4.0 COMBINATIONS & PERMUTATIONS

The Core Dev Team December, 2016

A nation reaches the industrial stage of development not merely as the result of industrialization per se but because of the existence of the vital underlying institutions of property rights, scientific inquiry, and capital markets. Once a nation has reached that stage, it has broken the chains of poverty. Economic growth, if you will, becomes encoded into its very culture.

- William J. Bernstein, <u>The Birth of Plenty: How the Prosperity of the Modern World was Created</u>

IT'S NEVER JUST ONE THING

Sakichi Toyoda formalized the five whys, and applied it to developing the world class industrial processes at Toyota Motor Company. The five whys offer a simple, but powerful way of drilling down to the root cause of a problem. You simply keeping asking why?

The results of applying Toyoda's Five Why's are profound. Asking why, like a child, with an open mind, has a way of uncovering facts that don't fit expectations. But there is no reason that the five whys should uncover a root cause instead of a matrix of causes. The idea of a root cause or it's logical equivalent, a key log – is beguiling. The single cause is a siren song of the mind, but the real economy is not that simple. It's a mess of different use cases and causes.

WHAT'S DIFFERENT ABOUT CROWN?

The Crown project developed out of an inquiry into "what could crypto do better?" – or "why is it like this?" And we kept asking why and how, again and again, with open eyes and the wonder of a child. Looking for better ways and uses – not a single use.

The core team started with "native uses" for the digital token: publishing, programming, computing, communication, negotiation, and trade. We developed use models from there. A simple list is one way to unpack some of the assumptions, features, properties and methods which we are working on:

- 1. Usability Focus As intuitive as possible user experience matters.
- 2. Deliberate Permanence Put on the blockchain only what needs to be permanent.
- 3. Secure Forgetting in the journal application.
- 4. Draft mode in the journal application.
- 5. Application Platform operated through nodes running in server mode.
- 6. Open source, Tiered P2P Network with incentives for continuous capacity expansion.
- 7. Self-funding development model through coin rewards.
- 8. Sustainable business models for developers and node operators.
- 9. Proposed social contract to steer away from corporate capture rather than pursuing it.
- 10. Dedicated to a community defined by shared imagination and shared values.
- 11. A diverse pragmatic team.

SO WHAT?

It's not just one thing — each element is essential. Beginning with usable software and ending with a diverse pragmatic team — there is no one key element. The team has some technological innovations, but we wouldn't hold them out as inventions. And we believe in open source anyway — so the code will be there for you to review and borrow if you like. We know we could not even attempt what we are doing if it weren't for the brilliant work, left open and shared, by many who came before us.

The design emphasis on usability and draft/ephemeral modes in a secure setting is different, but just kind of seems like a sort of "duh" thing to do. Once you prioritize usability and deliberate permanence (as opposed to the universal permanence of putting everything on a blockchain) then the other elements fall into place – the logic is clear and inevitable. The usability and deliberate permanence, with the implied draft mode and an application interface are all a little slanted from what anyone else seems to be doing – but not completely different.

We also took some time to ask ourselves, what if this works? And we quickly uncovered another important issue. If the system doesn't work, no one will care about governance – but if it does and we haven't adequately planned for funding or thought about the community structure in advance – then it will fall apart like a stack of colored coins.

So, we thought more about how we wanted the ecosystem to work, which led to another obvious idea: to build business on a platform there need to be profitable models for businesses on the platform – specifically for application developers and node operators. Folks have bills to pay.

With Crown, we **imagine** a platform with distinct design principles, integrated business models, and a few new technical ideas – **combinations and permutations of things that already exist**. But new combinations and permutations of technologies with business models and usability is just the sort of fabric which arguably launched the industrial revolution.

Maybe Crown works. Maybe lowering transaction costs and tapping into human talent can, in Bernstein's terms from the opening quote, **encode a new level of economic growth.** There's a chance. Pursuing that chance, we will leave the small dreams and single use projects to the culture of takers this iteration of capitalism has created and curated.

We will try something bigger -- to build a culture of makers.