

Dear CowMunity!

Happy to present in this post the financial execution of CIP-24 for the last 6 months.

Simple Summary

This post shares the financial execution of [CIP-24: Continued funding for development services

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(<https://snapshot.org/#/cow.eth/proposal/0xfdbb09f2c4147be81e0873bc10644435dffae9e2ae3da41a70eaa810b46ee5a0>) with the CoWmunity, from April '23 up to and including September '23 (does not include CoW DAO's direct expenditures nor that of the Grants DAO).

The team achieved a reduction in overall spend to ensure continuous development of the project for a longer than originally budgeted period. As such, Nomev operations were reduced from monthly 440k USDC in April to below 300k USDC in September, an estimate that is expected to be kept in the following months. The reduction in expenditure comes mainly from lower team expenditure and a reduction in paid media advertising.

The team participated in two industry events with a third one still planned for Q4, while making sure it's split amongst team members and within budgeted allowances.

Detailed review

Timeline: April '23 to September '23 (6 months)

Currency: USDC

Basis: Accrual basis

CIP: [CIP-24: Continued funding for development services - Service Agreement No 2

](<https://snapshot.org/#/cow.eth/proposal/0xfdbb09f2c4147be81e0873bc10644435dffae9e2ae3da41a70eaa810b46ee5a0>)

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

The team's major expense category is team compensation. The under-execution comes mainly from two unpaid leaves that the team had and a slightly longer hiring window for a BD position.

Third party services

includes external service providers and paid services like paid media contracted for the improvement of CoW Suite. The main sources are:

Payment provider - A renegotiated deal with a payment provider resulted in a lower-than-expected cost of 58k EUR.

Paid ads and marketing agency - The majority of the category total consisted of digital advertising spend and the costs of retaining a digital marketing agency. This was mostly driven at engaging consumers to the Protocol website.

Events & Travel

include all event placement, sponsorship and travel - both for internal and external events and conferences. Event participation is also tracked on a per project basis, to ensure correct budget execution. Our under-execution comes mainly from not attending one ETH Global event (cancelled).

Network fees

include only Gas and ETH used in network and features testing, prior to the approval of CIP-25. The under-spending is mainly due to shifting these costs from Nomev Labs to the DAO Ops Safe.

Hosting

includes node and server providers. We under-spent mainly due to credit programs in the main cloud providers, which allowed the Protocol to be run without major cost expenditure.

External tooling

costs encompass all systems and tools used by the team, which amount 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 over-spending reported is technical as it relates to yearly subscriptions purchased in the quarter that relate to the 12 month period.

The remaining costs encompass general admin costs for the development of the company activity.

Future outlook

We expect to keep expenses capped at a monthly amount of around 300k USDC in the following months, ensuring that the funds last past the current CIP estimated end date. Any unused funds at the end of the service agreement period will continue being funnelled to extend the service provision until total fund expenditure.

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

The Core Team proposes publishing a new update with the next Service Agreement proposal which will be put forth with sufficient time so that runway does not become a bottleneck to the development of the CoW Suite. We estimate this to be in 9 months' time, initiating the proposal discussion in June 2024

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