
ICO me!
By
Rob Wilson
&
Guy Brandon

ICO me!

Rob Wilson and Guy Brandon

https://icotech.me

Contents

The ICO Revolution

If you're reading this, then we can assume a few things. You've almost certainly heard of crowdfunding - garnering investment from a large number of grassroots backers rather than going to a venture capital fund or public offering. You've probably heard of bitcoin, the first ever form of peer-to-peer electronic cash. And you likely know a little about blockchain, the technology that underpins bitcoin.

If none of the above are true, then don't worry. All will be explained. (The learning curve might be a little steeper, but you're up to it!) But here's the short version:

> **An ICO or 'Initial Coin Offering' is a way of crowdfunding investment for your business and rewarding your backers with a blockchain-based token, much like bitcoin itself. This token will be integral to your business proposition, and as your business grows so will demand for the token. Thanks to the nature of the blockchain, it can be freely transferred and traded by your initial backers to new ones. Growing demand increases its value, providing a return on investment and giving your backers a chance to profit as a result.**

ICOs are only really three or four years old, but they are revolutionising the way that companies - particularly bleeding-edge tech companies - secure seed capital. They might bear a passing resemblance to other forms of funding, but they're a very different animal. When you get down to the nuts and bolts of it, it's not like an IPO, and nothing like going to VC or taking out a loan. It's absolutely its own thing.

Blockchain and ICOs are inherently democratising technologies. In other words, they're about empowering and connecting people and they're about creating and enabling communities. They're all about removing the gatekeepers, the costs and the impediments that exist in the traditional business and financial world. (This is where traditional marketing copy would drop in words like 'disintermediation' and 'disruptive'. Feel free to assume these are implied if that would help.) This can have huge advantages for your business. On the other hand, it isn't something that's for conventional thinkers. But if you've got this far and intend to read the rest, that's not you anyway.

So, brace yourself for something of a whistlestop tour of what it takes to run an ICO, and why you might want to. We're going to be starting with some background to the tech you'll be using and the values we hope your project will embody. If you just want to get to the practicalities, skip ahead to What is an ICO?

What we're doing and why

So this isn't an opportunity to get on a soap box, but we believe our monetary system is broken. Alright, maybe it is a little bit of an opportunity. Because seriously, it's a mess. If you already know this, or don't want to know about, skip ahead - we're setting some context here but if you just want to get to the ICO bit, we won't begrudge you that.

Humans have used some form money for thousands of years, and for the vast majority of that time it's been pretty simple. Money was something straightforward and tangible you used to facilitate trade. Whatever form it took, from cowrie shells to silver coins, animal pelts to salt, it was something you could hold, pass around, exchange for goods and services. Money was simply what people agreed was money in a given context. It was never perfect - we're talking about money, after all - but it was simple enough for everyone to understand and use it.

Over time and particularly over the last few decades, something happened. Money became professionalised, it moved increasingly online, and it became incredibly complicated. Today there are only a handful of people in the world who really understand how our monetary system works. Economics is a fuzzy enough science at the best of times, and monetary economics is utterly impenetrable to lay people.

Back in 2008 when Lehman fell over, the world nearly came apart at the seams. We're still feeling the effects of the financial crisis and will do for many years to come. A large part of those problems were stored up by the way we *do* money.

Our money is almost entirely based on debt. Every dollar created by a commercial bank means a dollar of debt for someone else - along with the interest payments. Forget the *It's a Wonderful Life* version of banks lending out customer deposits for mortgages. (In fact, forget *It's a Wonderful Life* altogether - it's a terrible film unless you like the moral that bankers get away with robbing their customers and then socialising the losses among the community.) Banks, *literally*, lend money into existence.

This has a number of effects. Firstly, the interest payments suck value out of the real economy into the finance sector. Secondly, inflation becomes endemic because for customers to afford the interest payments, prices have to keep rising. Monetary policy is centralised - the central bank and/or government decides monetary policy and whether to create large tranches of cash (QE), as well as setting out regulatory guidelines for the commercial banks to follow in creating money through loans. (That doesn't always work too well, see 2008.) The fact that most money is now electronic and managed by banks means it can be controlled in a way and to an extent that was never previously possible.

The bottom line is: You don't own any money. Not really. It's not yours. You didn't create it, you don't control it, you can't prevent more from being created out of thin air and you can't maintain the value of what you do have. If a bank or government wants to block or reverse a transaction, or take money out of your account unilaterally, they can and will. Your money loses value just through the passage of time.

Sorry, but there it is.

Our contention is that money is too important to be used as a tool of power, whether banks or governments or anyone else. Its job is to act as a store of value, and as a way to facilitate trade. Surely that's not so much to ask?

Open Value

The system we've briefly explained above is the perfect example of what we call Closed Value. It's 'value' that gives with one hand and takes away with the other.

Everyone knows what Open Source software is. It's software that has been developed and made freely available for anyone to use, add to, alter - to adapt for their own use. Closed Source software, by contrast, is proprietary software that a company creates but does not make freely available - its use is restricted or subject to conditions. There's a place for that, and you can understand the mentality that lies behind it. If you've gone to the trouble of making something, you want to be paid for it. But equally, open-sourcing software does not have to undermine its value.

Perhaps the best example of this is Linux - an operating system created and maintained by an army of volunteer-developers, and that underpins a massive range of real-world applications, from smartphones to point-of-sale terminals. If you go down this route, you need a different revenue model because you can't charge for something that can freely be copied. But the real value of Linux for all of us comes directly from the fact that it its creators are happy to give it away.

The antithesis is Windows, another popular operating system that works on the Closed Source model. You buy it, but you don't really own it. Like a music track you pay to download but can only play on specific software, and are not legally allowed to copy. Or - and this is one close to our hearts - like the reward points you're given by a store that you can't spend anywhere else, that you can't transfer and that may even expire after a certain time.

Our current monetary system embodies Closed Value. It's a lot like Windows. We think it should be more like Linux.

Bitcoin is a great example of Open Value. We'll be looking more at this later as background to your ICO, but bitcoin is electronic money that anyone can use and no one controls. It's a lot

like going back to the days where people handed over pieces of gold or silver when they bought and sold things - only you're doing it over the internet. It's not perfect, but it embodies values that our regular money system does not.

Bitcoin

Given that you're reading an ebook about ICOs, there's a good chance you already know all about bitcoin. If that's the case, you can skip this section and right on over to 'What is an ICO?'. If not, you're going to want to pay attention to this bit, because it's Quite Important. Bitcoin is where and how all of this started, and if you can wrap your mind around bitcoin then you'll understand most of the principles that make launching your own ICO token such a compelling proposition.

What is bitcoin?

Bitcoin is electronic cash that doesn't depend on a middleman to work. You can send money directly from one person to another over the internet, without a bank, payment processor, or any other kind of third party. And that's a huge deal.

Ten years ago this wasn't even possible and there were plenty of experts who thought it would never *be* possible. Think about it a minute: when it's so easy to copy data, how can you stop people from sending the same money to two different people, just like you can easily copy a music file or software download as many times as you want?

And so, ever since we started sending money to each other electronically (the first wire transfer service started in 1872), we've needed someone keep our accounts for us. When we use cash we hand it over in person, and that's the way it's been with money since it was invented maybe 7,000 years ago, but online it's a different matter.

The problem is, when we give responsibility to that middleman to keep accounts for us, they can do a lot more than that. They might make the transfer, if we ask them to. But they might not. Banks and credit card companies can block and reverse transactions. They can take money out of our accounts without our permission. They can charge whatever fees they want. Banks and governments can create money at will, leading to inflation. There are pros and cons to this approach, but the bottom line is that *You don't control your own money*. (In fact, as we've seen, it can barely be considered 'yours' in the first place.)

This is what makes bitcoin so different. It's a form of electronic money that doesn't rely on any middleman. It's just like handing over cash, person to person, only online. No bank or other authority is necessary. Just you and me, even if we're on different sides of the planet. Everything about bitcoin - everything that is good or bad, controversial, groundbreaking, threatening or exciting - comes down to that one property.

How does it work?

Credit for solving the problem of sending money directly from one person to another online goes to Satoshi Nakamoto - a pseudonym for the anonymous person or persons who came up with the idea of bitcoin back in 2008. Satoshi's idea was that if everyone was able to check the ledger of transactions, and it was difficult to add new transactions to it, it would become almost impossible to fake a transaction without everyone else knowing and ignoring it, and horrendously costly to try.

The shared ledger is called a blockchain, and it is maintained by all of the members of the Bitcoin network - though you don't have to be an active member of the network to make a transaction. You just need a wallet, a piece of software that talks to the network and submits transactions for you.

Broadly speaking, all forms of digital money or cryptocurrencies work the same way, with a blockchain secured by a network of thousands or tens of thousands of different computers to keep all the accounts honest and accurate. Like bitcoin, all cryptocurrencies can be sent and traded freely, because there are no restrictions on transactions. That means you can create your own digital token and do… whatever you want with it.

It should be pretty clear by now that bitcoin offers a completely different paradigm for moving value around than traditional means. It's not uniformly better, or worse - though we believe that the benefits far outweigh the costs and are very positive about the future of blockchain currencies and tokens. It's *different*. And what makes it different can offer your business something utterly remarkable and compelling.

'2.0'

Bitcoin does one thing really well. It allows people to move value around between themselves. The price of one bitcoin (BTC) in dollars or euros might change, but no one can stop you sending your own bitcoins, and no one can create more bitcoins outside of the agreed supply. It's transparent, honest and resistant to interference in a way that our regular monetary system is not. Not even close.

