The OpCo - To Scale, Structure, & Synergize

TLDR:

THIS IS VERY MUCH A WIP, BUT LETS START THE DISCUSSION

This AIP proposes the creation of an Operation Company (OpCo) to support the Arbitrum DAO and Foundation in driving the growth and success of the Arbitrum ecosystem. The OpCo will:

1. Hire and manage a team of full-time contributors

across critical

functions

1. Improve operational agility

and efficiency

1. Foster ecosystem growth

through collaborations, grants, and events

1. Enhance marketing

and brand

awareness

1. Pursue strategic partnerships

2. Engage

and support

the Arbitrum community

1. Operate under the guidance of an elected board

and maintain transparency

1. Continuously adapt

and improve

based on ecosystem needs

The AIP requests a budget of 25 million $ARB to cover the OpCo's setup costs and operational expenses for the first two years. By establishing the OpCo, the Arbitrum DAO will be better positioned to navigate the challenges and opportunities of a rapidly evolving ecosystem, drive meaningful value for its community, and solidify its position as a leader in layer 2 scaling solutions and decentralized governance.

Introduction:

The Arbitrum ecosystem has experienced tremendous growth and adoption since its inception, showcasing the potential of layer 2 scaling solutions in enabling fast, low-cost, and secure transactions on the Ethereum network. As the ecosystem continues to expand, the Arbitrum DAO faces increasingly complex challenges in managing its operations, fostering innovation, and driving sustainable growth. To address these challenges and unlock new opportunities, this AIP proposes the creation of an Operation Company (OpCo) to support the Arbitrum DAO and to complement the Foundation.

The OpCo will serve as the execution arm of the Arbitrum DAO, working in close collaboration with the Arbitrum Foundation to implement the strategies and initiatives set forth by the DAO's governance process. By establishing a dedicated entity focused on operational excellence, the Arbitrum DAO can enhance its agility, efficiency, and impact on the ecosystem.

One of the OpCo's primary objectives is to attract and retain top talent by hiring full-time contributors across critical functions such as marketing, business development, legal, and support. These professionals will bring specialized expertise and a deep understanding of the Arbitrum ecosystem, enabling the DAO to execute its vision more effectively. The OpCo's talent acquisition efforts will prioritize diversity and inclusion, ensuring that the Arbitrum community benefits from a wide range of perspectives and experiences.

The OpCo will also play a crucial role in improving the Arbitrum DAO's operational agility. As the blockchain industry evolves at a rapid pace, the ability to adapt quickly to changing market conditions, technological advancements, and user

needs is paramount. The OpCo's streamlined decision-making processes and dedicated resources will allow the DAO to seize emerging opportunities, address challenges proactively, and maintain its competitive edge.

A key focus of the OpCo will be to scale the Arbitrum DAO's impact on the ecosystem. By fostering deeper collaborations with projects, partners, and community members, the OpCo can identify and support high-potential initiatives that align with the DAO's mission and values. Through strategic resource allocation, targeted grant programs, and active community engagement, the OpCo will amplify the Arbitrum ecosystem's growth and success.

The OpCo will also enhance the Arbitrum DAO's visibility and influence within the broader blockchain community. By representing the DAO at industry events, engaging with media and thought leaders, and building strategic partnerships, the OpCo will solidify Arbitrum's position as a leader in layer 2 scaling solutions and decentralized governance.

To ensure the OpCo remains accountable and aligned with the Arbitrum DAO's objectives, it will be governed by an elected board of ecosystem participants. This board will provide strategic oversight, set performance metrics, and maintain transparency through regular reporting to the DAO. The OpCo will also work closely with the Arbitrum Foundation to leverage its existing legal, financial, and operational infrastructure, maximizing efficiency and minimizing duplication of efforts.

The creation of an OpCo is a strategic imperative for the Arbitrum DAO to navigate the challenges and opportunities of a rapidly evolving ecosystem. By combining the agility and efficiency of a dedicated operational entity with the wisdom and inclusivity of decentralized governance, the Arbitrum DAO can unlock its full potential and drive meaningful, long-term value for its community and the wider blockchain industry. The requested budget of 25 million $ARB over two years is a sound investment in the future of the Arbitrum ecosystem, positioning it for sustainable growth and success.

