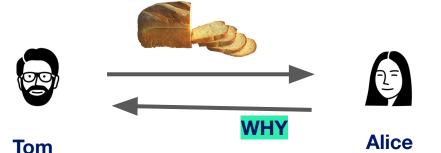
(Value exchange) Motivation matrix

WHY

Thought she might be hungry
She asked for it
To get a cool image or NFT
Economic transaction
He likes goat

Tom

WHY

Alice

Money
GIF image
Big smile
Goat
Thank you
NFTs

Economic transaction, typical way
Has a lot of sentimental value (to her)
She's happy
Tom's a farmer

(Value exchange) Motivation matrix

Big smile

Tom
(neighbor)

Alice
(neighbor)

Angry face

Bruno
(Alice's boyfriend)

Alice eats the bread alone.

Bruno remains hangry

(Value exchange) Motivation matrix
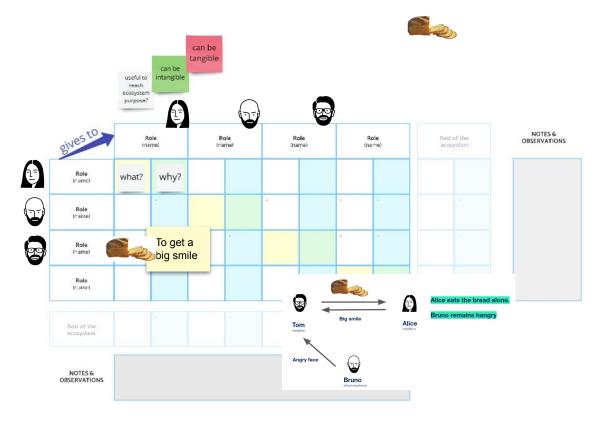
From -> To convention
(row)   -> (columns)

What vs. Why columns

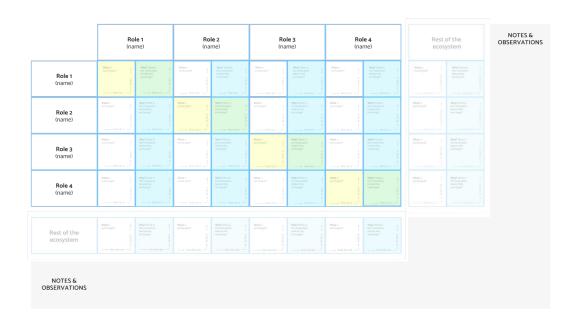**Different types exchanged**
(functional, social, emotional)

(Value exchange) Motivation matrix

Let's look at the interactions (and motivations) in our ecosystem

- Actions
- Needs
- Values

→ **key interactions & assets!**

Miro time! @ Motivation matrix

Copy the template from the MainBoard

Pick the key stakeholders
(stakeholder profiles + rainbow canvas)

Begin with what is exchanged
Focus on the key assets & skills from profiles

Then look at the why / motivations

Back from Miro @ Motivation Matrix

Questions?   Challenges?

Miro time! @ Motivation matrix

Round 2

Small break?

5-10 minutes?

Stakeholder Scenarios

Go Deeper. Can you spot Value-Action Gaps?

Why do stakeholder stories / scenarios?

Identify own assumptions and potential gaps

Dig deeper into motivations and drivers

Get inspiration for what needs to be modelled or understood better

Generate insights & get inspired, around policy and design

Prepare for creating a live role-playing game!
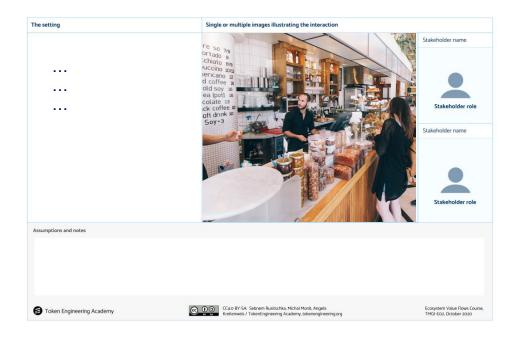
Stakeholder stories

3 step process

1. **Describe the setting**
   (and the assumptions you're making)

The setting	Single or multiple images illustrating the interaction	
... ...		Stakeholder name
		Stakeholder role
		Stakeholder name
		Stakeholder role
Assumptions and notes		

Token Engineering Academy

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Ecosystem Value Flows Course, TMG1-E02, October 2020

Stakeholder stories

People can afford the coffee
Coffee shop nearby
The like/want coffee
The prefer/have time for coffee in a shop (vs. home)
Coffee shop has to be open (Corona)

The setting

A woman, Laura, a creator, is buying a coffee on a weekday, in the afternoon.

When to this shop because they have a large selection of drinks (soy! - to avoid pimples) and it's close to a shop AND you don't need to wear a mask (lives in Estonia, and it doesn't matter).

Single or multiple images illustrating the interaction

Stakeholder name

Stakeholder role

Stakeholder name

Stakeholder role

Assumptions and notes

What has to be true for this to happen?

Has enough money to buy overpriced coffee.
Overpriced coffee
Assumed the prices are in dollar
--- we have an issue with the setting ---
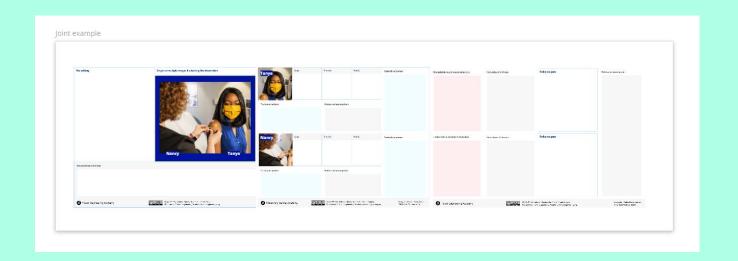Coffee shop is open and has coffee

Miro time! @ Stakeholder stories

Joint example

Back from Miro @ Stakeholder stories / scenarios

Questions?   Challenges?