The cool thing is, you can extend this approach to just about anything. There are so-called '2.0' blockchain platforms that allow you to create your own digital token that can represent whatever you want it to, and that will trade on the open market. It might be a kind of private currency, like Incent (more on that in a moment). It could represent a share in your business, like a kind of digital stock (caution - you'll likely encounter some regulatory issues if you go down this route). It could be a voucher that can be redeemed for goods or services. It could give someone permission to access a music download or a subscriber-only area of a website. The possibilities are endless. That's where the ICO comes in. Because you're going to need to

raise money for your business, and launching your digital token can become an integral part of that process.

We were wrong about bitcoin adoption

Bitcoin is the world's first form of peer-to-peer online money - cash you can send to anyone who has a bitcoin wallet, without any kind of intermediary like a bank.

Back when bitcoin first appeared on the scene and started to establish itself amongst a small community of geeks, libertarians, futurists, speculators and, yes, drug dealers and users, we thought it would revolutionise e-commerce. It was a no-brainer. Bitcoin allowed customers to send money across borders quickly and at almost no cost - compared to the long delays and hefty charges involved with using the banking system (if they even *let* you send cash abroad). Merchants, meanwhile, would be immune to the chargebacks that plague many online businesses, and wouldn't have to pay credit card fees of 2-3%. It was so obvious that bitcoin had such huge advantages to offer that it was only a matter of time before adoption took off.

We were wrong.

There are a few reasons why, but it comes down to the fact that e-commerce merchants and customers didn't think there was *enough* wrong with the existing ways of sending and receiving money to take the time and effort to try out something they typically perceived as complex, risky and tainted by association with the drug markets. BitScan, Incent's parent company, put significant work into creating tools to allow merchants to set up crypto-accepting websites quickly and easily before we realised why we were having problems establishing traction, and used the lessons we learned to pivot into the loyalty sector.

Businesses have plenty of pinch points. For most e-commerce merchants, moving money is not one of them. Bitcoin offers incremental benefits at best. It's only when a step-change is required that they're prepared to consider the radical step of changing their currency.

So where can blockchain tech help merchants? Well, after conversations with dozens of merchants and a couple of years' experience working with them, we realised one of the major pinch points was customer retention. This is tackled in a variety of ways (lower prices than the competition, better customer service, higher quality…), but there's less and less that distinguishes one company from another. Loyalty schemes were a way of attempting to address that.

Where we're coming from: Incent

Loyalty is simple in theory. When a customer does something you like (such as buy something from you), you give them reward points they can use to spend at your store. They come back

in the future and do just that, and probably spend a little more into the bargain. That's important, because the loyalty points represent a liability for the merchant. Whenever a customer redeems them, the merchant has to pay for it.

Air Miles were the first true form of loyalty points, and they worked pretty well. It costs a lot for a customer to buy a flight, but it costs an airline very little to fill a seat that would otherwise have stayed empty. It was win/win. Not only that, but the points could be transferred to other people, so if you couldn't use them yourself, you could give them to someone who would appreciate them. Air Miles were effectively a form of money.

That was the template for just about every form of loyalty scheme that came after. But whilst Air Miles worked well, the sector as a whole rapidly went downhill. Not all businesses are the same. It makes great sense for an airline to give away seats that would have been empty anyway because it barely scratches their bottom line but customers love it. But what about a low-margin business or one where the cost to the merchant is proportionately higher - that is, most businesses?

And so businesses found ways of limiting how their loyalty points were used. Points can generally only be redeemed with one merchant. They made them non-transferrable. Sometimes points have an expiry date. The Open Value that Air Miles pioneered became progressively Closed as businesses tried to hold onto the value they thought they were offering their customers. Even Air Miles themselves became non-transferrable.

The result is that loyalty doesn't work any more. The proof of this is the multiple - perhaps dozens - of cards the average consumer has in their wallets or lying around the home, gathering dust. Loyalty is a $60 billion industry, but it offers very little value for customers and incentivises little repeat custom for merchants. In many cases the costs of implementation outweigh the increase in revenues. So why do so many businesses have loyalty schemes that don't work? Because *not* having one can be even more of a disadvantage than having one. It's a tragedy of the commons.

That's the pinch point we figured merchants would want fixed, and they loved our approach.

What it's all about

We spent a couple of years knocking around the idea for Incent - a journey that involved a lot of revisions, a lot of headaches and several different iterations of the tech we'd end up using. Open Value was a concept we gravitated towards along the way and refined as we brought our product to market.

Most loyalty schemes operate within the walled gardens of their issuing businesses - you can't spend those points at other stores, and you can't even transfer them to a friend. It makes sense, in a way. Merchants are squeezed by the 'loyalty margin': they have to incentivise

repeat custom without having to pay so much for it that it becomes counterproductive. Every time a reward point is issued - created out of nowhere by the merchant - they take on a liability. If too many of those points are spent, they will end the month in the red. Cue a variety of imaginative ways of making them less expensive to the issuing business, and consequently less valuable to the consumer.

But what if you could completely change the economics of loyalty? Over the course of a couple of years we researched and honed our concept. It's likely that most or all of these properties will be reflected in the structure of your own ICO token:

- It would be **hosted on a blockchain**, because we like the control over the currency that this gives to those who hold and use it.
- It would be **transferrable and would trade freely**, so that **the market could establish its true value**.
- Instead of creating it out of nowhere, like bank-issued fiat money, **merchants would buy it off the open market**, kind of like gold or another commodity.
- Conversely, redeeming it simply means **selling it on the open market**.
- It would have a **fixed supply from the outset**, because inflation robs holders of value over time. (To put it another way, it's a deflationary currency.)
- It should be **configurable**. Merchants are all different and will want to decide how much they can spend on Incent per customer transaction based on their individual circumstances.
- With greater adoption by merchants and increasing demand, the **value of Incent would steadily rise over time**.

Some of the reasons that merchants like this, and that your own token may appeal to businesses and consumers, include:

- **No forward liability**. There is a one-off, up-front cost. Accepting a token for payment is a matter of selling it on the open market rather than taking the financial hit of redeeming an otherwise worthless token for goods and services.
- There are also **tax benefits** to this approach. (These will vary from jurisdiction to jurisdiction.)
- **Flexibility**. Merchants can choose what percentage of each customer purchase is remitted back to them as Incent. There is no set amount imposed on them so they can dip their toe in the water at little or no risk to them.
- Incent is an **alternative investment**. In an era of low returns, merchants and customers are attracted to a token that they can not only spend, but that is designed to increase in value over time. Far from expiring, like many other reward points, it is a store of value.

Having figured out how we wanted our loyalty system to work, there arose the non-trivial problem of funding its development and getting it off the ground. Having seen and

participated in a number of successful crowdfunds from both the investor and marketing sides, we came to the conclusion that we should run our own ICO.

What is an ICO?

'It's pretty simple actually. You set up the site to accept deposits, get the white paper and information out there on the message boards, and it pretty much takes care of itself.' - Guy, explaining the process of an ICO to Rob.

'You haven't been wrong about many things, but you were dead wrong about that.' - Rob, post-ICO, drawing attention to the shortcomings of Guy's explanation.

ICO stands for 'Initial Coin Offering'. It's not the most catchy acronym, but it's based on the well-known and understood parallel of the IPO, or Initial Public Offering. An IPO is the first time that stock in a private company is offered to the public. There are a couple of reasons why companies hold IPOs: to raise money, and so that they can trade on the open market. So it is with the ICO. It's a way of crowdfunding cash to get your new company or initiative off the ground, and it allows tokens representing that investment to trade on exchanges. So far so good. However.

An ICO is not an IPO.

This is really, really important. They are not the same. There are similarities, and you might be thinking 'Ok, but really, they are the same, right?' But you would be wrong.

In an IPO, investors buy slices of a company in return for rights to receive dividends, vote on key decisions, trade their shares, and to inspect corporate books and records (through annual reports, for example). By design, ownership of an ICO token should allow **none of these**.

This is up to you, of course - it's your token and you can do what you want with it. But you should bear in mind that there will be significant regulatory headaches involved in issuing something that looks like company stock on the blockchain. People in suits from the SEC (Securities and Exchange Commission) or their equivalent in your jurisdiction will likely want to talk with you, and their conversations will not be friendly. They will involve sternly worded letters, hundreds of miles of red tape, and suggestions that you might be better off kept out of the way of law-abiding citizens by high walls and lots of bars.

We'll be revisiting this later, but for now we can say that the point of an ICO is *not* to recreate an IPO on the blockchain, or to sell anything like shares in your company. You're selling a digital product: think of it as something more like a music download or an ebook - or, indeed, another kind of digital token like an Amazon voucher. It's just one that can be transferred to a new owner on the blockchain and sold easily on the open market.

A brief history of ICOs

In the grand scheme of things, ICOs haven't been around that long. (Remember that bitcoin itself only came into being in January 2009.) There have been plenty of other cryptocurrencies, mostly based on bitcoin with a few minor tweaks - things like faster block times (= faster transactions), better anonymity, and so on. But at the start, these were typically created in the same way that bitcoin was: by 'mining', which is the process by which computers secure the bitcoin network, and are rewarded with new coins.

After a while, someone came up with the idea that they could pay for development and marketing by crowdfunding a chunk of funds (in bitcoin) and then distributing the coin pro-rata to investors, rather than giving all that value away by allowing anyone to mine it. (This also entailed coming up with a different approach to securing the network, since miners wouldn't do the job for nothing, but that's another story.)

