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hack.ether.camp

Virtual Accelerator

Abstract

Our goal is to create the ideal innovation environment for startups by utilising blockchain technology for the release of the Virtual Accelerator.

Introduction

"If you look at history, innovation doesn't come just from giving people incentives; it comes from creating environments where their ideas can connect."

- **Steven Johnson**

Year 2009, Satoshi Nakamoto started the Bitcoin project [Nakamoto 2009]. This first blockchain made possible a completely autonomous finance system.

Year 2014, a team of blockchain enthusiasts started project Ethereum, a revolutionary technology making it possible to create essentially any type of autonomously directed blockchain-based object.

Year 2016, we are starting the Virtual Accelerator (VA) to provide transparent and true acceleration to blockchain developers around the world.

The technology of blockchain and smart contracts allows for transparent evaluation and ranking via tokens that allow holders to reflect their conviction for an idea for development.

Crowdfunding projects have become a popular method to raise funding at the early stages of a project (Massolution [2015]), but generally the early backers don't receive anything more than the first version of the product.

A better approach is to enable those that identify the value in an initiative at the beginning to evidence their conviction using units of uniform value. That's what our platform facilitates.

The rights of early adopters who support an idea and project at the initial stages are enforced by the Solidity [Reitwiessner 2015] smart contract deployed to the Ethereum blockchain.

Ideas

"If you can dream it,
you can do it."

- **Walt Disney**

The seed of each successful company begins with an idea. The idea requires a team of people to turn it into a prototype or MVP. A prototype needs user input from early adopters to iterate and improve it until users are actually willing to pay for the features they want. This is the path followed by many startups as they have become today's successful companies. The chain of success always starts with an initial link of an idea.

The Virtual Accelerator registration opens months before the start of the event and we encourage hackers to share their ideas publicly. A well explained idea is the best way to get other people passionate and ask to join your team.

Hackers

"Every child is an artist. The problem is how to remain an artist once we grow up."

- **Pablo Picasso**

The Virtual Accelerator is a platform that allows for the presentation, testing and launch of ideas. It's a place that fosters new startups.

The first step is to build a team. We encourage people to use the platform to find teammates based on mutual interests, shared values and complementary skill sets.

Once a team is in place, and the vision for the project is clear, the next step is to attract early adopters. These are people who will try out the prototype, express interest in the product and commit to the future roadmap.

Attracting early adopters is important as it proves to the development team that they're on the right track.

What's unique about the <hack.ether.camp> platform is that early adopters can also be turned into kickstart backers and fund the project using the tokenizing feature available

to each startup team. (See Early Adopters section for more)

The platform provides an open stage for teams to display and share their work, allowing the whole community to see how they're progressing while getting honest feedback from a panel of experienced judges on their progress and direction.

Judges

"The more original a discovery, the more obvious it seems afterwards."

- **Arthur Koestler**

As the event provides the potential for great ideas and projects to flourish and materialise, we have invited a broad range of judges from various industries and disciplines to provide feedback and direction to the teams.

The judges are there to help provide the teams with motivation, with their votes indicating that a team is making the right decisions.

- Each judge has a total of 1000 kudos which they can award across various teams. Voting will commence one week after the event has started.
- Regular fans also have the right to vote and are provided with 10 kudos to issue to the team or teams they see with the most potential.

Fans can also increase the amount of kudos they have by providing proof of their identity via their Facebook and / or Twitter account. 100 additional kudos votes are provided for each account added. Overall a fan can therefore have a total of 210 kudos.

- Voting on the blockchain is supported by a smart contract ProjectKudos and described in details in the [Smart Contract Description] appendix.

Hacker Gold

"Money never starts an idea; it is the idea that starts the money."

- William J. Cameron

Hacker Gold (HKG) is the official token of the Virtual Accelerator. HKG allows anyone to be involved and signify their appreciation of the best projects participating in the event.

HKG allows you to acquire tokens initiated by the individual startups during the incubation period of the hackathon. Having these tokens, in turn, provides you with preferred voting rights on the way that funds are used to develop the applicable startup's idea. Startups' tokens issued after the hackathon do not come with preferred voting rights.