Abstract:

This AIP proposes the creation of an Operation Company (OpCo) to support the Arbitrum DAO and Foundation in fostering the growth and development of the Arbitrum ecosystem. The OpCo, led by an elected board of ecosystem participants, will be responsible for hiring full-time contributors, improving operational agility, and scaling the DAO's impact through enhanced collaboration, resource allocation, and visibility. The AIP requests a budget of 25 million $ARB to cover the OpCo's setup costs and operational expenses for the first two years.

Motivation:

The creation of an Operation Company (OpCo) to support the Arbitrum DAO and Foundation presents a strategic opportunity to enhance the DAO's operational efficiency, agility, and impact on the Arbitrum ecosystem. By establishing an OpCo led by an elected board of ecosystem participants, the Arbitrum DAO can:

1. Hire and manage full-time contributors with specialized expertise across critical areas such as marketing, partnerships, legal, and technical support. This dedicated team will drive the DAO's objectives forward consistently and efficiently.

2. Improve agility in responding to the rapidly evolving needs of the ecosystem. The OpCo structure enables quicker decision-making, streamlined processes, and the ability to seize emerging opportunities.

3. Scale the DAO's impact on the ecosystem through enhanced collaboration with projects and partners, strategic allocation of resources towards high-potential initiatives, and increased visibility and influence within the broader blockchain community.

An OpCo complements the Arbitrum Foundation's mission by providing an execution arm that operates within the DAO's governance framework. This synergistic relationship allows the Foundation to focus on its core objectives while the OpCo supplements day-to-day operations and ecosystem growth initiatives.

Ultimately, an OpCo represents a powerful tool for the Arbitrum DAO to achieve its vision of fostering a vibrant, innovative, and impactful ecosystem around Arbitrum's leading layer 2 technology. By adopting this proposal, the DAO can unlock new avenues for growth and cement its position as a pioneer in decentralized governance.

Rationale:

The establishment of an Operation Company (OpCo) aligns closely with the Arbitrum community's mission and guiding values:

1. Ethereum-aligned: By enhancing the Arbitrum DAO's operational capabilities, the OpCo directly contributes to the growth and success of the Arbitrum ecosystem, which is a critical part of the broader Ethereum community. The OpCo's efforts to drive adoption, collaboration, and innovation within the Arbitrum ecosystem ultimately benefit Ethereum & Arbitrum as a whole.

2. Sustainable: The OpCo enables the Arbitrum DAO to make strategic, long-term decisions and investments that promote the ecosystem's sustainable growth. By hiring full-time contributors and allocating resources effectively, the OpCo helps ensure that the DAO's initiatives are not just short-term solutions but designed for lasting impact.

3. Secure: The OpCo, under the guidance of the elected board and in collaboration with the Arbitrum Foundation, will prioritize the security of the Arbitrum protocol and its users. The OpCo will work closely with the DAO's Security Council to ensure that any operational decisions or initiatives are thoroughly vetted and aligned with best practices in blockchain security. The OpCo will provide guidance where appropriate, however will also work in lockstep with other initiatives like the ARDC and Procurement Committee.

4. Socially and technically inclusive: The OpCo will actively promote diversity and inclusion within the Arbitrum community, both in terms of social participation and technical accessibility. By leading initiatives such as educational programs, user onboarding, and community outreach, the OpCo will help make the Arbitrum ecosystem more welcoming and accessible to all.

5. User-focused: The OpCo's primary goal is to serve the needs and interests of the Arbitrum ecosystem's users. By gathering user feedback, supporting user-facing projects, and advocating for user-centric solutions, OpCo will ensure that the DAO's decisions and initiatives are always aligned with the best interests of the community.

6. Neutral and open: The OpCo will maintain a neutral stance and promote open collaboration within the Arbitrum ecosystem. It will not favor specific projects or partners but instead foster an environment where innovation and cooperation can thrive. By remaining impartial and transparent, the OpCo will help uphold the decentralized and open nature of the Arbitrum network.

The creation of an OpCo is a natural extension of the Arbitrum community's mission and values. By providing a dedicated entity to drive the DAO's operational and ecosystem growth initiatives, the OpCo will help the Arbitrum community achieve its goals while staying true to its core principles.