The ICO became a popular way to raise funds for new cryptocurrency projects at the end of 2013 and into 2014. It could be pretty hit-and-miss. At the time, the bitcoin world was still the Wild West. Many developers were anonymous, there was huge enthusiasm about this new technology, promises could be outlandish, scams were rife - but on the right project, the returns could be phenomenal. Some projects raised just a few BTC - the equivalent of a few thousand dollars. Others gained millions of dollars of investment. One of the largest early ICOs was Ethereum, which captured the interest of the community back in the summer of 2014. Ethereum is a smart contracts platform. Whilst bitcoin makes it possible to send money peer-to-peer, Ethereum allows you to execute software on the blockchain - making programmes that run automatically given certain conditions, and that can't be shut down. Ethereum sold 30,000 BTC worth of Ether, the 'fuel' that everyone would need to use the Ethereum platform - around $15 million at the time. Any transaction or application run on Ethereum would need Ether (ETH) to work, so the idea was that there would always be market demand for ETH. It wasn't anything like a stock in a regular company. Ethereum recently passed a $4 billion market cap, which is a pretty impressive ROI.

And so it went on. Different blockchain projects raised anything from a few thousand to tens of millions of dollars, based on the strength of their technical concept and business proposition, and the track-record of their developers and team. Incent itself managed to raise just over $1 million at the end of 2016. Earlier that year, the Waves platform (which Incent uses to host its token) had raised $16 million. In Incent's case, merchants buy the tokens off the open market using a merchant-configurable proportion of the customer's funds at each transaction. Waves is more like Ethereum, in that WAVES tokens are needed to send funds or create new tokens on the network. Neither is anything like a traditional stock.

And so the purpose of an ICO is to 'launch your own bitcoin': to create a new cryptographic token that can be transferred and traded freely, but for which you initially control the entire supply and can distribute to investors in return for funding your project.

Why would I want to ICO?

So why would you want to launch your own ICO?

You can ask that question a different way. Why would you want to raise a chunk of cash to kickstart your business, without the encumbrances of conventional VC or a traditional stock offering, whilst leveraging a grassroots community who are not only motivated to bring about the success of the product or service into which they have just invested, but who probably form its earliest and ready-made user base?

Framed in this way, the advantages should start to become clear.

Funding without the (same) strings

First up, the ICO is another way of getting your business off the ground - or of expanding an existing business.

Just about every entrepreneur has come up against the problem of money. Unless you're lucky enough to be one of very, very few cases where it's possible to develop and deploy a product with zero budget, you'll have had to ask searching questions about how to fund your new business. If you're not independently wealthy, there are only a handful of realistic options.

We're already counting out the share offering on the grounds of the bureaucracy and conditions it entails, and because it's typically better suited to established companies that have already gained a degree of success.

You could create a private company, composed of a group of 'angel' investors who sink not only cash but time and effort into making your enterprise a success. It's great if you can find those people, and it's a good way to keep full control of your company. But let's face it: we don't all know wealthy, talented people who have the time and inclination to get on board. (And even if we do, there are other benefits to the ICO that we'll discuss below.)

You could take out a loan. This is the reality for many entrepreneurs and small businesses - and indeed, many large companies are highly leveraged as they eye expansion and new activities. But you're likely wary about this approach. For a start, money always comes with conditions attached, one way or another (and yes, that's true of ICO funding too - it's just that the conditions are different). If you borrow from a bank, the bank owns you. If you don't

pay up, you're liable to have your business assets repossessed. But that's if you can even get a business loan in the first place. Since the financial crisis banks have been reluctant to make all but the safest of loans. A lot of small businesses have found that credit just dried up for them.

In the last few years there has been a rise in the 'credit card entrepreneur': those who start their own business funded by a credit card loan. That's a high-risk strategy indeed, because the rates are probably somewhere around 20% per annum and if you don't get to market in the expected timeframe, you've got a major problem.

Others have fallen back on friends and family to provide the loans they need to get off the mark - again, nice if you have the support but many of us don't, and many of us feel understandably awkward about accepting money from those closest to us, aware that there's no surer way of souring a relationship if things go wrong.

And so we come to the ICO. By crowdfunding your project, you are gaining funding for marketing and development **without taking on debt** - and therefore, without being in hock to the bank or lender for the interest payments every month, on pain of unwelcome visits from the bailiffs should you default. At the same time, the funding does not come with the encumbrances of a traditional stock offering because - if this point hadn't sunk in already - **AN ICO IS NOT AN IPO**. That means you're not giving away control of your company: your investors are not shareholders, they do not have voting rights, you will not owe them dividends (remember those guys in suits from the SEC?), and you don't even owe them the right to inspect your books.

If that sounds too good to be true, then hold on just a minute. Just because your ICO funding doesn't come with the strings of traditional (bank, VC) funding doesn't mean it's a slab of free cash for you to splurge on Lambos and Bollinger (it's not 2014 any more, and some of the guys who tried it are now recognising the error of their ways). You're still making promises to your supporters and they're going to get upset if they think there's anything fraudulent or shady going on. Plus, if you want to gain the maximum funding and confidence, it's up to you to be whiter-than-white in your dealings with your investors. Transparency has always been a big deal in crypto circles, and it's down to you to provide it so that your community of investors can help keep you on the straight and narrow. That means doing everything you can to keep them informed, and to allow the secondary market to make the best possible decisions it can - some of your initial investors will want to sell, and their buyers will need to know to the best of their and your ability what the token is worth.

And yes. We know that you can't be both whiter-than-white *and* transparent. Just let it go, ok?

The forward dollar

Whatever your jurisdiction and whatever way you look at it (ethically, legally), you still owe your investors their money - plus a premium in return for the risk they are taking in entrusting it to you in the first place.

The difference is that you're gaining your funding up-front, with no loss of control of your company and no obligations to repay until you get to market.

That totally changes the dynamic for your company. Other sources of funding will come with interference of one kind of another. With an ICO, you receive the funding and get the space to do your thing without the bank breathing down your neck or your backers trying to steer the ship for you. And this provides you with the agility to test and adjust your value proposition as you search for 'market fit'. (To warn you in advance, when you ICO you'll find that suddenly EVERYONE is an expert in how you should be running your business. It's just that you're not under the same obligations to follow their advice that you would be with other forms of funding.)

We call this the 'forward dollar': money now for a product in the future, or the promise that you will deploy that money to specific ends. It's a powerful idea and one that gives you tremendous freedom to pursue your goals without unwarranted constraint.

Community support

There's at least one more reason you might want to go down the ICO route, even if you have other sources of funding available (and hey, there's no reason you can't combine the two). It's a fantastic way of developing and engaging your community. It's great if you can secure 1,000 or 5,000 investors. But what if those investors were *also* customers, focus groups, testers, employees, consultants, sales reps and marketing team - all of whom offer you added value without expecting anything in return beyond what you're already giving them through their tokens?

One of the great things about the blockchain world is its ethos of equality. It shouldn't be surprising, really: this is a set of technologies that relies on disintermediation, the removal of middlemen, and with them gatekeepers and hierarchies. What's more, we're still at an early point in the history of blockchain tech. Most of those who work with it recognise there's something qualitatively different about it compared to traditional business models and methods. Many of your investors will be only too happy to get stuck in and help out in one way or another. They recognise that if they can add value to your business, it benefits them too - and the business is still small enough that such help can make a material difference (in a way that, say, convincing a motorist to buy a larger car isn't going to make so much difference to BP's bottom line).

Best case scenario, you gain a bunch of angel investors who are essentially vested in a start-up company and are prepared to put in extra effort to make sure it succeeds. That effect is real and measurable. By some entrepreneurs' estimates, a dollar gained in the course of a crowdfund could be worth as much as three dollars secured by conventional means.

> *Out of the blue one morning, an investor on our Slack dropped a message in #general asking for one of the team to get in touch with him urgently. 'Got some questions from a potential client.'*
> *'I'll call you in 10mins. In the meantime check out http://icotech.me' replied Rob, who happened to be online at the time.*
>
> *Gaining a new lead for our ICO tech was as simple as that. It was one of several similar opportunities that all but dropped into our laps thanks to the way that our own ICO engaged our community. Many of them had their own projects in development, or knew other people who did. They had seen the way our tech worked and liked its simplicity and reliability. That probably would have been enough, but better still they knew that as an Incent investor, anything that promoted our offering would also benefit them.*

One of the things you need to bear in mind about an ICO - and this can be double-edged - is that you are signing up way, way more than passive consumers or sleeping investment partners. If you do it right you'll have engaged these guys extensively and personally, they will have bought into your vision enough to send you their hard-earned cash, and they will have a sense of ownership that goes well beyond possession of a token. It's not like buying a stock in a regular company: there will be an emotional connection to the project and they will want to express that in a variety of different ways, good and bad.

Manage your community well and you will have ongoing access to expertise and opinion from dozens or hundreds of people who are tech-savvy and understand the crypto world better than anyone else in the world. Crypto is still in its infancy and these Slack communities tend to form the greatest concentrations of blockchain talent anywhere. If you're looking to hire or need specific expertise, LinkedIn is rarely going to help you and you can forget about an ad with a regular recruitment agency. This is where it's going on.

> *Not long after we finished our own ICO, one of our Slack community - who are dispersed all over the world - suggested that we get in touch with a developer he knew in Sydney. We made vaguely positive noises and filed it at the back of the shelf. A little while later it became clear that the guy had contacted his friend directly and told him we'd be in touch. It was a fair cop - we'd said we would be, and we hadn't. Our bad.*

So Rob dropped him a line, since they were in the same city, and they duly met up. It turns out they guy was a genius Ethereum developer. He and Pete put in some hours and figured out how to create a cross-chain protocol that would allow the same asset to exist on both Waves and Ethereum blockchains, travelling between them easily. (If you're not up to your eyeballs in the crypto world, this may not strike you as a big deal, but it is. No one had done it before. By using two major blockchains you can engage two totally different crypto communities, use functionality from both and enjoy the benefits of redundancy on exchanges and other infrastructure.)

