

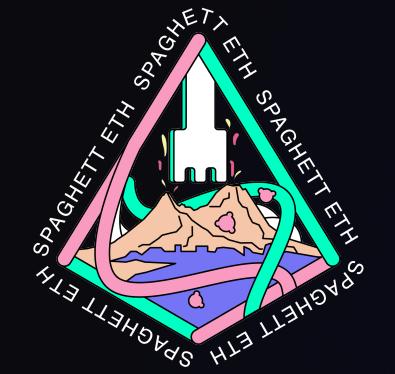
# Scalable DAO models

DeGovernance models need to be scalable  
and need efficient structures.



Andrea0x.eth

# Something about Me



Italian 🇮🇹  
{🍕,🍝,🎻}

Product Manager

DAOs Contributor



Andrea0x.eth

# Something about Me



**Italian** 



An Italian boy, graduated in economics and then IT management, with a passion for technology and IT.

I like playing sports especially tennis.

Contributor



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# Something about Me



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🍕,🍝,🎸

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# Something about Me



Italian  
{Pizza,

## Product Manager

I am specialized in Management with a focus on tech-economic aspects and especially the use of EVM in dApps.

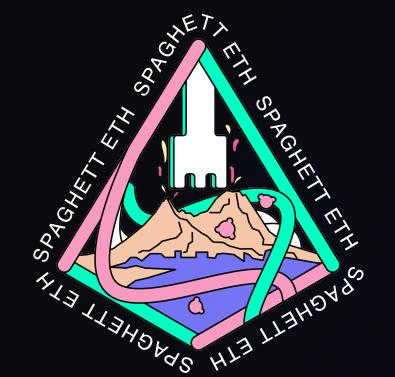
I have worked with several start-ups and collaborate on various projects as a Core contributor or as an Advisor in order to create high-performance and efficient working environments.

Contributor



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# Something about Me



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{🍕,🍝,🎻}

Product Manager

DAOs Contributor



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Italian



## DAOs Contributor

Constantly active in DAOs.

Mainly:

- Grants Council in kwenta.io
- Country lead in synthetix.io

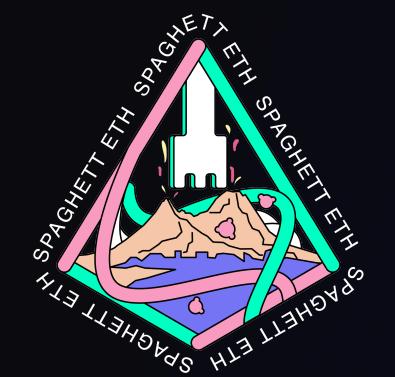
I do Daily R&D about DAOs.

I am a DAO Missionary.



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# Scalable DAO models: Agenda

01 / 03



## WHAT's DAO

- Definition
- why learn about dao
- DAOs Goal
- Key challenges



## Scalability problem trilemma

- Key challenges
- Scalability Trilemma
- Token Holder
- Manipulation Scarcity of attention



## Managing DAOs at Scale

- Social Credibility
- Coordination
- Vote Delegation
- SubDAOs Model





# Scalable DAO models: Agenda

02 / 03

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# Scalable DAO models: Agenda

03 / 03

## WHAT's DAO

- Definition
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- DAO Goals
- Key Challenges

