

# MERIT

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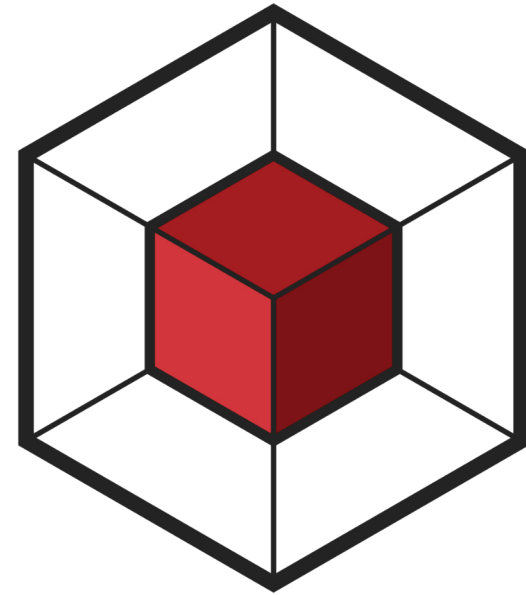
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# Merit Systems

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## INTRODUCTION

Merit Systems is the coordination company. We design and deploy systems that allow workers of the information economy to coordinate at scale. Technology is humanity's greatest lever for increasing abundance, yet the technology for organizing people has not evolved. Humanity's systems for labor coordination are archaic and reflect the mediums for communication of the 19<sup>th</sup> century. Merit is the organizational tooling of a species that has ascended to the stars.

# We Envision A New Commons

*Commons: the cultural resources available to all members of a society*

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**Market forces, not subsidies, guide innovation**

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**Builders capture a sustainable share through direct monetization**

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**Ideas and expertise flow freely across organizational boundaries**

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**Long-term work captures its future value**



# Merit's Core Values

## Build for Humankind

Our mission, above all else, is to create tools that increase abundance for humanity.

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## Merit over Credentials

We recognize individuals by the value and performance of their creations, not by the credentials on their resumé.

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## Climbing the Tallest Mountain

We believe learning does not come from taking the path of least resistance, instead, we single out the most difficult paths and challenges, and pursue them relentlessly.

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## Fundamental Transformation

We don't want to make incremental improvements to existing systems, we strive to change the world.





# Mission: Open Source

At Merit Systems, we invent, architect, and deploy systems that enable developers to collaborate and share in the upside of their creations. We facilitate a free economy that connects the best minds with the best ideas, creating an engine that focuses humanity's largest lever toward shared prosperity.



# Innovation's New Engine

## A Manifesto

The Software Revolution and its consequences have been a gift to the human race, but a new economic engine is needed if we're to continue to reap the rewards.

Innovations reshape civilization's conduits for goods, people and ideas. First came tools for trade—fungible money, sea navigation, joint-stock companies and insurance. Each innovation expanded humanity's capacity to organize resources and share risk. Then came tools for connecting minds—the telegraph collapsed distance between peers, radio and television broadcasts created shared cultural experiences, the internet wove

a fabric for civilization-wide-coordination. On this fabric, Software eliminated the cost of replicating technical artifacts, removing geographic and communication barriers to collaboration. Open Source permeated organizational boundaries, enabling humanity to build collective infrastructure. Yet our tools for aligning human effort outside formal structures are primitive—market signals are broken, creators starve for resources, and our civilization's innovation engine strains against outdated architectures.

We need new tools for organizing human potential—tools built for an age of global distributed collaboration.

## Revolution

Modern firms are cybernetic organisms—human and machine intelligence united by shared incentives. The open source ecosystem is a larger such organism, a fractal of smaller entities woven together. But it lacks the coordination mechanisms to reach its full potential. As AI approaches the frontiers of human knowledge and silicon intelligence commodifies, we face unprecedented questions about the future of innovation. But one truth remains: human ingenuity, properly aligned and incentivized, is civilization's most precious resource.

At Merit Systems, we're building the infrastructure for this future—a system where builders truly own what they build. Where attribution and ownership are enshrined by default, rewarding each contributor in proportion to their merit. We're refining the factory for innovation, creating a system to focus the world's best minds towards humanity's biggest challenges.

**Join us in building  
this future.**



The corporate world attempts to solve these challenges through nested hierarchies: professional managers compress information flowing to the root, while directing resources to the leaves. It's a model that seeks to package creativity into predictable units—the man-month, the career ladder, the org chart. But open source breaks this model entirely. Contributors flow freely between projects. Their motivations

are diverse. Traditional management structures would only constrain and suffocate the dynamic nature that makes these networks thrive.

The future of innovation looks different: fluid teams, partial attention, contributions flowing from the edges of the network. We need mechanisms that can coordinate talent at this scale while preserving individual agency.



## Economics of software

Software fundamentally rewrites the rules of scale. In the 1990s, organizational systems moved into computers, eliminating the administrative tax on scale. What once required armies of clerks became a one-time engineering cost, severing the historic link between organizational scale and administrative overhead.

Earlier, the Space Race taught us a crucial lesson about complex systems. Rockets were detonating because of failures at their component boundaries—divisions that mirrored the shape of the organizations that built them. We learned that complex systems demand deeper integration across these boundaries. The traditional solution was

vertical integration and central planning. These monolithic structures are brittle, slow, and demand massive capital.

Open source software provided a different path. When developers can freely examine and modify code at every level, robust systems evolve naturally through collective intelligence. Expertise becomes portable. Engineers can bypass organizational boundaries and flow efficiently to where they're needed most, maintaining their productivity through shared foundations. This creates extraordinary leverage, yet its potential remains largely untapped—constrained by outdated models of organization and reward.



## Crisis

Although open source software underpins 95% of commercial software, funding its development has been a perennial challenge. There are two dominant funding models for Open Source: venture capital and Big Tech's strategic subsidies.

The venture ecosystem demands exponential returns, following consumer internet's playbook of low-friction distribution, network effects, and eventual value extraction. Much of our critical infrastructure grows linearly and creates steady value that can't match these exponential expectations, yet builders are drawn to these paths because they're well-trodden and hospitable.

Meanwhile, Big Tech subsidizes "free" software, framed optimistically as marketing spend, cynically as a strategy to commoditize their complements. They wield free software as a weapon to create profit deserts across broad swaths of the software landscape, keeping new entrants away from their core monopolies.

This subsidy-driven model distorts market signals and strips pricing power from sustainable alternatives. Developers face a stark choice: burn out or find a benefactor. The result is a market structure that pushes the true costs of infrastructure development onto a fragile patchwork of corporate patronage and volunteer labor.



## Potential

In the 19th century, the lightbulb and telephone could be invented by small teams working in isolation. Today's breakthroughs require coordinating thousands of brilliant minds, each advance pushing against the boundaries of human knowledge.

The best ideas emerge from the long tail—from independent minds across the globe. The best programming languages, web frameworks, databases, operating systems, browsers, game engines, cryptography, and AI platforms are being developed in the open, with the world invited to contribute. These success stories are just the visible peak. Each began as a small effort at the edges of the ecosystem before

growing into critical infrastructure. Beneath them lies a vast landscape of emerging tools, protocols, and platforms that could be equally transformative. Yet this fertile long tail remains inhospitable: starved of capital, lacking institutional legitimacy, and devoid of legal structures to capture and attribute value.

Our existing tools for organization and reward fall short. Equity, academic tenure, professional status—they work within their domains but can't scale to our interconnected reality. They're too expensive, too slow, too rigid. In a world where one insight can create billions in value, we need models that recognize the non-linear nature of creative contribution.