The amount of HKG collected by an individual team is a de facto crowd expression of the perceived potential of the project. As such, it provides a baseline for future crowdfunding by the team once the hackathon is over. The teams who collect the most HKG will have the largest acceptance by the crowd and will have a clear signal of the strength of their potential.

- For the duration of the hackathon tokens initiated by startups will be listed on the virtual exchange that forms part of the <hack.ether.camp> platform and can be purchased using HKG.

The only way to gain preferred voting rights on a startup's development is to buy tokens initiated by that startup during the hackathon event.

- The emission process. HKG will be available for 9 weeks, starting from 4 weeks before the hackathon starts and ending after the 5 weeks of the event are complete.

Hacker Gold

The price during the emission will be calculated like this:

- P1: Week 1-2: (200 HKG) for 1 Ether.
- P2: Week 2-4: (200 HKG - 150 HKG) for 1 Ether.
The actual formula when X is the day in P2 : $(200 - (X * 3.5))$ HKG for 1 Ether
- P3: Week 5-6: (150 HKG) for 1 Ether
- P4: Week 7-9: (150 HKG - 100 HKG) for 1 Ether.
The actual formula when X is the day in P4 : $(150 - (X * 3.5))$ HKG for 1 Ether

No Premine.

There is no special amount reserved for anyone.

No Second Emission.

HKG will only be available for purchase one time, closing at the end of the second hackathon (December 2016) event. There will be no second sale. When the Virtual Accelerator opens to new entrants through future hackathons the only way to purchase HKG will be on the open market.

Hacker Gold

HKG trading on exchanges.

HKG is expected to be available for open trading on leading altcoin exchanges after the <hack.ether.camp> event ends.

Collected coins:

The HKG token will reflect the success of the Virtual Accelerator, with the ongoing success of the platform in identifying breakout development teams and ideas increasing the desire of developer and fans to hold the HKG token.

The Virtual Accelerator platform presented at the time of releasing the white paper is the 2nd generation version, the 1st generation version of the hackathon platform can be seen here:

<http://season-1.ether.camp>

The Future

Development on the Virtual Accelerator platform will be ongoing with updated versions being released periodically. Our goal is to scale the platform and have frequent competitions, generating more ideas, establishing new teams and forming new startups.

Our mission is to democratise opportunity for everyone, from opening access to entrepreneurs to early funding for development through to providing a way for developers and fans in the community to support other startups' ideas.

The ongoing development and marketing of the Virtual Accelerator will be funded from the sale of HKG.

BlockChain Presence

"It's really hard to design products by focus groups. A lot of times, people don't know what they want until you show it to them."

- Steve Jobs

The team involved in each startup will have a self-enforcing smart contract that will guarantee the rights of each person that acquires the tokens initiated by the startup. This is achieved via the DSTContract, where DST stands for Decentralised Startup Team.

In this section we will provide an overview of the different aspects of the contract, for the technical description please refer to the [Smart Contracts Description] appendix.

Token offer

The startup is an group of developers looking to fund their project's R&D activities. A fundamental aspect of the contract is holding the actual funds collected from the community. There are 2 stages of fund collection:

- Offering tokens during the period of the hackathon. The DST will receive the HKG token in exchange for the particular token a team is offering.
- After the hackathon event is over. The DST can receive Ether in exchange for the particular token a team is offering.

You will find more on the tokens value and rest of the funding discussed in [Post Accelerator Period].

BlockChain Presence

Executive Team

This is the core startup team, who have come together to implement an idea that they all believe in. Teams will vary depending on what they are trying to achieve, but generally it will be a mix of skills e.g. a lead programmer, UI designer and system administrator, would be a classic team that could build any prototype for a software project.

The primary obligation of the team is to drive forward the implementation of the project. An important factor in this is how to allocate funds to make tangible progress. Whether the executive team is one person or more, to move the startup forward it will need to propose how it uses its funds. The ability to do this lies solely with the executive team as it is responsible for the success or failure of the project.

