

# ThankARB: A Strategy, Framework, & Platform for Arbitrum's Success

Coherence, Coordination & Competency via Community

We completed a participatory design process open to all 600,000 token holders to align on Vision, Mission, Values, and Strategic Priorities. Now What?

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Plurality Labs Gov Month 2023

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This post is designed as a compliment to the “executive level” strategic framework decided upon by the community. (Review the GovMonth report [here](#) to see how it was made.) Priorities are a starting place, but real strategy involves more than just a view of where we are going. It cuts through the fog to create clear lines of sight. It clarifies where we have leverage to create the change we want to see.

## ThankARB Strategy

Strategic priorities are abstract visions of where we want to go. They are inspirational. Consensus creates buy-in as diverse perspectives can all see their importance.

A strategy is a deep understanding of why we are choosing a specific path to get there. It is operational. It is saying, “this is specifically where we will focus our resources and why”.

The ThankARB strategy will:

- Guide the design of the grant framework by Plurality Labs
- Assist in coordination amongst other interested parties
- Offer direction for other interested parties such as voting delegates and future grantees
- Be updated to reflect the conversation with the DAO on the ThankARB platform
- Continue to be based on our understanding of Arbitrum's DAO, ecosystem, industry, and external market factors.

The ThankARB strategy will not:

- Be the only strategy adopted by the DAO
- Be enforced as a rule similar to the constitution
- Be exclusively available to Plurality Labs granted programs

What we are presenting is neither a ruleset which must be enforced or an exclusion of other potential strategies. It is a clear declaration of the way Plurality Labs intends to grant funding assisted by the ThankARB platform. It is also an invitation for others to opt-in to a framework which provides coherence, coordination and competency to a community-driven ecosystem.

The strategy realizes that our greatest asset is our community. After all, this is why Arbitrum has a DAO. It is also why our strategy is only imposed on OUR own actions and for those who self-regulate to work within our framework. Such individuals can be grantees aligning their actions. It can mean other grant programs approved by the DAO. It can mean the foundation and its key service providers having clear insight into the intentions of the DAO, thus being able to strategically compliment our efforts.

ThankARB is our strategy at Plurality Labs and we invite you to join us.

## ThankARB Strategy Framework

The strategy we are presenting has three components which combine to form the “kernel”. The kernel reduces infinite complexity in how we will achieve our goals. It is composed of three parts: a Strategic Diagnosis, a 4C Strategy Policy, and Strategic Actions.

# Strategic Diagnosis

These are the three items we see as the critical issues and leverage points around which a strategy can be designed.

## Current Lead in Markets & Tech

Arbitrum has a nice green and yellow pie in a sea of pepperoni (red) on L2 Beats [security summary](#). It has over 50% market share and around 500 protocols building on it. A market share of this size puts us in a unique position wherein anything we do for the community, we do for us.

[

](<https://l2beat.com/scaling/projects/arbitrum>)

The DAO has a multi-billion dollar war chest. We have more developers than most chains, but we don't currently know how to best mobilize them for the benefit of the ecosystem. These advantages might be thought of as having the "high-ground". How do we maintain this position?

## Dichotomy of L2 Competition

Arbitrum faces competition as a provider of blockspace with fair sequencing from both L1 and L2 projects. While the L1's could be seen as competition to Arbitrum, the L2s can be seen as co-opetition. They present a challenge as an alternative for developers and users, they are also critical to the success of Ethereum providing both decentralization and public goods support. This dichotomy makes it critical for Arbitrum to understand who it is attracting and why.

Another way of viewing this is that all blockchains are in competition with web 2. In this framing, we might be inclined to consider that competition is not our highest concern. Perhaps, the competition is less an economic competition for blockspace and more a technological race to develop the technology that best guarantees the neutrality of digital public infrastructure.

## Decentralization as a Risk & Benefit

Serving sequencer fees to the DAO and hosting critical multisig elections via smart contracts are hallmark characteristics of Arbitrum's DAO and founding values. Decentralization is not only a desire, but a critical requirement of the technology AND its governance. Arbitrum provides the ideal technology stack to ensure a user who puts their assets in the system and interacts with smart contracts is maximally protected from the whims of the system operator.

