

TLDR:

- Overview: The DAO has existed for 18 months, [total expenditures of 425M ARB](#) with 40+ initiatives that have passed Tally; and only in the last three months did we create a single list with the live initiatives. We can do better.
- Still, reporting has had inconsistent processes, making it difficult to see all the initiatives, let alone determine relative performance.
- This proposal enables the DAO to create a Reporting and Information function that will enable transparency and visibility into the status and performance of initiatives.
- Critical Importance: Reporting and information management are a critical component of growing organizations as it enables them to learn and improve. As the DAO evolves, a reporting function is a critical way to improve and show investors it is more than just “the teenager with the trust fund”.
- This lack of a DAO-wide reporting function has led to issues for delegates and initiatives, reducing our speed of learning.
- The problem is that while the Arbitrum DAO has made strides in data capture and reporting, gaps remain in transparency, documentation, and the distribution of data to stakeholders.
- The work, Basic Reporting continuation [Stream]: the ongoing work required to maintain, document, and incrementally improve current data capture and reporting workflows.
- Team: Alex Lumley, Lumen of PowerHouse, Customer Stakeholder Representative Group and potentially a group of SPs who will leverage reporting & information and incorporate community stakeholders into workflows to enhance transparency and collaboration.
- Cost: a maximum of \$263,260 for the continuation of the reporting function for up to 12 months, 4 months of backpay, grants to incorporate the community and research areas such as information dissemination and how to incorporate other tools the community has built.

Motivation

Reporting is critical to any growing organization, especially to a decentralized autonomous one.

With over 425M ARB allocated, we must evolve from ad hoc reporting to a structured framework that delivers transparency, accountability, and actionable insights.

Good (Vision) vs. Current Status:

Good (The Vision), where we want to go:

A tailored Reporting and Information Function

that:

- Provides comprehensive insights into initiatives.
- Aligns governance with long-term objectives.
- Standardizes and manages information flows to reduce the complexity and manual work currently required.
- Builds trust and accountability across stakeholders.
- Transparent, standardized reporting that empowers delegates and enhances accountability.

Current State (The Problems):

Disjointed efforts with limited visibility into the outcomes of 425M ARB in expenditures.

- Lack of cohesive reporting structure lead to inefficiencies and missed opportunities for oversight.
- ArbitrumDAO currently lacks a systematic framework for tracking the existence and performance of ongoing initiatives.
- This leads to fragmented oversight and unclear metrics for success, which results in difficulty ensuring alignment with DAO objectives and resource optimization.

Across the ecosystem:

- Delegates struggle to perform their watchdog roles due to disjointed and inconsistent information.
- Teams feel their efforts are unnoticed or misrepresented, and some struggle with excessive manual processes;
- Teams face challenges in providing performance updates that account for complexity and unique operations.
- The broader DAO lacks alignment and performance visibility.

Rationale

Given the direction of what an idealized reporting looks like and where we currently are.

What should we actually build out?

The solution is not to build more tech, simply not report or do something else, but to allow a team of people with deep expertise and high-context individuals to iterate and work through this with the DAO.

For this reason, we are proposing a solution that allows us to get to a steady state and then iteratively improve.

Specification

Contributor Team - Roles & Responsibilities

Advisory Committee:

A small group of around 3-5 delegates and ecosystem participants will represent the user group of people we will co-work with to design this.

Should include representatives from:

- Foundation
- Delegate Representative
- Entropy or another Service Provider

Principal Program Manager (Alex Lumley)

- Oversees the distribution of funds (along with the Advisory Committee)
- manages the workstream and ensures satisfactory delivery.
- They shall act as the primary point of contact for DAO delegates and stakeholders and manage and oversee the performance of the Working Group(s).
- Manages and operates the monthly reporting calls, providing both updates across the DAO and on the Reporting workstream itself.
- By partitioning forward-looking R&D work and ongoing operational work, the workstream may continue existing operations while developing forward-looking initiatives.

Steps to Implement (Statement of Work)

The objective:

To continue operating and improving data capture and reporting while seeking to understand how to best provide and translate this data for final consumption by last-mile stakeholders (e.g., marketing, internal communications, etc.)

The Reporting Workstream Comprises Three Phases

In order to provide a maximally functional workstream, we require three phases. The first phase continues reporting operations while establishing a baseline through business analysis and processes and procedures documentation. This output will allow subsequent contractors or OpCo to adopt the workstream if desired.

Phase two consists of reduced resource allocation, providing some iterative improvements, performing the research to review problem areas, and culminating in a final report and proposal if appropriate.

Phase 3 further slims the resource allocation, committing to simply continuing the reporting operations workflows or transitioning them to another counterparty if necessary.