Early Adopters

The adopters are more than just the people who test the initial versions of a product; they're actually real world validation that the project will have users. The valuable contribution of early adopters is rewarded by providing them with voting rights.

Voting rights

Creating a balance between the right of early adopters to influence the direction of a startup, against the agility of the executive team to make funding decisions is key. To allow for this, early adopters will not be asked to approve a proposal but only to refuse a proposal they object to.

If the executive team presents a proposal to spend X% of the funds, the funds will be made available after 10 days unless 55% of the votes held by the early adopters object to the transfer of the funds from the DSTContract.

Impeachment process.

In extreme cases if Early Adopters are not completely happy with what the executive team is doing they can vote to change the executive team personnel. An impeachment requires 70% of the voter rights.

The most likely use case in this instance is to return funds. They can appoint a person who will be responsible for returning the funds according to the share of each involved person.

Post Accelerator Period

"The three great essentials to achieve anything worthwhile are, first, hard work; second, stick-to-itiveness; third, common sense."

- Thomas A. Edison

- After the incubation period of the event, the startups continue to evolve their prototype product into a functioning business by developing more features and presenting the user base with a product roadmap.
- It's important to state that <ether.camp> is not claiming any rights over the startups coming out from the Virtual Accelerator. The blockchain presence of the startups is completely under the control of their executive team.
- The startup will be allowed to initiate 5X more tokens immediately after the event is over. Where X is the number of tokens sold during the hackathon event. The tokens will be available to the general public directly for Ether. Tokens purchased in the second phase of the crowdfund will not come with preferred voting rights.
- The voting rights that early adopters have been given for HKG tokens acquired during the Virtual Accelerator will grant some control over the spending of funds and in very extreme cases changing the executive leaders. [see Blockchain Presence section]
- Collected HKG volatility - Startups can exchange their HKG tokens for leading cryptocurrencies whether that is Ether or Bitcoin. This process will be made gradual to encourage startups to continue their own kickstarter process, promoting the remainder of their tokens for sale.

The HKG volatility of the tokens will be structured as follows:

- 2 months after the event is finished, 50% of the HKG amount will be released.
- 3rd month will be linear monotonic release of the last 50% of the HKG tokens:
 $0.03 * 0.5 * (\text{HKG collected})$.

Project Kudos

"If you don't know, the thing to do is not to get scared, but to learn."

- **Ayn Rand**

The voting system is a key aspect of the Virtual Accelerator. The platform's smart contract system, built on the Ethereum blockchain, allows the community and judges to best recognise teams achievements. The team with the most kudos at the end of the competition will win the first placed prize.

Voting will open one week after the event has started.

Each person can give a portion of their kudos quota to one or more projects. The actual voting is done by a blockchain transaction signed with the person's identity so that it's transparent and traceable.

Each vote given to a project is therefore recorded on the Ethereum blockchain and will be irreversible.

Each registered individual starts with 10 kudos. Users who provide their identity through Facebook and / or Twitter will receive an additional 100 kudos for each account. The addition of both accounts will therefore provide a total of 210 kudos. To reduce the potential for fraud a minimum 100 Facebook friends and 100 Twitter followers are required.

The details of smart contract: ProjectKudos are described in the [Smart Contract Description] appendix.

Apendix

Smart Contract Description

"Make something people want"

Paul Graham

Smart Contract Description

This section describes the Solidity smart contracts utilised by the platform and running on the Ethereum blockchain.