With your team @ Stakeholder stories

3 step process

1. **Describe the setting**
   (and the assumptions you're making)

2. **Take note of the motivations**
   (the drivers, and what's valued, and why)

3. **Look at how 1) and 2) could impact your ecosystem**
   (to spur ideas around your design and modeling and do make sure you note your biases and observations too!)

Choose the "most valuable" or critical interaction for the ecosystem first
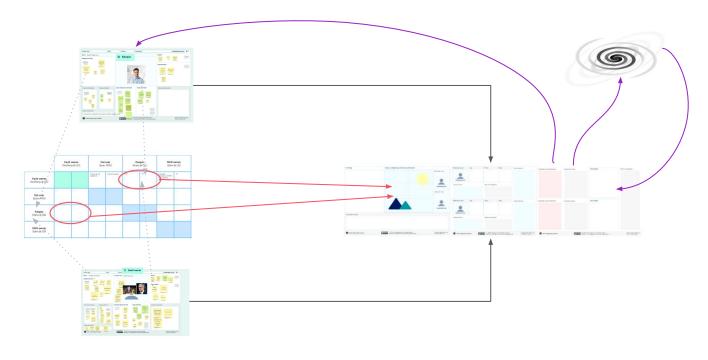
Stakeholder stories - how?

Begin with the (value exchange) Motivation matrix

Pick key interactions & value exchanges / assets

Detail those interactions, your assumptions and what might happen

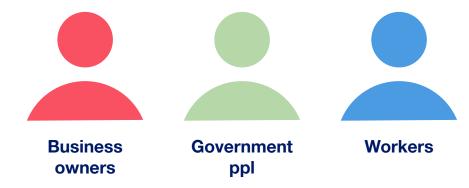**Generate scenarios to explore further**

Iterate! & take notes!

Games

So many useful aspects. Dynamics

The value of toy models & intuition

What kind of scenario or system might be relevant?

Business owners

Government ppl

Workers

The value of toy models & intuition
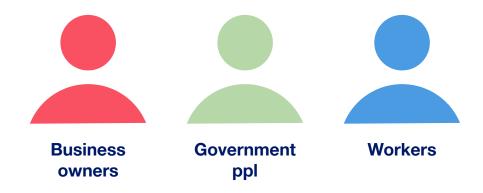
Technological unemployment

Business owners

Government ppl

Workers

The value of toy models & intuition

vicious cycle of automation leads to short-term job loss, then frustration, then political unrest

CHALLENGE:
think up and model your own solutions to this problem!
(hint: what tax-funded programs could mitigate job loss due to automation?)

automation

profits

tax revenue

??? what goes here ???

job loss

frustration

political unrest

The value of toy models & intuition

vicious cycle of automation leads to short-term job loss, then frustration, then political unrest

CHALLENGE:
think up and model your
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automation
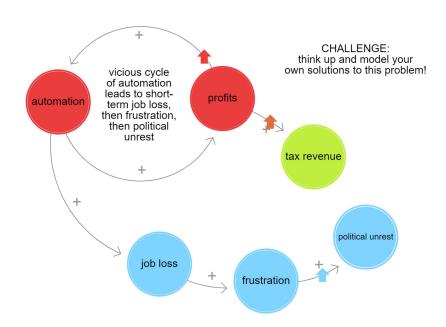
profits

tax revenue

job loss

frustration

political unrest

A cool tool for playing with
basic system dynamics,
called Loopy by Nick Case
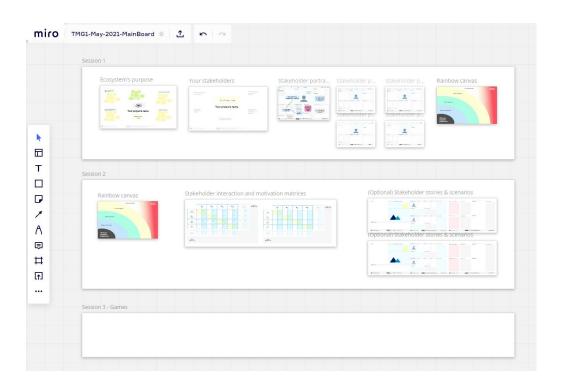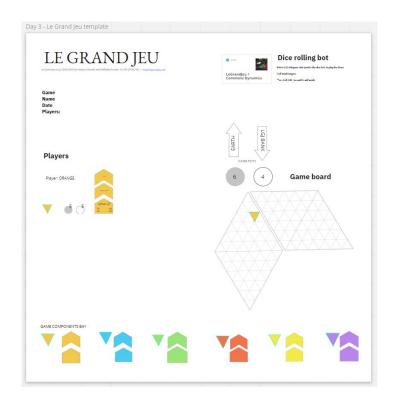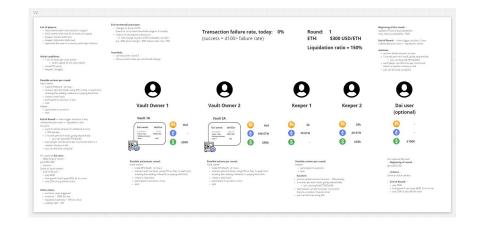
Game plan

To prep for

What's next?

Your own live-action role-playing game!

See you on Monday at 6pm CEST!

All info: **1STOPSHOP**

To do's

Watch basic videos (up to S4!)

Work on the canvases

Prep for playing out your system