

The Coinbase Secret Master Plan

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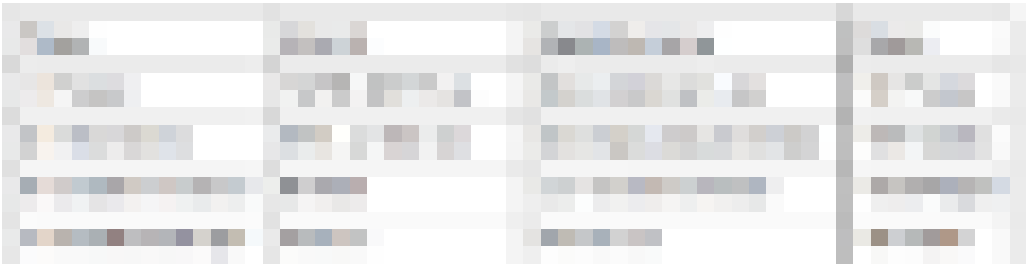
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At Coinbase we are passionate about creating an [open financial system](#) for the world. By open we mean not controlled by any one country or company (just like the internet).

We think this is the highest leverage way to bring about more [economic freedom](#), innovation, efficiency, and equality of opportunity in the world.

In this post we'll outline where we think the digital currency industry is headed and how the world will come to have an open financial system. We believe there will be four major phases (which we compare here to the internet).



Phase	Internet	Digital Currency	Reach
1. Protocol	TCP/IP, SMTP, etc	Bitcoin, Ethereum, etc	1M People
2. Infrastructure	ISPs, lay fiber, etc	Exchanges, secure storage	10M People
3. Consumer Interface	Browser	User Controlled Wallet	100M People
4. Decentralized Apps	Web 2.0	Finance 2.0	1B People

The evolution of two open networks (the internet and digital currency).

Let's take a closer look at each phase and discuss what role Coinbase will play.

In this phase, new protocols ([Bitcoin](#), [Ethereum](#), etc) were invented and people began to tinker with them. Open source communities developed around each protocol and in some cases received help from corporate sponsors. The race is now on to see which protocol can scale and attract application developers.

Coinbase works closely with the open source communities around each protocol, contributing financially in some cases, but we did not play a major role in this phase.

Investment or speculation is a bootstrapping mechanism for the payment network (in other words, it is the [single-player mode](#) of digital currency). The creation of safe and easy to use exchanges serves as a [bridge](#) for people to get their local currency into and out of digital currency.

In this phase, we've built [Coinbase](#) for consumers and [Coinbase Pro](#) for institutions and pro traders. This is our core business today, and we'll use the revenue from this phase to invest in the later phases, while continuing to expand our core businesses to more countries.

Consumers and businesses need an easy interface to start using digital currency and its applications.

With the internet, this happened when HTML and the web browser were introduced on top of TCP/IP. In mobile this happened with the introduction of the iPhone. In digital currency we believe this will happen with an easy to use wallet or account, that allows consumers and businesses to use a growing ecosystem of applications powered by cryptocurrency. This could be a user-controlled wallet, or a hosted wallet. The key feature of this application will be that it dramatically lowers the hurdle for new digital currency applications to be developed and used by ordinary people.

Coinbase will participate here by building or investing in teams who are working on this.

The existing financial system needs to be recreated on open networks and made globally accessible in this new consumer interface. Some example apps or components that we believe need to be created include:

- Loans (mortgages, small business lending, micro-lending, etc)
- Venture Capital (seed, traditional vc, venture debt, etc)
- Investing (stocks, index funds, savings accounts, etc)
- Identity & Reputation (IDs, authentication, credit scores, etc)
- Remittance (sending money cross border)
- Merchant Processing (point of sale, internet orders)

Coinbase will participate in this area by buying, building, or investing in various companies. We will also build developer tools and work with regulators to craft appropriate regulation in this space.

We are most likely nearing the end of phase 2 right now, although each phase overlaps a bit. It is still early days in digital currency.

TI;DR...

- Some new protocols got invented which enable an open financial system
- We'll make it easy for people to invest in digital currency to bootstrap the network
- We'll use the money from this to make a mass market consumer interface
- We'll use the money from this to build or invest in the apps of an open financial system (earn, borrow, invest, spend, etc).

If you're passionate about this mission, please reach out to us. You can see and learn more about all of our open roles on the [Coinbase careers page](#).

P.S. Our culture at Coinbase is to "default to open". We value transparency. Hence posting our "secret" strategy publicly on the internet.