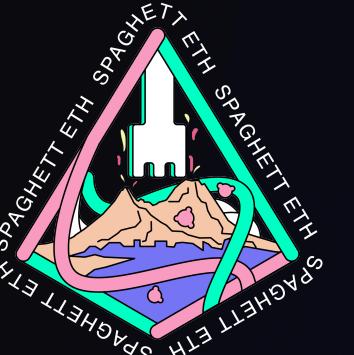
## Scalability problem trilemma

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# What's DAO

# What's DAO

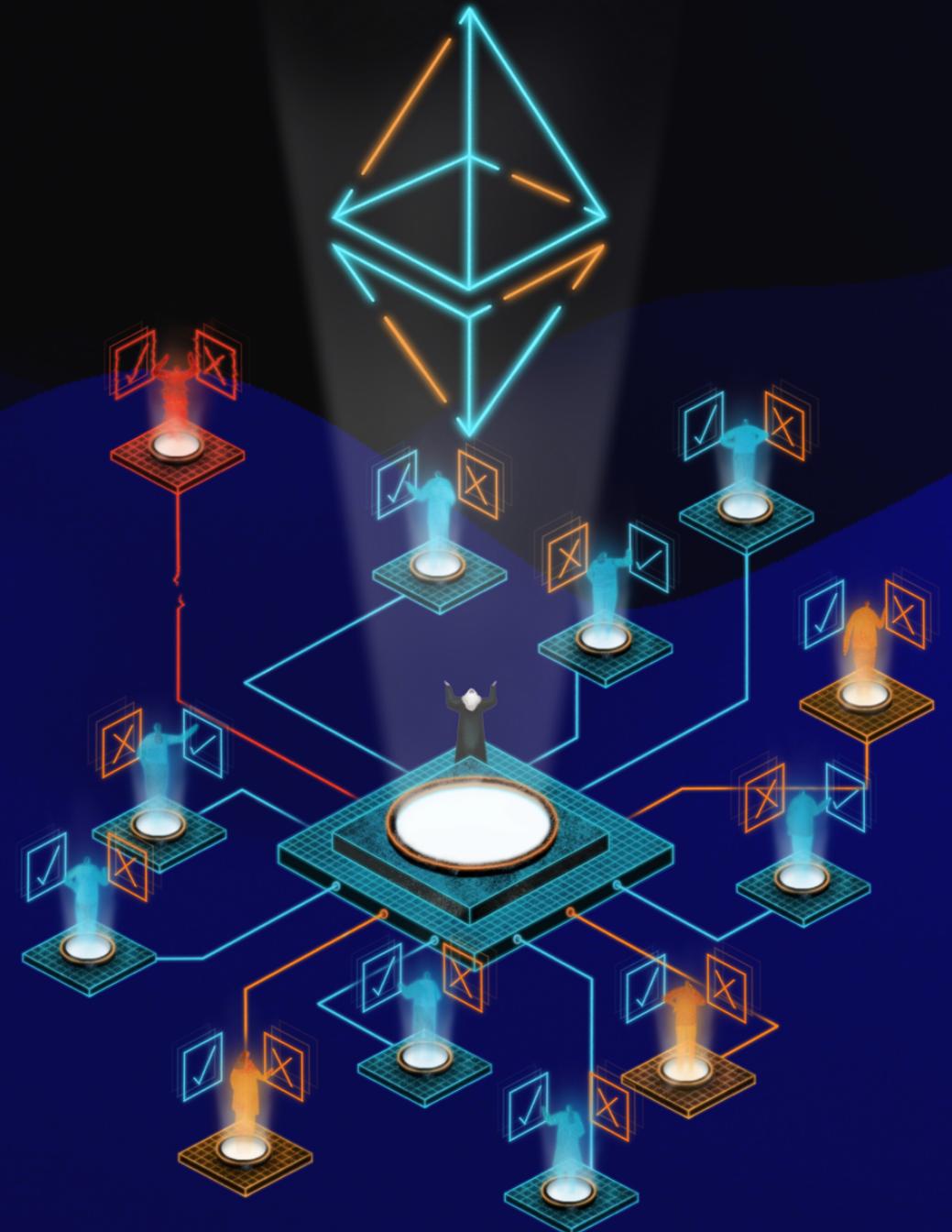


- Definition
- Why learn about DAO
- DAO's Goal

**Blockchain technology:**  
*The best mass coordination tool of all time.*

If we look at DAO, we can say that they are:

*The best tool for the masses  
to sub-coordinate organisations*



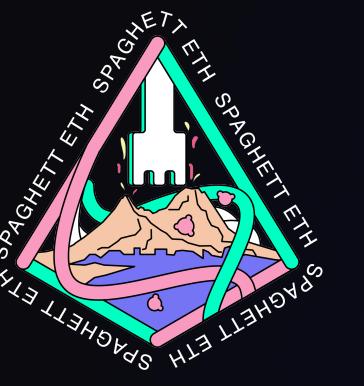
Source: <https://ethereum.org/en/dao/>

**"A DAO is a collectively-owned, blockchain-governed organization working towards a shared mission...  
The backbone of a DAO is its smart contract, which defines the rules of the organization..."**