This neutrality is not an option, but a requirement which must be a priority of the DAO. History saw Facebook rug Zynga about a decade after AOL rugged developers in the same way.

At the same time, DAOs are notoriously bad at keeping focus. By continuously keeping our collective eye on the ball, we reduce the risk that we forget our core promise to builders.

## 4C Strategy Policy

The policy should define actions which should be taken while not defining how they should be done. Like guardrails on the highway, these provide boundaries for acceptable behavior.

Community \* Coherence \* Coordination \* Competence

Bringing coherence to our community in a way that enables better coordination thus driving competency to where it is most needed.

All actions taken by Plurality Labs will be driven through this lens. As you read about the strategic actions, return to the 4C strategy policy and think about how it shifts your perspective.

## Strategic Actions

Finding competency for specific actions requires coordination. Coordination requires the participants to have context or coherence. Coherence is imposed on a system through design and engineering. The ThankARB platform will be used to provide needed incentives and validations to empower the Arbitrum community with the data required to intelligently evolve.

Our strategic deployment begins with Sense, followed by Response, and then Evolve. Once started, this progression continues as an ongoing cycle.

Within each objective, there are three problems we aim to address. Solutions will emerge through a combination of the Plurality Labs team, experiments executed, and programs funded.

## Objective 1 - Sense

Understanding, legitimizing, and communicating the needs, desires and capabilities of the DAO

- How might we understand the needs and desires of a large decentralized ecosystem?
- How might we communicate learnings to the community to maintain context over time?
- How might we use collective intelligence to deliver competency & specialization?

Example:

“Regular DAO” sets their strategic priorities with 5-10 people presenting a vote to ratify (or not) the results of weeks of workshopping. They don’t know if they have representative samples and the broader community intelligence isn’t harnessed in the creation of the proposal.

Juxtapose this with our #GovMonth

campaign wherein almost 20,000 participants generated ideas and then we heatmapped the support for each idea eventually arriving at 4 strategic principles, cross-validated using multiple statistical and data-driven methods.

The usual way of doing things would have them make a forum post where maybe 100-200 people know that we have ratified priorities. We will be doing this step differently too.

## Objective 2 - Respond

Create a modular suite of funding structures which best achieve the desired outcomes

- How might we best match allocation methods to best serve intentions?
- How might we balance the need for long-term context holders with decentralization?
- How might we design clear pathways to success for funded grantees?

Example:

We know that retroactive public goods funding is great for funding public goods, but not as good for incentivizing entrepreneurs. Quadratic funding is great for sourcing new grants but direct grants allow us to double down on high performers. Streams are great to maintain high context when needed, but elections for hiring prefer popularity & charisma over expertise. Different allocation mechanisms are needed to produce a thriving and balanced ecosystem.

## Objective 3 - Evolve

Empower the DAO to make data-driven decisions using an open data infrastructure

- How might we understand the data & data structures needed to decentralize evaluation?
- How might we score value creation independently from execution of work?
- How might we reduce bias to ensure the best perspectives gain prominence?

One of the biggest funding gaps identified in this [State of Web3 Grants Report](#) is evaluating grant funding performance. While evaluating at all is a start, we aim to provide an open and decentralized system for evaluating the work done, if the work had impact, and if it was a good priority in the first place.

# ThankARB Platform

ThankARB uses the advantages of a community to enable the Arbitrum ecosystem to execute at a high level. Plurality Labs can facilitate this strategy to make capture-resistant governance possible. This is how Arbitrum will ensure its core promise to developers - that they won’t get rugged by the technology on which they are building.

Backed by ThriveCoin technology & team, the ThankARB platform:

- Incentivizes minimum viable decentralization for fairness
- Incentivizes statistically significant participation for legitimacy
- Incentivizes participation in allocation and evaluation experiments
- Auto-validates actions both onchain and offchain

- Human reviews to ensure auto-validated submissions are quality
- Transparent onchain reporting for open auditing

## Moving Forward: Funding of Strategic Priorities

The strategic priorities were a result of our first “Sense” experiment. These are the needs and desires of the community and the future areas of funding for the Plurality Labs grants programs. By combining the executive strategic priorities with our 4C strategy policy, we have identified the following opportunities.