We'd been talking to another entrepreneur about a major crowdfund he was running with his own organisation. He took this new piece of tech to his team, and they were impressed enough that it clinched the deal for us to provide the tech for their ICO. All because some guy on Slack suggested we get in touch with some other guy who happened to live in the same city as a couple of the team members.

A final word of warning to temper your expectations of your community. ICOs are, by nature, an open-door affair. And, as the late Deng Xiaoping, paramount leader of the People's Republic of China, once said, 'If you open a window for fresh air, you have to expect some flies to blow in.' Along with your blockchain experts, business gurus and essentially helpful community members, you're probably going to get some flies - or, as they're better known online, trolls.

Whilst most of your community will be actively helpful or, at least, constructively critical, there's nothing to stop those without any interest in your business from signing up. They may be current or former investors who have become disgruntled for one reason or another, but they may just be one of those people who find meaning in life through the medium of pointless unpleasantness.

Identifying a troll isn't always easy because they sit on a spectrum between subtle and insidious through to repellant and blatant. And people will want to voice genuine concerns they have about your project, well-founded or otherwise. So it's up to you the extent to which you engage with community members who push the boundaries - and what your red lines are. In our case, we've always tried to be as respectful as possible when people have asked questions, even if they frame them rudely. If they're actively and intentionally spreading misinformation such that it risks having a material impact on what we're trying to do, well, the internet's a big place. They can do it somewhere else.

Can I tokenise my business or business idea?

By this point, you should have a pretty clear idea of the benefits of holding an ICO and what you might stand to gain from one. The question may remain, however, of whether your business is suitable for tokenisation - and if so, what that might look like in practice. In this

section, we'll take a look at some of the conditions around successful tokenisation, and the models you might think about using.

Enduring demand

Ask any domestic feline and you'll know there are any number of ways to skin a cat, but they will all share certain themes (such as the result of a chilly and disgruntled cat). So it is with tokenising your business. There are many ways to go about it, but you'll need to bear some broad principles in mind.

Your token should be built into the fabric of how your platform or application works. Ultimately, what you're looking to achieve is demand for your token on an ongoing and ideally permanent basis. Or turn this around: as an investor, would you put your money into something that limits the lifespan, utility and upside of the token you are buying?

Yes, you could sell 100,000 tokens at $1 each and buy them back for $1.10, essentially securing a loan at 10% interest. But that's not intrinsic to the functioning of your application, and it starts to look a lot like a traditional financial product like a bond, which can be traded but pays interest. Cue one of those visits from the chaps in suits you've been hoping to avoid. More on this below.

Let's take Incent as an example again. We created a fixed amount of Incent after our ICO ended (46,016,625, if you're interested). That was distributed to our investors, with a proportion reserved for us too. Whenever a customer makes a transaction with an Incent-enabled merchant, a percentage of their payment (configurable by the merchant) is sliced off and used to buy Incent from an exchange, at market rates and more-or-less in real time. **Incent is not only the token against which we raised money, it is the token of reward used by the programme.**

Assuming all goes well, demand for Incent will continue in perpetuity. Demand is built into the way we designed the reward scheme. If it wasn't, there would come a point at which investors would realise their tokens were about to become worthless. And investors tend to be funny about that kind of thing.

Tokenisation models

So broadly speaking, you're looking to raise money at ICO by selling a token that will also form an integral part of your application. In the seemingly endless process of evolution of Incent, we at one point bounced around the idea of issuing two sets of tokens: one for investors, that would be used to reward those who had funded us, and another that would be used by merchants to reward their customers (and that wouldn't appreciate in value). Bad idea because the investor token starts to look a lot like a security.

So: one token for fundraising, that's also of intrinsic and permanent utility in your final application.

Within that constraint, there's plenty of ways you could tokenise your business. You could go about it like we did for Incent, but there are all sorts of variations on this theme. Here are a few examples to get you started:

LinkMyFace: in-app currency

Let's say you're creating a new social network called LinkMyFace. Within the platform it will be possible to take part in a variety of different activities like tipping other users, buying advertising, upgrading to premium features, and so on. All of these require use of a token, which we'll call LMF, or LinkMyFace Coin, because we're imaginative like that.

Development and marketing for LinkMyFace is funded by the sale of 5 million LMF at $1 each. When the platform launches, users - who will likely include a large proportion of your ICO investors and initial LMF holders - will pay in LMF for the services that LinkMyFace offers.

New users will come to the social network and will want to use its features, which will require that they own LMF. That's not a problem, because as a blockchain token LMF trades on the open market. (You may even build in a brokerage, or what we call a gateway, that allows them to buy LMF at market rates. More on this shortly.)

The more people who sign up for LinkMyFace, the more demand there is for LMF and the price naturally rises. Initial investors can sell at a profit, or continue to hold their LMF as an investment or to use the services on LinkMyFace.

CoolBeans: voucher for products or services

You've just taken on a cafe, which you've artfully renamed Cool Beans in honour of its hipster clientele. (They can't decide whether to take it at face value, if it's retro, or whether it's a delightfully postironic piece of self-effacing circular humour, which pleases them.) You take the decision to upgrade your coffee machine to a top-of-the-range model and build an on-site roastery to appeal to the discerning connoisseurs of the local neighbourhood. Unfortunately, this will cost you $10,000, a sum that you do not possess.

Thus you sell 2,000 for COOLBEANS tokens for $5 each, largely thanks to a very successful local advertising campaign (well done you). These tokens can each be redeemed for as many cups of artisan coffee as each bearer can drink in one sitting, plus a slice of vegan, locally-sourced stone-baked pizza. The tokens are transferable, which means lots of them are bought as presents. Over time, you will collect an increasing number of these tokens as they are tendered for payment. If you choose to, you might resell them as a kind of gift token or reissue them as rewards, but that's up to you. So long as you honour the COOLBEANS token at

any point in the future, it can continue to circulate and be bought and sold independently, until such time as a holder wishes to redeem it with you.

Ultimately the hipsters see through your efforts to impress them and go down the street to a place they serve coffee from a $50 Chemex in old jam jars. But that's ok because you still have a $10,000 coffee machine, zero debt, and a great little cafe that suddenly appeals to mainstream customers. Result.

PlumbIt: building or protecting your ecosystem

You operate a profitable 'middleman' business, sourcing household plumbing supplies in bulk from an international manufacturer and selling them on to small businesses and sole traders at a markup, but still more cheaply than anywhere else nearby. Over time you have built up a network of local and online clients who both trust the quality of your merchandise and appreciate the discount you can give them. Nevertheless, you recognise the competition posed by the large DIY stores and other online retailers, and the threat these pose to the future expansion of your business.

You decide to crowdfund a blockchain token to be used within your existing B2B and B2C ecosystem. You collect $100,000 from investors and create 1 million PlumbIt tokens, each with a nominal initial value of $0.10. When customers purchase anything from your store, a percentage of each transaction is used to buy PlumbIt from the open market and sent to the customer. Customers (or ICO investors, if they wish) can redeem PlumbIt at your store, and you organise this in such a way as to incentivise the most profitable activity.

For example, you issue PlumbIt to all customers in proportion to the amount of money they spend, but double the quantity for every dollar over $1,000 (e.g. 5% of the purchase value up to $1,000, 10% of every dollar thereafter). You offer a discount when customers pay in PlumbIt. When shopping online, PlumbIt is only issued - and can only be redeemed for a discount - when customers use *your* website, rather than third-party websites that charge you a heavy commission.

The effect of PlumbIt being bought and sold at market price as it is issued and redeemed, respectively, ensures liquidity and results in an immediate increase in prices, since there will be a lag before any PlumbIt issued to a customer is sold (whether it is 'sold' to you for goods, or sold on the open market, should your customer be tech-savvy enough to do this). PlumbIt is a deflationary currency, since there is a fixed supply and some of it will inevitably be lost through customers forgetting about it. You may choose to remove pressure from the buy side by setting aside a small proportion of PlumbIt every time it is redeemed and destroying it (a process known as 'burning'). This results in an increase in the value of PlumbIt over time, benefitting your ICO investors, as well as any customer who holds it for the medium-term. The overall effect is that PlumbIt circulates predominantly within your ecosystem, increasing

the velocity of money and convincing customers to keep coming back to you rather than going to the competition.

Gateways

It probably hasn't escaped your notice that your blockchain-based token needs some kind of interface with the real world. This may or may not involve exchanging it for cash in one way or another. The interface between the blockchain and the real world is what we're calling a 'gateway', and it might take various forms.

In the example of the cafe, above, the gateway is the cafe itself. COOLBEANS tokens are exchanged for coffee and pizza on the physical premises. You might even restrict purchases of COOLBEANS to cash only at ICO, again selling them only to people who physically turn up in the cafe - though you'd be restricting sales unnecessarily. After distribution, there is nothing to stop COOLBEANS from trading on independent exchanges at whatever price the market deems right, but that's not your problem. You designed it to be exchanged in your cafe, and whatever goes on outside of that is up to other people.

For the social network, you'll probably want to facilitate ways for customers to acquire the LMF token, as well as offering ways for them to spend it on LinkMyFace. Third-party exchanges will give anyone the opportunity to buy it, but you'll want to make the process as easy and frictionless as possible. Again, there are various ways of going about this. Some projects essentially provide an interface and intermediary to the exchanges, allowing customers to purchase tokens with a credit card or PayPal from you, whilst you fulfil the order by buying from the exchanges.