Key Terms:

TBD - Still working on this graphic

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Specifications:

Mandates for the Arbitrum OpCo:

1. Talent Acquisition and Management

2. Recruit and hire full-time contributors across critical functions (e.g., project management, marketing, business development, legal, technical support)

3. Develop and implement HR policies and procedures to ensure a diverse, inclusive, and high-performing team

4. Provide competitive compensation and benefits packages to attract and retain top talent

5. Recruit and hire full-time contributors across critical functions (e.g., project management, marketing, business development, legal, technical support)

6. Develop and implement HR policies and procedures to ensure a diverse, inclusive, and high-performing team

7. Provide competitive compensation and benefits packages to attract and retain top talent

8. Operational Excellence

9. Establish efficient decision-making processes and workflows to improve agility and responsiveness

10. Implement and maintain robust financial management, reporting, and budgeting systems

11. Ensure compliance with legal and regulatory requirements in all jurisdictions where the OpCo operates

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13. Implement and maintain robust financial management, reporting, and budgeting systems

14. Ensure compliance with legal and regulatory requirements in all jurisdictions where the OpCo operates

15. Ecosystem Growth and Collaboration

16. Foster collaborations with projects, partners, and community members to identify and support high-potential initiatives

17. Develop and manage strategic grant programs to fund projects that align with the Arbitrum DAO's mission and values

18. Organize hackathons, workshops, and other events to promote innovation and community engagement

19. Foster collaborations with projects, partners, and community members to identify and support high-potential initiatives

20. Develop and manage strategic grant programs to fund projects that align with the Arbitrum DAO's mission and values

21. Organize hackathons, workshops, and other events to promote innovation and community engagement

22. Marketing and Brand Awareness

23. Execute comprehensive marketing strategies to increase awareness and adoption of Arbitrum's technology and ecosystem

24. Represent the Arbitrum DAO at industry events, conferences, and media opportunities

25. Develop and maintain a strong brand identity that reflects the values and vision of the Arbitrum community

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27. Represent the Arbitrum DAO at industry events, conferences, and media opportunities

28. Develop and maintain a strong brand identity that reflects the values and vision of the Arbitrum community

29. Strategic Partnerships

30. Identify and pursue strategic partnerships with other blockchain projects, enterprises, and institutions

31. Negotiate and manage partnership agreements that drive mutual value and support the growth of the Arbitrum ecosystem

32. Collaborate with partners on joint initiatives, such as research projects, product integrations, and co-marketing campaigns

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34. Negotiate and manage partnership agreements that drive mutual value and support the growth of the Arbitrum ecosystem

35. Collaborate with partners on joint initiatives, such as research projects, product integrations, and co-marketing campaigns

36. Community Engagement and Support

37. Develop and implement community engagement strategies to foster a vibrant and inclusive Arbitrum community

38. Provide support and resources to community members, including educational content, onboarding assistance, and technical support

39. Gather and analyze community feedback to inform the OpCo's decision-making and prioritize initiatives

40. Help new members navigate the ever-changing landscape of opportunities that the Arbitrum DAO has to offer for projects at all stages of their lifecycle.

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44. Help new members navigate the ever-changing landscape of opportunities that the Arbitrum DAO has to offer for projects at all stages of their lifecycle.

45. Governance and Transparency

46. Operate under the guidance of an elected board of ecosystem participants to ensure alignment with the Arbitrum

DAO's objectives

47. Maintain transparency through regular reporting on key performance metrics, initiatives, and financial status

48. Implement governance mechanisms that allow for community input and participation in the OpCo's decision-making processes

49. Oversee a Data and Analytics team to increase transparency and accountability for different initiatives the DAO has and will conduct.

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54. Continuous Improvement and Adaptability

55. Regularly assess the OpCo's performance and identify areas for improvement

56. Adapt strategies and initiatives based on changing ecosystem needs, market conditions, and technological advancements

57. Foster a culture of experimentation, learning, and innovation within the OpCo and the broader Arbitrum community

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59. Adapt strategies and initiatives based on changing ecosystem needs, market conditions, and technological advancements

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By focusing on these core mandates, the Arbitrum OpCo will be well-positioned to support the growth, sustainability, and success of the Arbitrum ecosystem, while remaining accountable to the Arbitrum DAO and its community.