Funding of Plurality Labs grant programs will require that they help move forward one or more of the strategic priorities. The opportunities within each priority are guidance for the outcomes we would like to see funded. This can be accomplished through a Plurality Labs grant program, another grant program, or a direct proposal to Arbitrum DAO.

We will work to support proposals that seek to provide outcomes aligned to the strategic priorities below. In our 2nd milestone, we will aim to complement the work done thus far to make meaningful impact in all of these areas, massively scaling the amount of funding the DAO can effectively allocate aligned with our strategic priorities.

## World Class DevRel

### Pathways for Public Goods Builders

- How might we find out what infrastructure is currently most desired?
- How might we know what is currently being built?
- How might we jointly fund innovation with other EVM chains & L2s?

### Pathways for Application Builders

- How might we partner with VCs to provide expertise to product market fit bets?
- How might we provide fairness in support we provide to projects?
- How might we create & reward retention for projects making Arbitrum their home?

### Worldwide Support

- How might we fund locations where the value goes the farthest?
- How might we support localization & translation efforts?
- How might we provide the best educational materials which can be reapplied?

## Future Proofing

### MEV & Gas Fee Research

- How might we avoid special interests hijacking the quality of conversation at the knowledge frontier?
- How might we bring together the best minds in MEV to... ?
- How might we

### Treasury & Sustainability

- How might we understand the price & security impact of actions we take?
- How might we develop a treasury management policy to support our long-term?
- How might we

### Data-Driven Decision Making

- How might we understand how protocols building on Arbitrum affect retention?
- How might we make data available in user friendly formats?

- How might we enable the community to build on each other's advances?

## **Governance Optimization**

### **Modular Structures & Frameworks**

- How might we design better technical solutions for common funding types?
- How might we build the pathways needed to implement a reputation layer?
- How might we design checks and balances in DAO governance

### **Post Grant Evaluation**

- How might we standardize data structures for consistency in review?
- How might we establish fair systems to appeal grant program decisions?
- How might we evaluate success to consider all factors: priorities, execution, and impact?
- How might we continuously update our eligibility criteria based on outcomes?

### **Decentralized Allocation Infrastructure**

- How might we create a transparent and auditable substrate for grant evaluations?
- How might we test fully decentralized and onchain allocation mechanisms?
- How might we setup time/milestone based unlock schedules for grant funding?

## **Community Participation**

### **Community Conversations**

- How might we involve the community in regular feedback loops?
- How might we establish and validate web 3 native communication channels?
- How might we open the grant evaluation process to involve community members?

### **Retroactive Funding Program**

- How might we set a precedent that encourages the community to step up when needed?
- How might we establish a role for badge holders who evaluate eligibility?
- How might we create a long-term plan for continuous improvement?

### **Wayfinding Improvements**

- How might we build and socialize a go-to page for people new to Arbitrum?
- How might we connect inquiries to community members willing to help?
- How might we increase the number of quality grant proposals funded by Arbitrum?

## **Conclusion**

ThankARB is a strategic framework for the Arbitrum ecosystem. Plurality Labs will use this framework to guide how it allocates grant funding and how it designs a grant funding framework. We invite others to join our strategy, however, the DAO always maintains the right to approve funding outside of our program, framework, and to follow a different execution strategy.

We aren't looking to ratify this strategy, the strategic priorities, or the Vision, Mission, & Values we have presented because if they are indeed legitimate, the community will opt-in to participating and continue to support us.

Communities are full of competent ideas and people, but they lack a strategy to leverage these assets. To find and leverage competency, a community must coordinate. To coordinate, they require coherence in understanding where, why, what, and

how. ThankARB will provide this.

Arbitrum has a unique market leading position. By accelerating the pace at which we can competently execute we will ensure the promise of Arbitrum to developers, the value of Arbitrum governance to the community, and the success of Ethereum.

We thank the Arbitrum community for the opportunity to drive a grants framework serving its success. That is why we are calling our overall program ThankARB

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