Reporting operations include:

- Management and Execution of GRC and Bi-Weekly calls,
- Maintenance of the GRC tracker and initiative database.

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image

1620×850 118 KB

](<https://canada1.discourse-cdn.com/flex029/uploads/arbitrum1/original/2X/6/624b1db0593372fc9e6dd043e4a0a4e5eafed66c.jpeg>)

Figure 1.

Three Phases of Reporting Operations

Table 1

. Work Components By Phase By Resource Allocation

Component

Description

FTE Commitment Allocation

Phase 1: Reporting Operations and Documentation

Reporting Meeting Operations

The preparation, execution, and all management of the existing GRC and biweekly calls.

(50% FTE) –

20 hours/ Wk 25% Biweekly Calls 25% GRC

Operational Data Quality and Monitoring (GRC Tracker)

Maintenance of the GRC and Initiative Tracker, including First Mile Intake, Data Quality, and Ongoing Oversight for Completion

(25% FTE) –

10 hours /Wk

Capture and Reporting Workflow Documentation

Delivery of Current Reporting Workflow Processes and Procedures, including stakeholder interviews and

(75% FTE) –

30 hours/wk 25% Program Manager 50% Operations Contractor

Phase 2: Reporting Operations and Incremental Improvements

Reporting Meeting Operations

The preparation, execution, and all management of the existing GRC and biweekly calls.

(50% FTE) –

20 hours/ Wk 25% Biweekly Calls 25% GRC

Operational Data Quality and Monitoring (GRC Tracker)

Maintenance of the GRC and Initiative Tracker, including First Mile Intake, Data Quality, and Ongoing Oversight for Completion

(25% FTE) –

10 hours /Wk

Iterative Improvements and Final Documentation

Incremental improvements through the quarter Post- Mortem Report A Proposal for additional scope if appropriate

(40% FTE) –

16 hours/Wk 15% Program Manager 25% Operations Contractor

Phase 3: Reporting Operations

Reporting Meeting Operations

The preparation, execution, and all management of the existing GRC and biweekly calls.

(50% FTE) –

20 hours / Wk 25% Biweekly Calls 25% GRC

Operational Data Quality and Monitoring (GRC Tracker)

Maintenance of the GRC and Initiative Tracker, including First Mile Intake, Data Quality, and Ongoing Oversight for Completion

(25% FTE) –

10 hours /Wk

Reporting Meeting Operations

- Reporting Meeting Operations covers the preparation, execution, and all management of the existing GRC and biweekly calls.
- The weekly time commitment covers 15-25 hours based on past performance of the below services.

GRC Meeting and Program Operation

- Scheduling and Coordinating Monthly calls with Initiative Leads and community stakeholders.
- Reviewing prior action items with interim follow-up for critical path action items.
- Managing and Overseeing meeting proceedings
- Capturing action items with responsible parties during proceedings
- Documenting meeting notes in addition to AI notetaking and recording.

BiWeekly Reporting Call Operation

- Scheduling and Coordinating Biweekly calls with proposal authors and community stakeholders.
- Reviewing content and format with the proposal author to ensure appropriateness
- Managing and Overseeing meeting proceedings
- Capturing relevant action items and communicating with proposal authors
- Documenting meeting notes in addition to AI notetaking and recording.

Executive Management and Post-Meeting Coordination

- Preparing executive summary and post-meeting notes for community with corresponding forum post
- Distributing executive summary and post-meeting notes to attendees and relevant stakeholders.

- Ensuring counterparties are aware of action items and coordinating communications, interim action items, or introductions with relevant stakeholders.

Operational Data Quality and Monitoring (GRC Tracker)

Operational Data Quality and Monitoring includes the maintenance of the GRC and Initiative Tracker, including First Mile Intake, Data Quality, and Ongoing Oversight for Completion and adherence to existing DAO policy.

The weekly time commitment covers 10-15 hours based on past performance of the services below.

- Overseeing Data Intake, ensuring completion, data quality, and appropriateness in the proposal, Ensuring reporting adherence of portfolio projects to DAO standards
- Review new proposals to ensure awareness of existing relevant proposals, as well as identify and proposals that require reconciliation with the most current DAO status.
- Capture all existing initiatives within the GRC database.
- Review existing proposals and database weekly to identify changes or new proposals (e.g. new live proposals, concluded proposals)
- Reconcile the weekly changes and communicate with all relevant and required counterparties.

Capture and Reporting Workflow Documentation and Iterative Improvements

The work items below provide for the formalization, documentation, and improvement of the current data reporting and capture function.