Source: <https://ethereum.org/en/dao/>



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# What's DAO

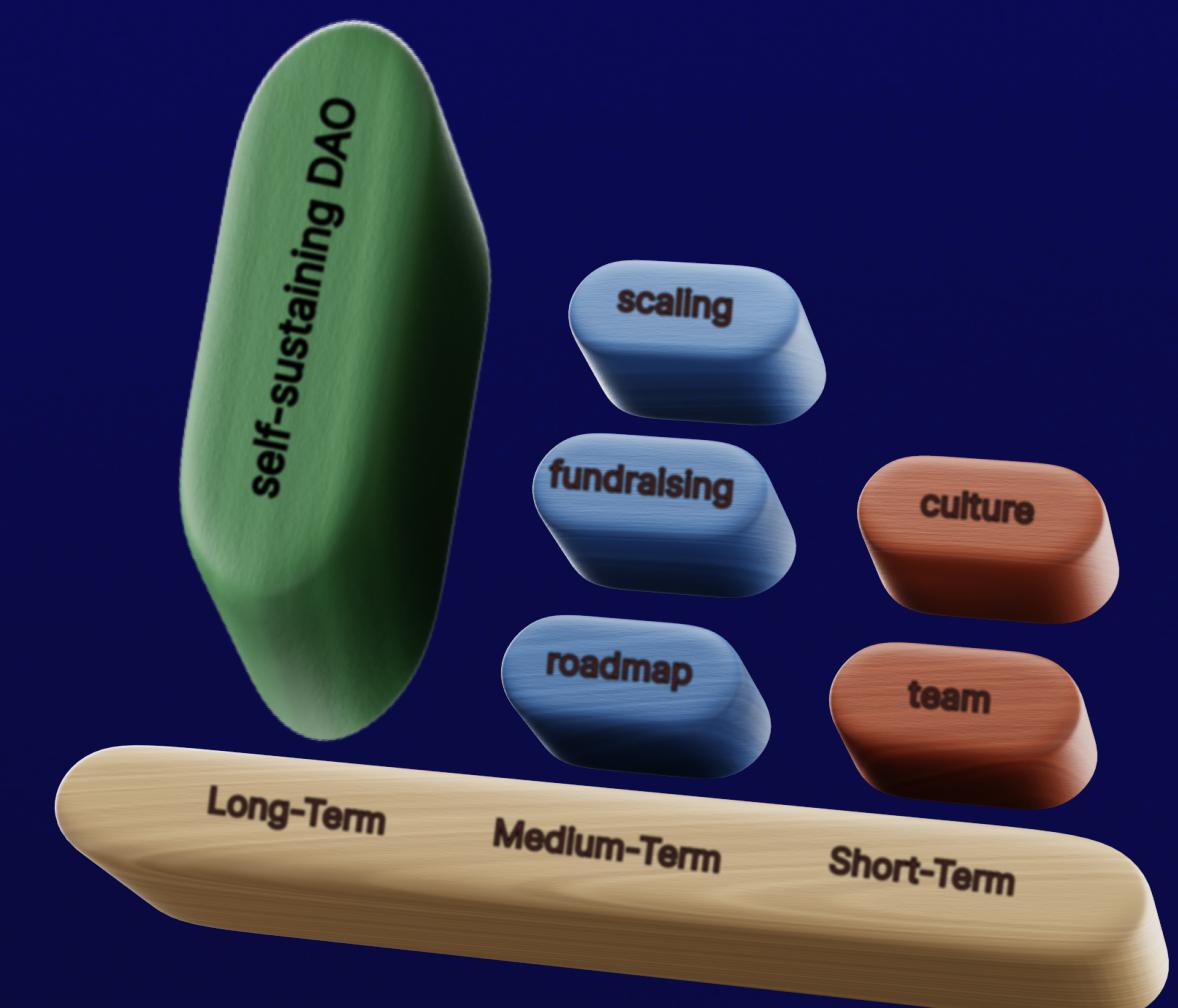
- Definition
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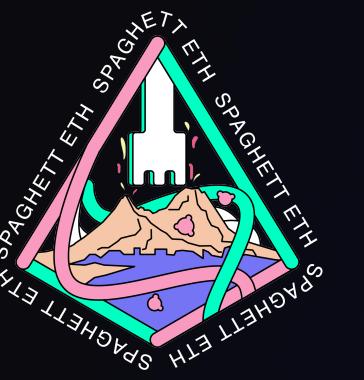
Short/Medium -terms thinking:

- Culture
- Team
- Product
- Fundraising
- Deadlines
- Scaling
- Survive

Long-term thinking:

