Dear CowMunity!

Happy to present in this post the financial execution of CIP-6 for the last 7 months.
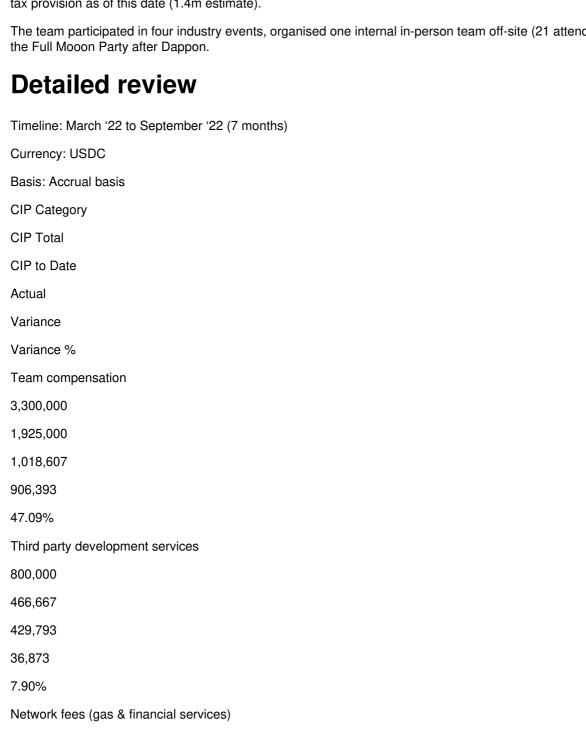
Simple Summary

This post shares the financial execution of CIP-6: Service Agreement

with the CoWmunity, since March '22 to and including September '22, at a Nomev Labs perspective (formerly Cow Services) (the post does not include CoW DAO's direct expenditures nor that of the Grants DAO).

The team has been watchfull with funds, and attentive of the Bear market, thus having a monthly planned spend of 250k USDC, below the originally 500k USDC per month estimate. This has been mainly due to lower speed in hiring than expecting and discipline around event presence and Marketing user acquisition. Most notable difference is the untouched tax provision as of this date (1.4m estimate).

The team participated in four industry events, organised one internal in-person team off-site (21 attendees) and launched the Full Mooon Party after Dappon.

Detailed review

Timeline: March '22 to September '22 (7 months)

Currency: USDC

Basis: Accrual basis

CIP Category	CIP Total	CIP to Date	Actual	Variance	Variance %
Team compensation	3,300,000	1,925,000	1,018,607	906,393	47.09%
Third party development services	800,000	466,667	429,793	36,873	7.90%
Network fees (gas & financial services)	120,000	70,000	169,226		

-99,226

-141.75%

External tooling

70,000

40,833

52,531

-11,697

-28.65%

Marketing, business development + Expenses (e.g. business travel etc.)

270,000

157,500

164,484

-6,984

-4.43%

Operational (legal, accounting, bank accounts)

100,000

58,333

30,272

28,062

48.11%

Provision for tax purposes

1,400,000

816,667

0

816,667

100.00%

Total

6,060,000

3,535,000

1,864,913

1,670,087

47.24%

Note:

This analysis is done the perspective of the LDA and excludes the amount reimbursed by CoW DAO to Gnosis DAO under [CIP-12: Reimbursement of GnosisDAO](#)

Note2 :

Variance = CIP to Date - Actual , positive variations means we are under budget and vice-versa

The team's major expense category is team compensation

, which encompasses all team members (both existent at project onset, and new joiners). Given the slower hiring pace, we are currently 47% under CIP expectation. The team is solving this as we currently have a full time recruiter in the team. The total core team size at the end of September is 29 people.

Third party development services

includes external developers and outsourced development companies contracted for the support on the development of the CoW Suite. The team spent 400k USDC on outsourcing / contracting of Frontend development, while the team did not have sufficient internal development resources, completing this engagement by the end of October 2023.

Network fees (gas & financial services)

include other than Gas used in network and features testing, service fees charged by banks and other financial service providers relating to the setup of the relation between Nomev Labs and CoW DAO. While over estimate, the current setup allowed us to reduce tax burden, thus postponing the need for the use of the tax provision. The team is currently working on evaluating the company setup and flows with CoW DAO to further optimise tax wise and reduce cost in this area.

External tooling costs

encompass all systems and tools used by the team, which relate to over 50 tools that the team uses in their day to day operations. This cost driver is actively managed and non-monthly subscriptions are purchased when significant discounts exist. The main driver is the AWS services used to support the operation of CoW Suite.

Marketing, Business development and expenses

should be seen as a whole due to the nature of some costs supported. The team is slightly above CIP execution, as some added presence in events has been done to further invest in brand awareness. Our execution of this item was penalised due to growing travel costs and inflation numbers.

A further analysis of main events (not exhaustive) is presented below:

From the analysis above, we can conclude that an average event costs circa 30k EUR (~35K USDC) From the daily usage, we can see that presence in events is correlated with a spike in usage compared to previous days. Additionally, from these events, we doubled our qualified lead number, with over 130 Leads which led to 57 Qualified leads, including relevant names in the industry like MEW, Coinbase, Brave Browser, LIDO.

The remaining costs do not raise any particular analysis, as they encompass general admin costs for the development of the company activity.

Future outlook (TBD)

We are expecting a picking up of monthly costs up to 450k USDC in the following months, namely due to some initiatives:

- Key infrastructure investments as we continue expanding our DevOps services, network and AWS usage;

- Hiring for 5 further positions (please see here our open roles - applications welcome!);

- Marketing and advertising initiatives under discussion with the Marketing team, which may actually be quite significant and were not included in the CIP published in March.

Also, we are foreseeing a 1 month runway extension - due to lower tax burden - if CIP-draft: Reimbursement of Solver Bond & Transfer of ownership is approved when moved for voting.

We appreciate feedback from the community on this report - to assess its usefulness and format.

The Core Team proposes to do a new update with the next CIP proposal which will be put forth with sufficient time so that runway does not become a bottleneck to the operation of the CoW Suite. We estimate that this will be done in 6 months time initiating the discussion in March 2023.