The primary gateway for PlumbIt will again be your stores, but you will need a way to buy the token off the open market, so at least one exchange is necessary here as part of your infrastructure.

Legal Considerations

Disclaimer: We're not lawyers. The following is not legal advice. Reading this ebook does not confer the right to blame us for any regulatory issues you encounter as a result of your ICO. This information is given for purposes of, er, information only. You should probably consult a lawyer who specialises in this kind of thing before you get going, even if lots of other people don't.

In all seriousness, the landscape moves pretty fast and you should take the time to read up a little on the regulatory situation in your jurisdiction. You will be able to get a sense of the broad strokes, even if the nuance may require a specialist. You might want to have a look at this article, for starters.

The term you'll most want to familiarise yourself with is 'Howey test', after the W. J. Howey Co., which established the legal basis of what is and isn't considered a security after the sale of contracts involving citrus groves back in 1946. Yes, the rules governing the legality of your blockchain project date back to a time when cutting-edge technological developments included Tupperware and the transistor. Think about that next time you eat an orange.

Ok, so: the Howey Test states that 'An investment contract for purposes of the Securities Act means a contract, transaction or scheme whereby a person [1] invests his money in [2] a common enterprise and is led to [3] expect profits [4] solely from the efforts of the promoter or a third party… it being immaterial whether the shares in the enterprise are evidenced by formal certificates or by nominal interests in the physical assets employed in the enterprise.'

Mined crypto coins like bitcoin pretty much avoid the definition of a security under point [1], because they don't involve an investment of money. If you're holding an ICO, that does pretty well tick that box, because your supporters are committing funds that they could lose. Note that things like guaranteeing a certain future price for your token up your exposure here. So don't.

Number 2, is this a common enterprise? That's more of a grey area, depending on how your project works. There are also different kinds of commonality. There's so-called horizontal commonality, which basically just means that everyone benefits together depending on what happens to the value of the token (a token that is more valuable for me is also more valuable for you). Often the rise in value will occur through sharing profits as dividends, though not exclusively. Then there's vertical commonality, which means that investors' fortunes are closely linked with those of the company seeking the investment, or of third parties.

That starts to become a different ball game, because your enterprise could do very well even if the token price tanks, and equally the token could go through the roof but your company could fail. There are many different factors that influence the success of your company. It is not necessarily intrinsically linked to the value of the token you issue on ICO.

One sure way of throwing this advantage away is by holding the majority of the tokens you create. Naturally you're going to want to keep a good few because you're expecting them to rise in value and you do want to benefit from that. And they're a great way of rewarding employees and other partners with something that reflects the work they put in: if they bring value to the project, they reap the benefits of that. But keeping a very large share of tokens raises all kinds of red flags.

As it happens, the cryptocurrency world is highly sceptical of this kind of large 'pre-mine', as it's known, because it gives a huge amount of power to the issuer. It's a classic scam to hold onto a big pre-mine, which is later dumped on the market, crushing prices as the issuer trousers all the profits and disappears. The vile scum at Paycoin, a much-hyped project from

2014-15, did just this, as well as pumping the value by promising a price floor vastly in excess of what it originally sold for. (This wasn't just misguided, it was blatantly fraudulent from start to finish and no one was sorry when they got their comeuppance.) Regulators don't like it much either, and for good reason.

Number 3, the expectation of profits, is a tough one to sidestep. You could try telling your backers that they won't get a return on their investment, but it's unlikely to help your cause. There may be ways of structuring your project that mitigate your exposure to this, but realistically you're going to need to reward them in some way.

Lastly, there is the centralisation of the project and the extent to which it relies on specific entities to deliver and transmit value. The broad message here is that the more diversified your ecosystem and the more open and decentralised your blockchain partner, the better. If someone can stop or influence payments, you may have a problem.

Once again, we don't want to claim we're giving up-to-date legal advice on a complex issue that varies across applications and jurisdictions. This meant to be a starting point that gives a sense of the landscape and some of the key issues at stake.

As the crypto world matures, the picture will become clearer. As some major players launch their own ICOs and digital tokens, they will form clearer precedents for others to follow. You'll also need to bear this in mind when looking for exchange partners, since centralised exchanges operate in specific jurisdictions and may be wary about dealing with tokens that don't meet their compliance requirements - even if there aren't any problems for their issuing company.

Preparing to ICO

'I want this to be the first thing you think of in the morning and the last thing you think of at night.' - Rob, apparently channelling Billy Crystal from When Harry Met Sally.

Getting ready for ICO is very much a matter of putting your ducks in a row and then sticking to your guns. That's not to say the unexpected won't happen - in fact, you should expect it to - but that there are certain qualities your investors will and should expect from you.

'The unexpected very rarely happens. But when it does, it happens when you least expect it.' - Anon

Do:

- **Prepare thoroughly.** You will find that your investors have an uncanny knack of locating weak points in either your business model or your communication of it. Do your homework, put the effort in to communicate your technology and business

development plans. If you don't, you could find yourself floundering and potentially losing investors.

- **Engage your community**, before formal ICO launch. This can be an amazing opportunity to refine your concept and establish key relationships at an early stage. The period of time before ICO launch is when you still have the flexibility to make changes - as soon as you start, it's too late.
- **Be as transparent as possible.** Give out whatever information you can, and if there are details you cannot divulge (quite possibly for very good reason), be prepared to explain why you can't. Investors will appreciate being kept in the loop. Conversely, if they think you have something to hide, it will undermine your credibility and confidence in the project.

Don't:

- **Change the goal posts.** One of the fastest ways to lose your investors' trust is to change the terms of their investment. Open Value is all about respecting your backers and giving them something of *real* value. When you change the terms of an ICO, you invariably disadvantage certain holders against others. In rare cases it may become necessary to change the rules for one reason or another, but you should aim to honour the spirit if not the letter of the original agreement.
- **Omit key elements.** This consistency applies to **all** aspects of your ICO, from duration (i.e. do not cut it short or extend it), token issuance (fix the supply and inflation, if any, at the start and stick to them), bonuses periods, etc. Naturally, investors will be happy if you make a change that benefits them - just ensure that it benefits everyone.
- **Forget your community.** It doesn't stop at the end of the ICO. Your community are your investors, first customers, testers and focus group. Maintaining and growing your community is a priority. Remember also that they hold your tokens, and if you shut them out after the ICO is over, 'the market' (= community) will not treat the value of your token well, with implications for new users and investors.

Explaining your concept

The more time you put into explaining your concept and value proposition before your ICO, the less time you'll end up spending answering questions as you try to convince your community to back you. Ultimately you're looking for a range of materials that explain what you're hoping to achieve in anything from a soundbite (taglines are important) to the comprehensive detail of a white paper. Get it right and 'ICO You' will thank 'pre-ICO You' for your prescience. Get it wrong and you'll kick yourself, in between addressing ongoing distractions you could have dealt with once and being kicked by other people.

White Paper

Your white paper is the cornerstone of your marketing. This is the fullest explanation of your project you'll create. It won't contain every single detail of your approach, but it will provide

a comprehensive overview of your tech (if applicable) and the business case for it. This is where your credibility will ultimately be rooted, so don't skimp on the effort you put into it. If writing isn't your natural medium, it's going to be well worth finding someone to help you out and communicate your ideas, as well as creating/sourcing any images you need and putting it all together in an attractive-looking PDF for readers to download.

If investors don't see a decent white paper, they will - quite naturally - ask themselves if there's anything behind your ICO. Look at it this way: if you haven't taken the time and effort to explain why people should part with their hard-earned money, chances are they won't.

Concept Demonstration

The more you can show your community about how your project will work, the better - this isn't a time to be keeping information or material back. If you have an MVP (minimum viable product), working software or anything you can use to demonstrate what you're doing, get it on record - assuming you won't compromise your business by doing so.

This can take any number of forms. One of the simplest is a **screencast** of working software, even if it's in a relatively early stage of development. You'll probably want to keep it short and sweet - a couple of minutes is generally enough before the average viewer loses interest. (Sorry, but those are the times we live in. Frankly, I'm a little surprised you've made it this far through an ebook...) You can upload these to YouTube and embed them in your website. If you have working software that supporters can actually *use*, like a smartphone app or website with basic functionality, then so much the better.

Beyond this, it's a good idea to record one or more short **explainer videos**. These to-camera pieces can be made with an iPhone or webcam - just bear in mind that the more professional they look, the better it will reflect on you. As a minimum, make sure the camera is steady, lighting is good and your background is suitable. Script your piece and practice it a few times, assuming you're not already fluent at explaining your ideas. Again, you're aiming to articulate your product and USP (unique selling point) inside of a minute or two. This is a good discipline to develop anyway, since you'll inevitably be asked what it's all about and why people should invest on a regular basis during the ICO.

There may be elements of your **blockchain platform's technology** that you're asked to explain and cannot. That's fine - so long as it's an established platform, there will be plenty of material about it and you can point people towards the website, white paper, explainer videos and so on. You don't have to be an expert, though since you're using it to host your business you've probably taken the time to familiarise yourself with its key features and will be in some position to give an overview of its relative advantages.