- Infrastructural Necessities
- Civilization Scale
- Feeding the Network
- Stewardship





# What's DAO

- Definition
- Why learn about DAO
- DAO's Goal
  - 1. Balance Decentralized Governance & Operational Effectiveness
  - 2. Balancing tradeoffs between decentralization & profitability of DAOs
  - 3. Minimise regulatory risks
  - 4. Build a self sustainable DAO





# Scalability problem



# Scalability problem

- Key Challenges

- Scalability Trilemma
- Token Holder Manipulation

Governance →  
Slow down decision making process → Difficult to achieve decentralized environment

Scalability →  
More users → more nuances in the forum → slower decision making

Profitability →  
Difficult to balance the desire for profitability with the need for decentralization

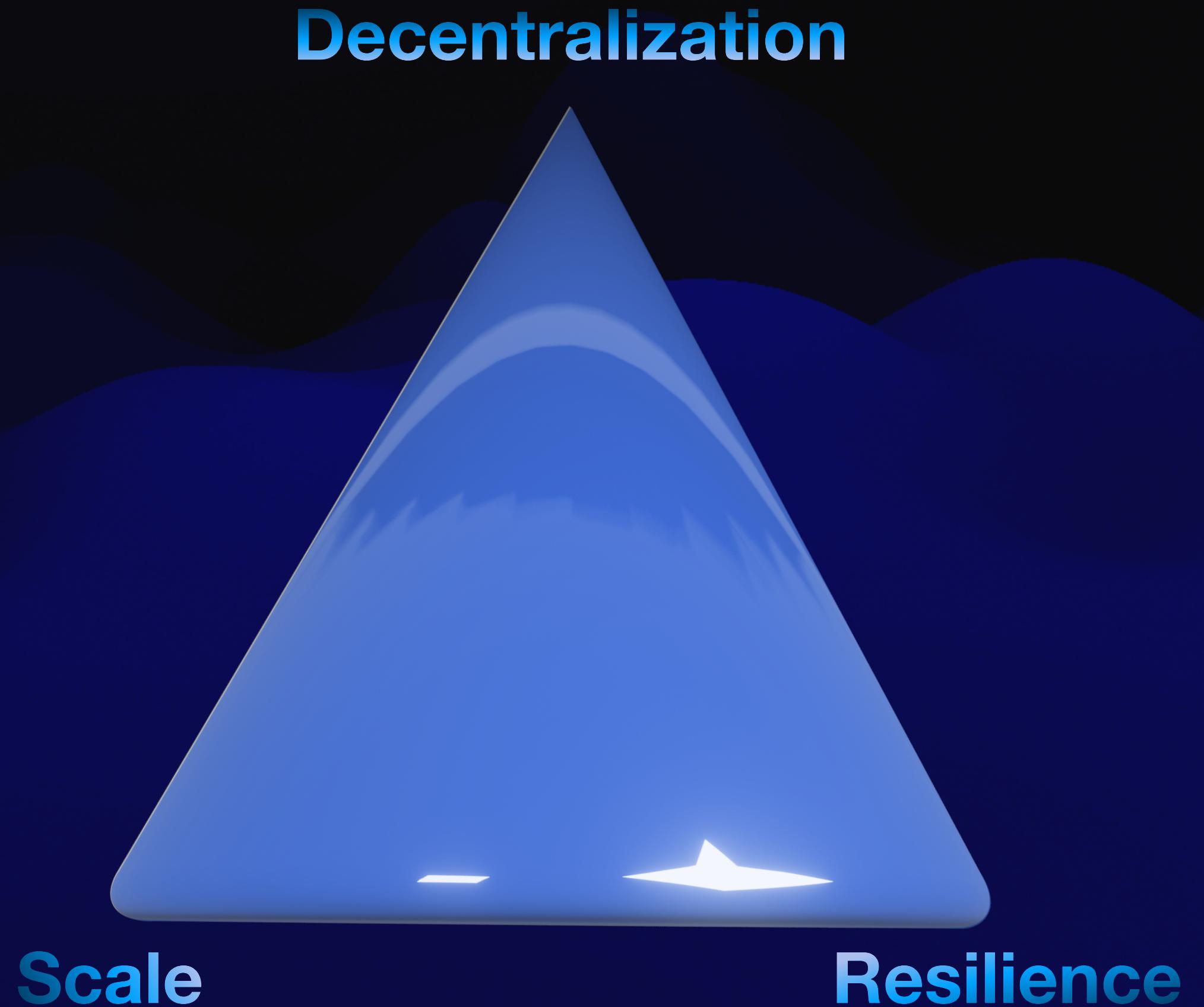
Regulatory Challenges →  
DAOs operate in a regulatory grey area, and there's currently no clear regulatory framework. this can create uncertainty and make it difficult for DAOs to operate effectively.



