



# DAO Research Project Overview

Parth Valecha, Sunho Kwon, Angelo Gagliardi



# The Team

Parth Valecha



BBA Senior

Strategy &  
Entrepreneurship

Incoming Ventures  
Associate at Arana  
Ventures

Angelo Gagliardi



M.S. Sustainable Systems

M.S. EECS (ML/AI)

Sunho Kwon



BBA Sophomore

Concentration in  
Finance



# Problems and Goals

DAOs are an up and coming aspect of web3 with a lot of mixed opinions and question marks

Many feel web3 solutions must require the use of DAOs to be truly decentralized

Others feel that DAOs are not feasible in the real world for their excessive coordination

We set out to understand the reason DAOs exist, their use cases and if there is a future for them



# Our findings - the four types of DAOs

## Investment:

- Venture capital DAOs have potential for their flexibility, however their structure makes due diligence and deal negotiations difficult, making them a mediocre use case
- Collectible DAOs are a better use case as they utilize the flexibility but don't require as much coordinated work as VC DAOs
- Grant DAOs are a great use case as the downside is limited and it's very effective at building a community around a social cause

## Protocol:

- Overall, an effective way to decentralized management and build trust and incentives with the community
- However, has the major downside of trusting average users with the direction of the company when they may not do the research or have the qualifications



# Our Findings - the four types of DAOs

## Government

- Currently theoretical consisting of mechanisms for wellness measurement, policy and candidate evaluation (prediction markets), voting, and incentives for increasing security and evaluation accuracy.
- Weaknesses can occur through voter manipulation, or incorrectly maximizing wrong concept of wellness (Euphoria).
- Feasible near term applications include Government qualified contractor memberships and project bidding.

## Social

- New DAOs are pushing the boundaries on the formation, organization, and definition of community, both digital and in person.
- Social DAOs provide an opportunity to fundamentally change and create new social organizations by leveraging the functionality provided by blockchain



# What we learned

## Conclusion

- DAOs are in their infancy: The mechanisms and vulnerabilities are still being ironed out.
- Offer organizational solutions at different scales (small communities up to countries).
- Require constant engagement to ensure DAO stays functional and secure.
- Taking an algorithmic approach to very subjective systems means a lot of design is based on weak assumptions, so which DAO applications will successfully be adopted is something that is fairly unpredictable.

## Personal Takeaways

- DAOs are an interesting algorithmic take on managing subject and complex social systems, which is incredible challenging and exceptional. It will be interesting to see how they will be applied and at what scales.
- When considering investing in a DAO, it is important to be cognizant about the many DAOs that provide no new innovation and exist just to profit for founders/early investors. A useful question to ask before investing is “why is this organization structured as a DAO and is it necessary to improve operations”.