Website

Whilst a Slack or similar application will provide your team with the means to communicate with your community and investors, your website will be your shop front and hub for all the information they need to get involved and make a decision. Some of the elements and areas you'll want to put some time into include:

- **Logo.** Memorable, meaningful, recognisable. Simple.
- **Tagline.** Can you describe what it's all about in a few words?
- **Graphics.** Think clean, professional, unique. Stock pictures won't do you any favours.
- **Copy.** Be sparing unless you need to say more (like your white paper). No one likes a wall of text. Conversational style is fine so long as you come across as a serious business. That includes perfect spelling and grammar - even minor mistakes can make it look amateurish.
- **FAQs.** There will be questions your community asks again and again. Why not deal with them once and for all here?
- **Team.** Who are your core people, what do they do, what experience do they have? This is a world that doesn't care a lot about educational background and qualifications: they want to know you've got a track record that says you can get the job done.

The likelihood is that you'll need to get some outside assistance on one or more of these. It's worth the investment on your part, since if you don't look credible you're unlikely to gain the confidence of your own potential backers. If you're operating on a shoestring, the good news is that you can often secure services in return for your own token. If they believe in your project, many freelancers in the crypto world will be more than happy to work for payment that:

1) Is worth little or nothing at the point of payment, and therefore is not liable for income tax.
2) Will have value as soon as it can be traded on an exchange when tokens are distributed after ICO.
3) May well multiply in value rapidly over the coming weeks and months as you bring your product to market (incurring capital gains only when sold).

Disclaimer: this does not constitute tax advice and there is always the risk that tokens will fall in value.

Tech infrastructure

Whatever other tech you're building, you need to pay close attention to your blockchain partner because you're going to be leaning on them a lot, both for your ICO and afterwards, when your token is out in the wild and trading freely as nature intended tokens to do.

When it comes to launching your own token, you have a couple of options:

- Fork (tech-speak for copy and adapt) bitcoin or another existing cryptocurrency to create an entirely new blockchain, distributing its tokens to investors as you wish.
- Create a token on an established '2.0' platform and use all of its infrastructure for your application.

If you opt for the former, you are landed with full responsibility for developing the coin and making any changes to the codebase you need to, but also maintaining and probably helping secure the network over the long term. That's a whole lot of dev overhead and expertise you need, right at the outset. You'll probably also need to build or otherwise arrange other features, like trading facilities - another headache you could avoid by using an off-the-peg option, which we heartily recommend you do.

Factors to consider

There are very few downsides to using an existing 2.0 platform, assuming you choose the right one for your needs. There are a handful around and they offer different pros and cons. Some of the things you might like to consider include:

- **Open vs closed.** Open blockchain platforms are designed to let anyone use them, like open source software. Anyone can send and receive tokens, and anyone can take part in the mining or similar activity that secures the network. With a closed or permissioned blockchain, there is a control layer that gives authorised parties the ability to intervene in one way or another. May we strenuously advise you not to give anyone undue control over your business?
- **Functionality.** What, exactly, does the platform enable you to do? Creating and sending your tokens should be an absolute minimum, but there may be other features you can use. What about a decentralised exchange (DEX), which allows you and your users to trade their tokens on the open market without the risks of a centralised exchanges? What about tools to distribute your tokens easily, or to send messages with transactions to keep your token holders informed about what's going on?
- **User experience.** There's a big variation in UX out there, with some platforms offering the most rudimentary wallets (or even command-line interfaces), others providing professionally-designed software that compares favourably with online and

smartphone banking apps. If you're not planning on designing your own version from scratch, you'll want something clean and user-friendly.

- **Scalability.** Is your chosen platform capable of handling the transaction load your business and others will bring to it, if successful? Bitcoin adoption has been hampered by its theoretical maximum of around 7 transactions per second (tps). Make sure your blockchain is futureproof, or at least has a plan for scaling.
- **Speed.** Are confirmation times important to you? If so, figure out what you need and whether a given platform delivers that on a reliable enough basis.
- **Costs.** There are generally costs associated with creating, sending and trading tokens, and they vary considerably from platform to platform. Moreover, some platforms will require that you pay transaction fees for transferring your token in a separate currency (the native currency of that platform). This introduces a layer of friction and complexity, because users will have to hold or acquire that currency in order to transfer their tokens.
- **Reputation.** It's crypto. Whilst things have been cleaned up a lot in the last couple of years, not everyone who works in this space is as pure as the driven snow. Since you might end up working with developers and communities to create and market your product, make sure there aren't any skeletons in the closet. Nuff said.
- **API.** How easy does the platform make it to use its features? Best case, it will have a powerful, straightforward API that makes life really easy for you. Is that so much to ask? Come to that, is the platform still actively being developed? You don't want to hitch your wagon to a horse that's heading for the knacker's yard.

Why we chose Waves

We spent a couple of years hammering out how we wanted Incent to look and behave, from both the economic angle and that of the tech. Over this time, we considered several options for our blockchain infrastructure. In the end, we decided Waves was the best fit. Some of the reasons include:

- Existing relationship with the Waves CEO and team, meaning we could keep up-to-date on development of the platform and ecosystem, and were able to establish close working relationships with the devs.
- Clean UX and very straightforward to create and distribute tokens.
- Built-in DEX meant we would always be able to acquire Incent at market rates for our merchant partners.
- Asset-to-asset trading and paying transaction fees in Incent meant we wouldn't be exposed to the complications of users requiring a second currency.
- Launch of Tidex, a separate centralised exchange that works closely with Waves, and that offered another listing opportunity for Incent.
- Emphasis from the start on user experience, scalability and building long-term value for businesses and users.
- Well-funded and experienced development team.

Odds on that unless you want something like smart contracts functionality, Waves will do you just fine, though you should research the other options. Additionally, it's possible to combine functionality from different blockchains with some clever software. (Shout out here to Incent's devs, who were the first to figure out a way to transfer tokens trustlessly from the Waves blockchain to Ethereum, meaning applications could be built on both platforms.)

Deposit Technology

You're going to be collecting potentially quite significant sums of money from investors in various currencies. It's worth taking some time to figure out how you plan to do this, both from a technical and organisational point of view. Security should be paramount. Although blockchains (especially bitcoin's) are extremely secure, you will be introducing a point of failure by virtue of collecting funds in the first place, and the risks inherent in this must be mitigated to whatever extent possible.

There are various ways of going about this and best practice is an evolving matter. If you use Incent's ICO software (see ICOtech.me), we would provide/require the following as standard:

Balances read from the bitcoin blockchain

Most other ICO sites to date have used a MySql database on the backend. This records the number of tokens to be distributed according to customer deposits. Whilst the (bitcoin) funds themselves may be safe, this database represents a vulnerability - if it is hacked or wiped it can be difficult or impossible to reconstruct who is owed what.

Incent's solution does not use a database on the backend at all. Funds are deposited to a unique address for each customer, and then immediately forwarded to an escrow address (see below). Token balances are calculated from the bitcoin blockchain - in other words, the bitcoin ledger is our database. The addresses associated with each customer are backed up at regular intervals and multiple copies held, including offline for maximum security.

Multi-sig escrow

We require that all funds are held in a multi-sig escrow account. This means we forward funds from every customer deposit to a bitcoin address that is controlled by at least three keys/people. Two-of-three multi-sig is the minimum we expect, so any withdrawals from that address have to be agreed by two key-holders.

The three key-holders will typically include one representative from your organisation (not two, for obvious reasons). We can provide another if required, and the last should be an impartial third party with a good reputation, and ideally who has served in this role before.

Funds can be released from escrow in tranches, as key milestones are met. For example, it could be agreed that 25% will be released when your tokens are successfully distributed after ICO ends; a further 50% when MVP is released; and the final 25% when customer #1 is live. These milestones can be tailored to your business but should be established clearly before your ICO begins.

Uptime and scalability

Your ICO site is your one and only link to investors' cash. If it goes down, you may lose funding and confidence. Maintaining uptime is critical. Additionally, the site may have to deal with a flurry of traffic at key points in the process - there is often a surge of interest around the beginning and end of a crowdfund, and at price breaks along the way. Your site needs to be robust against these - there have been instances where enthusiastic investors have effectively DDoS'd a site, causing havoc for the issuer. Worse, there have been instances where malicious third parties have attacked a site at a critical moment to disrupt the ICO. We do everything we can to make sure that doesn't happen.

For those interested: all the data stored is kept as JSON objects within Firebase, which allows us to gain speed and scale without any stress or sysadmin overhead. Then Algolia is used to search this quickly and powerfully to give us the data we need. Cloudflare makes sure we're not kicked offline by high rates of traffic. It's a really streamlined solution that costs less, takes less time to develop, performs better and is more secure than the alternative.

Deposit structure

Like so much else in the ICO and blockchain world, the way you handle deposits is all about making the process as straightforward and transparent as possible. Why put any unnecessary barriers in the way of people parting with their money? With that in mind, you'll want to consider a number of questions and features to offer your prospective investors.

Native coins

You will almost certainly want to accept bitcoin for your ICO. It's the 'reserve currency' of the crypto world, the largest by market cap and by far the most liquid. But you also have the choice of accepting other currencies.

Sometimes it makes good sense to do this. For example, if you are launching a project or token on the Waves or Ethereum networks, it's smart to hold some of those currencies too. There are several reasons for this:

- You'll want to **engage that coin's community**, since you're building your project on their platform. They will naturally hold that currency and will be willing to spend it to see a return on their investment that benefits their ecosystem.

- It's a **good investment for your organisation** too. If you're going to be bringing activity and exposure to that blockchain, and placing that currency in demand as a result, you can expect to contribute to its success and rise in value. Why wouldn't you want to benefit from that?
- You'll need to **pay transaction fees in that currency, and possibly run your own node**. Holding the currency allows you to do that more easily and profitably, and maintain the network more effectively. The fees you earn from securing the network will offset transaction costs, too.