Steps to Implement:

1. Legal Entity Structure (TBD)

2. Coordinate with legal counsel to determine the most suitable legal entity structure for the OpCo, considering factors such as liability, taxation, and regulatory compliance

3. Explore the possibility of establishing the OpCo as a subsidiary of the Arbitrum Foundation to leverage their existing operations and banking relationships

4. Draft and finalize the necessary legal documentation for the OpCo's establishment

5. Estimated costs: Legal fees for entity formation and documentation

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9. Estimated costs: Legal fees for entity formation and documentation

10. Recruit OpCo Leadership (2-4 weeks)

11. Hire a world-class Recruitment Manager to lead the OpCo's hiring efforts

12. Onboard a Director to oversee the OpCo's overall strategy and operations

13. Provide competitive salary and benefits packages for remote workers, ensuring the OpCo attracts top talent

14. Estimated costs: Salaries for Recruitment Manager and Director, recruitment fees, and HR software subscriptions

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18. Estimated costs: Salaries for Recruitment Manager and Director, recruitment fees, and HR software subscriptions

19. Establish OpCo Policies and Procedures (2-4 weeks)

20. Develop comprehensive HR policies, including employee handbooks, performance management systems, and diversity and inclusion guidelines etc etc (direct needs depend on jurisdiction but necessary nonetheless)

21. Create financial management processes, including budgeting, accounting, and reporting

22. Implement communication and collaboration tools to facilitate remote work and cross-functional teamwork

23. Estimated costs: HR consulting fees, software subscriptions, and training expenses

24. Develop comprehensive HR policies, including employee handbooks, performance management systems, and diversity and inclusion guidelines etc etc (direct needs depend on jurisdiction but necessary nonetheless)

25. Create financial management processes, including budgeting, accounting, and reporting

26. Implement communication and collaboration tools to facilitate remote work and cross-functional teamwork

27. Estimated costs: HR consulting fees, software subscriptions, and training expenses

28. Engage DAO for Role Identification (2-4 weeks)

29. Collaborate with the Arbitrum DAO to identify critical roles needed to support the ecosystem's growth and the DAO's objectives

30. Prioritize roles based on urgency and potential impact, considering areas such as marketing, partnerships, legal, and technical support

31. Define job descriptions, qualifications, and performance metrics for each role

32. Estimated costs: Internal staff time for coordination and planning

33. Collaborate with the Arbitrum DAO to identify critical roles needed to support the ecosystem's growth and the DAO's objectives

34. Prioritize roles based on urgency and potential impact, considering areas such as marketing, partnerships, legal, and technical support

35. Define job descriptions, qualifications, and performance metrics for each role

36. Estimated costs: Internal staff time for coordination and planning

37. Conduct Recruitment and Onboarding (8-12 weeks)

38. Launch recruitment campaigns for the identified roles, leveraging the Recruitment Manager's expertise and network

39. Conduct interviews, assessments, and reference checks to select the best candidates

40. Provide comprehensive onboarding and training programs to integrate new hires into the OpCo and align them with the Arbitrum ecosystem's goals and values

41. Estimated costs: Recruitment fees, background checks, onboarding materials, and training expenses

42. Launch recruitment campaigns for the identified roles, leveraging the Recruitment Manager's expertise and network

43. Conduct interviews, assessments, and reference checks to select the best candidates

44. Provide comprehensive onboarding and training programs to integrate new hires into the OpCo and align them with the Arbitrum ecosystem's goals and values

45. Estimated costs: Recruitment fees, background checks, onboarding materials, and training expenses

46. Establish OpCo Governance and Reporting (4-6 weeks)

47. Form an elected board of ecosystem participants to oversee the OpCo's strategic direction and performance

48. Develop governance mechanisms for the board, including voting procedures, term limits, and conflict of interest policies

49. Implement regular reporting and accountability measures to ensure transparency and alignment with the Arbitrum DAO's objectives

50. Estimated costs: Governance consulting fees, board management software, and internal staff time for reporting

51. Form an elected board of ecosystem participants to oversee the OpCo's strategic direction and performance

52. Develop governance mechanisms for the board, including voting procedures, term limits, and conflict of interest policies

53. Implement regular reporting and accountability measures to ensure transparency and alignment with the Arbitrum DAO's objectives

54. Estimated costs: Governance consulting fees, board management software, and internal staff time for reporting

55. Continuously Assess and Optimize OpCo Performance (Ongoing)

56. Regularly review the OpCo's performance against key metrics and the Arbitrum DAO's objectives

57. Gather feedback from stakeholders, including the DAO, ecosystem partners, and users, to identify areas for improvement

58. Adapt the OpCo's strategies and initiatives based on insights and changing ecosystem needs

59. Estimated costs: Internal staff time for performance management and continuous improvement efforts

60. Regularly review the OpCo's performance against key metrics and the Arbitrum DAO's objectives

61. Gather feedback from stakeholders, including the DAO, ecosystem partners, and users, to identify areas for improvement