# Scalability problem



- Key Challenges
- Scalability Trilemma 01 / 03
- Token Holder Manipulation



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# Scalability problem

- Key Challenges

- Scalability Trilemma

- Token Holder Manipulation

**Wide Distribution** of voting power (reputation) in the DAO

**Governance Throughput** Frequency of decision made

**Representativity** of those decisions in line with DAO majority





# Scalability problem

- Key Challenges
- Scalability Trilemma 03/03
- Token Holder Manipulation

**Decentralization:**  
wide distribution of voting power (reputational) in the DAOs.

**Scalability:**  
DAO's governance throughput, or the frequency of decision made.

**Resilience:**  
Representativity, or that the DAO's decisions are in line with the majority of reputation.





# Scalability problem

- Key Challenges
- Scalability Trilemma
- Token Holder Manipulation

Heavy supporters & contributors that should have a better DAO position based on their commitment and on-chain reputation can be overtaken by someone (who can buy or borrow tokens, exploit in some way the DAO contract) and that can manipulate his position within the DAO.

*One solution could be an on-chain attestation/recognition method that would allow people to vote or at least have more say.*

## Tornado cash - Study Case:

Someone exploited the governance contract.  
He deployed the Tornado governance contract and thanks to a malicious proposal the attacker granted themselves 1,200,000 votes.

Through governance control, the attacker can:

- withdraw all of the locked votes
- drain all of the tokens in the governance contract
- brick the router

However, the attacker still can't:  
- drain individual pools





# Managing DAOs at scale



# Managing DAOs at scale

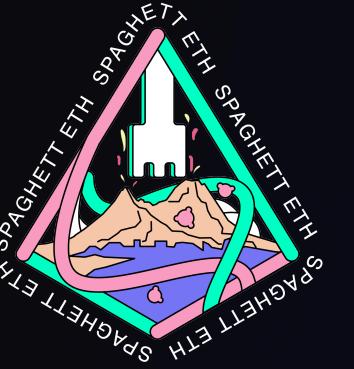
- Social Credibility
- Coordination
- SubDAOs Model

DAO doesn't mean that there's not needed a Leader. Decision making process is different to give a direction.

It's important to note that DAOs should not eliminate middlemen or middle management, as they play a crucial role in delivering products and driving improvement.

By working alongside them, DAOs can better coordinate their efforts and achieve their goals more effectively.





# Managing DAOs at scale

- Social Credibility
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## Social Credibility

Not really a token holder mater but is something more related to the position you've in the project or in general in the space.

Currently, **Optimism** Governance is addressing the problem through badges and on-chain attestation.

**Optimism** is also working, in partnership w/Ethereum Fondation on the Ethereum Attestation Service (EAS)

Source: <https://attest.sh/>



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# Managing DAOs at scale

- Social Credibility
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Signatures

**Make DAOs more accessible for normies**

Regulations

**Lack of accountability, ci si dovrebbe prendere di più la responsabilità di ciò che si fa**



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# Managing DAOs at scale

- Social Credibility

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## The delegation concept

Sub-DAO bodies (autonomous) that manage different areas of the DAO itself.

SubDAO delegates are chosen by the community on the basis of their On chain and Off chain reputation & commitment to the DAO itself.

## Synthetix - Study Case:

The Synthetix governance structure is composed of Councils, Committees, Core Contributors and a DAO.

The 4 Sub-DAOs here are:

**Spartan Council, Ambassador Council, Grants Council, Treasury Council.**

Each governance component is assigned a specific aspect of protocol governance.

Councils are directly elected by SNX stakers, while other governance bodies are appointed according to the existing governance procedures.

All of the components work together to ensure that the protocol is governed in a fair, transparent and legitimate way in accordance with the direction provided by token holders.

Source: <https://synthetix.io/governance>



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# Thank you for your attention

Read more about the presentation and about me by scanning the Qr codes



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Presentation