If there isn't a direct reason for holding a different currency over the long term, it becomes a tougher sell. Sure, people might be happy to offload various digital currencies for your tokens, but the reality is you don't need them, and will probably only sell them to pay bills. Particularly if it's a coin with a small market cap, if it's thinly-traded and you collect a lot of it, that's just going to place a lot of downward pressure on the market. Holders won't be very happy about the idea of seeing their coin fall in value - and neither will you.

ShapeShift

Realistically, if you don't have a reason to hold an altcoin for the medium- or long-term, it will make sense to convert it to bitcoin as soon as possible. An app like ShapeShift is a way of doing that up-front, as you accept funds for ICO.

The ShapeShift plug-in or something similar can be integrated within your deposit tech, so that investors can send any supported currency and have it land in their ICO account as bitcoin. This saves you from having to deal with any issues of accounting or volatility - ShapeShift takes care of the conversion on the fly and you never have to touch the original currency.

Using ShapeShift in this way is largely a matter of convenience. It enables alt-holders to invest modest amounts without the slippage they would often experience on an exchange.

Balance display

In the interests of clarity, you should display a balance within the ICO area for how much each investor has deposited, plus the number of your tokens this is currently worth. These should be updated in real-time, or as close to real-time as possible. Depending on your investment model, the number of tokens will change as more investors deposit. (For example, if you are offering a fixed total of 1 million tokens, they will all be registered to your first investor until further investors send funds and receive their share.)

You should also include the total amount of funds invested, along with a running total of tokens to be created (or the total supply, if fixed).

Lastly, you may have a ‘minimum viable’ target that you want to reach to give your project the best chance of success. If you don’t hit this, you need to be clear with investors about what you will do - if you fall short of the minimum, the best thing may be to return all funds to investors and try again at a later stage.

Pricing policy

Businesses will generally offer a tiered approach to pricing throughout the ICO, so that early-bird investors receive a bonus. The benefit of this for you is that you generate additional interest around the start of your ICO, and you should see a large proportion of funding come in right at the beginning.

It’s normal to have several tiers throughout the ICO, so that it’s still worth new investors coming on board early in the process, and you still generate some additional interest and publicity around the milestones. For example, you might offer a 25% bonus on day 1 (i.e. 1 BTC of investment is accounted as 1.25 BTC), a 20% bonus the rest of week 1, then a 10% bonus for weeks 2-3, and no bonus for the final week.

As ever, you should decide your pricing policy well in advance and communicate it clearly to your community. Changing the structure of the ICO whilst it’s running will upset people, because someone will always be disadvantaged - either because they missed the chance to invest at that price, or because their share has been diluted unexpectedly by later investors who were offered a better rate than originally planned.

Countdown

Display a countdown prominently on your website and within your ICO login area. This should give information for all relevant milestones: how long until your ICO starts, then how long it has left to run, as well as how much time there is before the next price break occurs.

Note that any of the information above that you don’t display on your site, you’ll end up giving out over and over again in personal messages as your prospective investors ask for clarification.

Marketing your ICO

Your ICO will stand or fall on its marketing. At its simplest, people can’t invest in your project if they don’t know about it. Assuming they know about it, they will need to be confident both in your business proposal, and that you have the ability to pull it off.

Your funnel

Assuming you don't have unlimited resources (Incent had a budget of just 8 BTC for our ICO), your task here is to maximise the area of the top of your 'funnel', without stretching yourself so thinly that you don't have the time or energy to guide people down to its thin end (where your ICO site lives). Equally, you're going to want to distribute your resources around the areas that have the most to offer - don't fall into the trap of spending 90% of your time on 10% of potential investors. (However, it *is* worth spending 30% of your time on the 20% of investors who will provide 80% of funding. Cultivate your 'whales'; spend time with them, Skype with them one-on-one, listen to their advice and feedback and engage with them - it will be worth it.)

Bitcointalk

Ok, let's get this out of the way first. Bitcointalk.org is the original bitcoin forum, set up by bitcoin creator Satoshi Nakamoto himself. It remains the go-to place for bitcoin talk and everything around the cryptocurrency world. It is a thriving hub of crypto knowledge and bitcoin wealth. Bottom line, unless you already have a very active community of your own, this is likely the best starting point.

The downside? It's a cesspool.

A fair proportion of the earliest bitcoiners were libertarians who believed in freedom of speech, financial privacy and the right to smoke really whatever they wanted to. Thus it is that just about anything goes on those message boards, except those things that the moderators deem are unacceptable - a criterion that is arbitrary on a good day.

There are plenty of rational, reasonable people there, and they're the ones you should aim to engage. Just don't expect decency or logic to prevail as a matter of course. Bitcointalk is one of the world's greatest concentrations of internet trolls. You've been warned.

The lynchpin of your bitcointalk presence is the **ANN** (announcement) that will start your thread on the messageboards. This should be an introduction to what you're all about: an overview rather than a comprehensive explanation - leave that for your website and white paper. It needs to crystallise your unique selling point(s) into a relatively terse few paragraphs, plus links to your site and social media. It's worth getting it properly designed and posting it well in advance of the start of your ICO to ensure plenty of people see it and start to ask questions, bookmark the date, and so on. In the early days you may need to 'bump' the thread with updates so it rises to the top occasionally, otherwise it can sink down the list and won't be seen much. After a while, the amount of activity from users should make this self-sustaining.

Social Media

Facebook, Twitter and any other forms of social media on which you already have a good community are a must as a way of reaching potential investors. Remember the different ways in which they are used. Facebook is a good way to engage people with adverts. Twitter is a good way to make first contact and share posts and other material to gain interested followers.

In each case, you can adopt a trial-and-error approach to what works. Paid promotion on Facebook is cheap; you can boost a post for a few dollars and see what effect it has on your site traffic. Similarly, you'll be able to see what works on Twitter and what best drives traffic to you.

SEO

Keep in mind for all you put out on the web that one of its purposes, aside from informing investors directly, is to drive traffic back to your site. Sooner or later (probably sooner) you'll want Google to display your company towards the top of its search results for your given company name or keywords. You may not get a lot of direct investment from this, because it's only those people who know about your company in the first place who will be searching for it. But for those people, you need to make your site as findable as possible.

Best practice for SEO is constantly evolving, but don't try to game the system - it's not worth getting blacklisted. At a minimum, focus on quality, informative, original content with links back to your site. If you can get an expert on board, so much the better. Certainly we were lucky at Incent in falling upon a true expert in this field, who managed to squeeze every ounce of SEO value out of every 'asset' we created. The result was that Incent quickly rose to Google's #1 hit, after the definition. If you can convince unolootz@gmail.com to work for your project, you will smash SEO. He is simply awesome.

Blog / Vlog

A blog and/or video blog ('vlog' - we don't make these terms up) is a great way to keep your community informed about major updates, but also just on day-to-day events if you have the time and inclination. Big news should go here, of course, but one of things we've learned is that your community will want to feel in the loop even when there's nothing major to be announced.

A video AMA ('Ask Me Anything') is ideal for this. Your community can submit questions, either in advance or in real-time, and you can answer them in a live video using YouTube, Google Hangouts or a similar platform. The recording can then go on your site as a resource for people to come back to or to learn from if they are new to your project.

Press releases

PRs are a mixed bag. They are a way of reaching many different news outlets and other sites - probably far more than you would by most other means. But there are downsides. Firstly, you'll have to pay for them. Costs vary but, broadly, you get what you pay for. (Do some research first because within that broad guideline there is a lot of variation.)

The real issue with PRs is that people know they are PRs. They instantly stand out as such. They will reach a lot of people, but what those people do with the information is another matter. Best case, you'll have journalists thinking your project sounds so interesting that they contact you for a quote and write it up as an independent piece. Worst case, it just sits around on the web looking like paid-for news.

There's certainly a place for PRs, but remember that just because you get your material out to a large number of people doesn't necessarily mean that will result in lots of high-quality leads.

Slack

Unless you have a small, select and probably wealthy group of investors, you'll want a means of keeping the community engaged and updated in real-time. Slack is the way to do that. It's a great group messaging app that allows you to keep up with your investors, both publicly and in smaller private groups, with text and image-based messages. You can dedicate different channels to specific aspects of your project, and in doing so leverage your community itself to answer questions, solve problems and develop your ideas. You can start out for free, though if your community grows too large - which isn't a bad problem to have - it will probably be worth paying for an upgrade.

Email

If you haven't already built up a list of email contacts, it's never too early to start. These will be people who have opted in for further information, and who might already be receiving newsletters and updates about your business. Add to this by including a sign-up link on your ICO website, and once your ICO launches, the email addresses investors use to register.

Email lists should be used judiciously: if you overdo it, people will unsubscribe or, worse, mark your emails as spam. However, as well as issuing periodic development and progress reports, you can employ data from your ICO to slice the list up and send bespoke reminders to different groups. For example:

- Telling those on your master list who have NOT signed up for the ICO that it has launched.
- Notifying those who have signed up for an ICO account but who have NOT made a deposit - perhaps ahead of the first price break.

- Informing investors of withdrawal instructions after the ICO has ended.

Combined with other data, your email list can be a powerful tool.

Building your Team

You can't do everything. You're going to need a dedicated, if relatively small, team who can handle the various aspects of your ICO.

Content creation

Whilst you might choose to make various updates personally, you'll probably need someone who can take overall charge of content. This might include anything from your white paper and website text to your bitcointalk thread, daily or weekly blog posts and email updates.