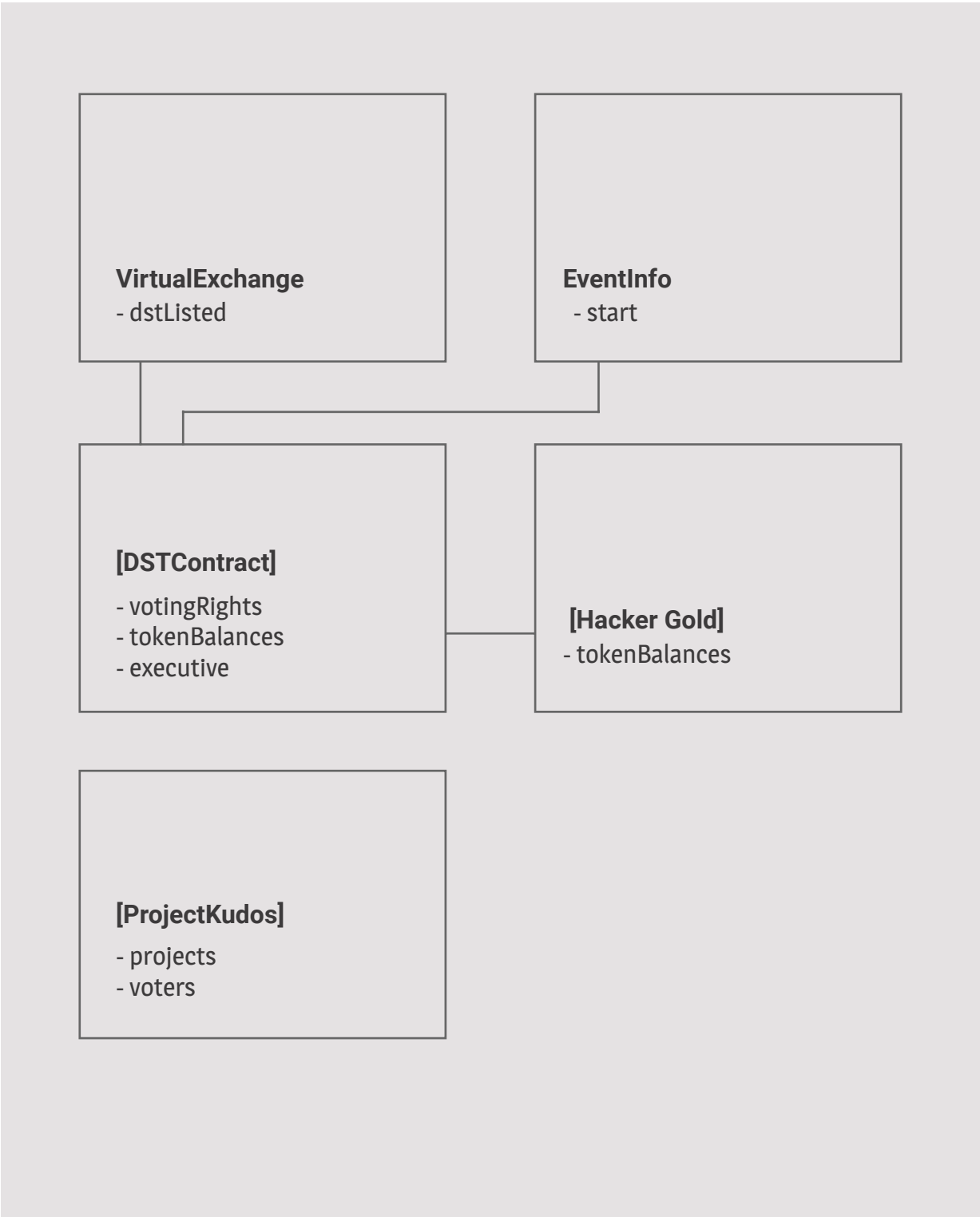


Diagram - 1 (Contract Relations)

EventInfo

Dates to denote the <hack.ether.camp> event.

<source code> will be added soon

DSTContract

DST stands for: Decentralized Startup Team. The contract reflects the relationships inside the startup and the intrinsic value of the project.

<source code> will be added soon

Hacker Gold

The official coin of to be used on the hackathon. The only way to aquire tokens from other startups participating in the event.

<source code> will be added soon

VirtualExchange

The virtual exchange is the technology that is the actual way to trade tokens of promising startups on the <hack.ether.camp> event.

<source code> will be added soon

ProjectKudos

The voting system of the hack.ether.camp, designed for help best startups to be flowing up by real voters. The startup that will gain the most votes at the end of the event will be given the first prize of the event.

<source code> will be added soon

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