62. Adapt the OpCo's strategies and initiatives based on insights and changing ecosystem needs

63. Estimated costs: Internal staff time for performance management and continuous improvement efforts

Overall Cost:

The total cost to implement the AIP and establish the Operation Company (OpCo) is estimated to be 25 million $ARB covering 2 years. This budget covers both the initial setup costs and the recurring operating expenses for the first two years. The breakdown of the costs is as follows:

Totally threw some High-Level Numbers here - This will need revision indefinitely

1. Legal Entity Formation and Documentation

2. Fixed costs: 500,000 $ARB

3. Covers legal fees for entity formation, subsidiary setup, and drafting of necessary legal documents

4. Fixed costs: 500,000 $ARB

5. Covers legal fees for entity formation, subsidiary setup, and drafting of necessary legal documents

6. OpCo Leadership Recruitment and Compensation

7. Fixed costs: 1,000,000 $ARB

8. Recurring costs: 4,000,000 $ARB per year (8,000,000 $ARB for two years)

9. Covers recruitment fees, salaries, and benefits for the Recruitment Manager, Director, and other key leadership positions

10. Fixed costs: 1,000,000 $ARB

11. Recurring costs: 4,000,000 $ARB per year (8,000,000 $ARB for two years)

12. Covers recruitment fees, salaries, and benefits for the Recruitment Manager, Director, and other key leadership positions

13. OpCo Policies, Procedures, and Infrastructure

14. Fixed costs: 1,000,000 $ARB

15. Recurring costs: 250,000 $ARB per year (500,000 $ARB for two years)

16. Covers HR consulting fees, software subscriptions, training expenses, and ongoing maintenance of collaboration tools and systems

17. Fixed costs: 1,000,000 $ARB

18. Recurring costs: 250,000 $ARB per year (500,000 $ARB for two years)

19. Covers HR consulting fees, software subscriptions, training expenses, and ongoing maintenance of collaboration tools and systems

20. Role Identification and Recruitment

21. Fixed costs: 500,000 $ARB

22. Recurring costs: 1,000,000 $ARB per year (2,000,000 $ARB for two years)

23. Covers internal staff time for coordination, recruitment campaigns, interview expenses, background checks, and onboarding costs

24. Fixed costs: 500,000 $ARB

25. Recurring costs: 1,000,000 $ARB per year (2,000,000 $ARB for two years)

26. Covers internal staff time for coordination, recruitment campaigns, interview expenses, background checks, and onboarding costs

27. OpCo Team Salaries and Benefits

28. Recurring costs: 5,000,000 $ARB per year (10,000,000 $ARB for two years)

29. Covers competitive salaries and benefits packages for the OpCo's full-time employees across various functions, such as marketing, partnerships, legal, and technical support

30. Recurring costs: 5,000,000 $ARB per year (10,000,000 $ARB for two years)

31. Covers competitive salaries and benefits packages for the OpCo's full-time employees across various functions, such as marketing, partnerships, legal, and technical support

32. OpCo Governance and Reporting

33. Fixed costs: 500,000 $ARB

34. Recurring costs: 250,000 $ARB per year (500,000 $ARB for two years)

35. Covers governance consulting fees, board management software, and internal staff time for regular reporting and performance management

36. Fixed costs: 500,000 $ARB

37. Recurring costs: 250,000 $ARB per year (500,000 $ARB for two years)

38. Covers governance consulting fees, board management software, and internal staff time for regular reporting and performance management

39. Contingency Fund

40. Fixed costs: 500,000 $ARB

41. Provides a buffer for unexpected expenses or additional initiatives that may arise during the OpCo's first two years of operation

42. Fixed costs: 500,000 $ARB

43. Provides a buffer for unexpected expenses or additional initiatives that may arise during the OpCo's first two years of operation

Total Fixed Costs: 4,000,000 $ARB

Total Recurring Costs (Two Years): 21,000,000 $ARB

Grand Total (Two Years): 25,000,000 $ARB

This two-year budget allocation allows the OpCo to establish a strong foundation, maintain operational stability, and adapt to the evolving needs of the Arbitrum ecosystem over an extended period. The Arbitrum DAO can reassess the OpCo's performance and budget requirements after the initial two years to ensure ongoing alignment with the ecosystem's growth and the DAO's objectives.

Will update and revise often as this is just the beginning of what this could become!