Having one person in charge means your content will have a consistent style and voice - and hopefully, high quality. Whatever else you do, the written word will provide investors with a large amount of the detail they need to make their decision. We've all had the experience of visiting a website, thinking it looked amateurish due to typos or poor grammar, and promptly leaving it. Right or wrong, investors will infer a lack of professionalism from sloppy content. Find someone who can grasp the essence of your project and who is capable of churning out informative, engaging and obsessively accurate text about it.

Community management

Again, although most or all of your team will chip in on this front, you need one person with overall responsibility for community management.

Community management isn't rocket science, but it takes someone with a particular disposition. The broad task is to keep everyone up to date and engaged in a positive way, whether on Slack, bitcointalk or other forums on which you are active.

Whilst this will usually be a straightforward task, there are situations you'll need to be prepared for:

- Investors asking the same questions over and over again. This is where that carefully-prepared white paper and website will prove worth the work, because you can point them to it with a link.
- Newcomers wanting a brief summary of your project, with new or old questions asked along the way.
- Community members getting hopelessly off-topic. Redirect them to the #random channel on Slack if this becomes a problem, because it will stop other investors from accessing the information they need in a timely way.

- Trolls. Odds on you'll get at least one. They take many forms but will ultimately seek to undermine your project for reasons found only in their primitive troll brains. They may lie outright, insinuate misinformation, flame (post insults deriding you, your business and other members of the community), or adopt a more subtle approach of drawing attention to errors you've made and blowing them out of proportion. Trolls can poison a community if not dealt with properly. Sadly, the law considers them human and physical violence is discouraged, even if you can find them (they will unfailingly hide behind the anonymity the web offers). You will need to be clear about your troll policy: the extent to which you engage them on their questions, what behaviour is and isn't acceptable, how many warnings to give and what your sanctions will be - typically a temporary or permanent ban.

Marketing / PR

Working with but distinct from your content person, you'll need someone who takes responsibility for marketing. That covers a bewildering array of activities from social media promotion (for which you may want a separate person), to sending out press releases and contacting journalists and bloggers from major news and bitcoin/crypto sites. They will also need to liaise with your community manager, who will post material on bitcointalk and other forums on which you are active.

Basically, your content guy will put the material together, whilst your marketing person will make sure it is seen by the right people. Since you're pitching to the crypto crowd, it should be someone who is familiar with that world, whilst able to look beyond it. Attention from the mainstream press is always welcome, since it shows there is wider interest for your project. But the reality is that at this point in the evolution of crypto, you're unlikely to get a lot of people who are prepared to jump through the hoops of learning about and acquiring bitcoin to invest unless they are already familiar with it.

Another form of marketing to consider is your SEO. How much time and effort you put into this is up to you; if your budget is limited, it's probably worth bearing in mind but not making a concerted marketing push towards. The idea is to drive search traffic towards your home page. Again, it will raise your overall profile, but realistically your investors won't be casual 'drop-ins' who have stumbled across you on Google.

Time Planning

An ICO is not something you can do on the fly. Investors will very quickly cotton on if you appear to be making it up as you go along. 'We'll figure that out when the time comes' is a phrase to use sparingly.

Mapping out what you will do and when is something you will thank yourself for when you're in the thick of it. Your timeline should start at least a month before ICO, and stretch through

to token distribution afterwards (generally within a week or two of the end, after a thorough audit). The ideal length of time for an ICO is probably somewhere between one month and two. Too short and you may miss out on investors; too long and people get bored - and that middle month, trust us, can be a real slog. You need to build and sustain momentum, and there's only so long you can keep that going.

If you're not already known in the crypto world, it's never too early to start having a presence there. Well before your business is ready to ICO, you can start establishing relationships, finding out more about your chosen platform, asking for feedback on your ideas and really just putting in the time so that people know who you are. Reputation counts for *a lot* in this space.

Once you've got your team together and briefed them thoroughly, it's time to start pre-ICO publicity. Again, this needs to be far enough in advance to attract enough prospective investors, but not so early that you run out of steam and everyone moves on in the meantime. A couple of months is probably enough, and you should make sure you have at least a month of lead-time.

The other critical issue of timing to consider is your pricing policy. Will you offer pre-ICO sales to strategic/large investors? Will you offer early investors a bonus (usually a good idea to get the first backers in the door)? How long will each of your price tiers last? And at what point, to the second, will you end your ICO? Transparency in all of these is, as ever, vital.

Pulling it all together

Assuming you're leading the ICO, you'll be getting a sense of the role you will need to play. There needs to be someone in charge. The blockchain world is all about decentralisation, but there's a difference between infrastructure and organisation. If you want to get the job done, you do not want to fall into the trap of design-by-committee.

You will be both a figurehead for the project someone who is prepared to call the shots and make decisions, well, decisively. One 'throat to choke', a point of contact who will listen to opinions and advice but who will act as a final arbiter when something tricky comes up. Someone with a helicopter view but who doesn't need to know all the details because there's a trustworthy team taking care of that - one of whom can ideally step in and steer the ship if you're out of commission for one reason or another.

Your team should overlap in their roles - you're dealing with different timezones and no one can be there all the time - but they will be dedicated to different tasks. Content, community management, marketing, social media. And don't forget the overarching principles that make an ICO different to other forms of fundraising. It's about transparency, aligned interests, Open Value. To help you, we've put together a list of major points to remember:

The Ten ICO Commandments

1. Be Open.
2. Prepare thyselves: thou shalt not wing it.
3. Take thee the Howey test, or something like it in thy jurisdiction. Thou are not issuing a security.
4. Thou shalt always use multi-sig escrow. Seriously, thou don't want to be on the hook for $1 million in stolen bitcoins.
5. Take responsibility for thy mistakes. (Thou can be smug about thy successes, but best do it relatively quietly.)
6. Get thee out there on social media and vlogging. Thou art after a great big funnel.
7. Gird thy loins and make thee a bitcointalk thread. Both the trolls and the dollars live there.
8. Engage thy investors, chatting to them and shooting the breeze from time to time as well as answering their questions. They like it.
9. Thou shalt not change the rules halfway through. It annoys people.
10. Thou shalt not suffer a troll to live (in thy Slack).

Go ICO!

So by now you will hopefully have a pretty good idea of what will be involved in running your ICO. It is not for the faint-hearted or unprepared. It will be busy and stressful. Things will go wrong. (If they don't, you've probably done something wrong.) But if you have a solid plan and a good team, it will also be fun, and all being well you will come out it with a fat stack of cash to make your idea a reality, and no debt hanging around your neck.

There's a lot of moving parts to an ICO, and the chances are you're going to want some help. Take a look at icotech.me, and if you if you like what you see, drop us a line. Assuming your idea is legal and your business case strong, we can offer you some of the best ICO software in the crypto world, along with giving advice about how to structure your business and filling in any gaps in your understanding of what's required.

Even if you don't end up using our deposit tech, and even if you already know everything you need to about how to make your ICO successful, drop us a line anyway. You've taken the trouble to read this far, and the crypto world is still small and fast moving. We like to know what's going on, and there's a good chance we'll cross paths again somewhere down the line.

Good luck!

Glossary

Bitcoin: The first ever form of peer-to-peer electronic money. Launched in 2009, bitcoin avoids the 'double spend' problem and thereby allows individuals to send funds directly to each other online, without a bank, payment processor or any other third party. This means, just like handing over cash, that no one but the individual controls their money or can intervene.

Bitcointalk: The original bitcoin internet forum. Bitcointalk.org is the go-to place for the bitcoin community, and has remained a hub for enthusiasts, experts and investors ever since it started. However, it is also a den of trolls. Tread carefully.

Blockchain: The distributed ledger technology on which bitcoin is based. The blockchain stores every transaction ever made, and is shared by the whole network, meaning it's extremely hard and costly (i.e. to all intents and purposes impossible) to fake a transaction without everyone immediately knowing it and ignoring it.

Crowdfund: Funding a project by collecting money from lots of different grassroots investors, rather than looking to VC or a few large/institutional ones.

Crypto, cryptocurrency: Other forms of blockchain-based cash. Many are based directly on bitcoin with a few alterations, but none as yet have anything like the network effect or value of bitcoin, which is the de facto form of money in the crypto world. Also known as Altcoins.

Ethereum: A smart contracts blockchain platform. In the same way that bitcoin allows money to be sent peer-to-peer thanks to its decentralised ledger, Ethereum makes it possible to execute software without a single party controlling it. The result is smart contracts: applications that are run by the network when specific conditions are met, and no one can interfere with them. See www.Ethereum.org.

ICO: Initial Coin Offering. To be distinguished from an IPO or Initial Public Offering. An ICO is a blockchain-based crowdfund that results in the distribution of a token to investors. These tokens can be transferred or sold freely.

Incent: The first universal blockchain-based loyalty token. Incent was crowdfunded with an ICO that raised $1.1 million. The project is rooted in the idea that traditional loyalty/reward schemes do little to reward customers or benefit merchants. By using a transferrable token of real and 'open' value, we can give people something they will genuinely appreciate, with no forward liability to the merchant. Find out more at www.IncentLoyalty.com.

Slack: A group messaging application, fantastic for staying in touch with your core team and wider ICO community. See www.Slack.com.

Troll: A diverse but invariably unpleasant class of creatures that lives on Slacks, social media and internet forums. Trolls are genetically predisposed to disseminating lies and misinformation, and exist to undermine legitimate projects, divide communities and waste time. Evolutionary psychologists have speculated that they arose from a misguided attempt by a group of early humans to interbreed with cockroaches. Others believe this does not adequately explain their distasteful and dysfunctional behaviour.

Waves: A custom tokens blockchain platform. Waves makes it very easy to create, distribute and trade your own blockchain token or CAT (custom application token). Incent is a Waves token. See www.WavesPlatform.com.