Current state:

At present, Arbitrum and the various stakeholders do not have clear documentation or understanding of data capture and reporting structures.

That is, it is not entirely clear how information is captured and distributed through the DAO.

- Identifying existing data capture and structure workflows, including qualitative and quantitative metrics
- Identify stakeholder roles and perform representative stakeholder interviews to evaluate current UX for key stakeholders.
- Prepare visual and written articulation of existing reporting and capture workflows.
- Identify opportunities for improvement.
- Propose and evaluate solutions with stakeholder representatives.
- Implement and evaluate solutions
- Provide a quarterly update to the DAO.

Discretionary Work Fund

The discretionary work fund includes funding for proposal preparation, R&D grants related to reporting and information distribution, community compensation for outsourced tasks, and the potential to train additional contractors to begin to support some of the existing calls as a backup to the Program Manager.

Timeline

Upcoming meetings and proposals.

- November 19th:
- Bi-Weekly call
- Bi-Weekly call
- December 3rd:
- Bi-Weekly Call

- November GRC - Part 1
- November GRC - Part 2
- Bi-Weekly Call
- November GRC - Part 1
- November GRC - Part 2
- December 17th:
- Bi-weekly Call
- Bi-weekly Call
- December GRC:
- Asynchronous
- Asynchronous

Overall Cost

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Table 2.

FTE Totals by Phase

Phase

Duration

FTE Count

Effective Annual FTE

Phase 1: Reporting Operations and Documentation

Q1 2025

.25 years

1.5

0.375

Phase 2: Reporting Operations and Incremental Improvements

Q2 2025

.25 years

1.15

0.2875

Phase 3: Reporting Operations

Q3 & Q4 2025

.5 years

0.75

0.375

Total

1.0375 FTE /YR

Table 3.

Total USD Costs By Project Component

Component

USD Amount

Description

Reporting Function Operation and Improvements*

\$149,328

This budget item covers 1.5 FTE and all the costs associated with the reporting function.

Discretionary Work Fund^

\$45,000

Provides retroactive compensation for proposal preparation and additional funds to contract community members and third parties.

Program Manager Backpay

\$45,000

75% FTE at Low Contractor base for 5 Months

Buffer estimate

\$23,932

This is buffer for snapshot. Once we receive all the feedback from delegates and ensure this is estimate is fair we will remove any additional amounts.

Total Maximum USD Spend

\$263,260

*The fee is calculated using FTE comp calibrated to match a Sr. OpCo employee (192k) plus a 30% Contractor premium for Benefits, etc. No contingency funds are quoted, and any overages will be absorbed by the contractors themselves.

^ Discretionary fund utilization will be reported on a quarterly basis, and funds unused after 12 months will be returned.

Performance Bonus Converts Base Comp into ARB Paid Post Performance

In order to align long-term incentives, the proposed bonus structure provides a portion of 192k base comp plus contractor premium. Approximately 42% of the total contractor fee is to be taken as an ARB bonus paid after quarterly performance. The total ARB bonus to cover the entire scope shall be 220,240 ARB and will be paid out quarterly according to the FTE proportion.

The ARB calculation assumes the 90-day moving average price for ARB (\$0.56), the OpCo standard base bonus of 30%, and a 30% risk premium for the portion converted from deferred base compensation.

Program Manager Backpay {#program-manager-backpay

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The Program Manager has worked uncompensated since August while the date of the initiation of this statement of work is January 2025. It is therefore proposed that the Program Manager receives the USD backpay for the 5 uncompensated months at 0.75 FTE using the reduced base comp rate of 12k monthly and no ARB bonus, totaling \$45,000.00

Term and Termination

The proposal includes a 1-year commitment for the Operations and Reporting function. Payments in USD are made on a monthly streaming basis to provide for continuing operational expenses. ARB bonuses are paid on a quarterly basis upon the conclusion of the respective work term prorated to FTE. In the event of termination, they are prorated over the term of work completed.

Overview:

The proposed structure includes:

- Ongoing reporting operations
- information distribution research.

About the Team

Powerhouse

: A DAO Operations Specialist

Powerhouse

began as the MakerDAO Sustainable Ecosystem Scaling (SES) Core Unit supporting an DAO incubator program, which also involved designing and building out the operational infrastructure of one of the largest DAO experiments to date. As SES, Powerhouse

team members helped teams to organize operations, define workflows, and connect teams with relevant service providers. We learned a lot during the two years of operating this incubator and are now working on translating our best practices into open-source software and structured services for DAOs. Powerhouse

is led by Prometheus, the former Head of Engineering of the Maker Foundation, responsible for shipping Multi-Collateral Dai in 2019. Powerhouse

retains a full operational staff of approximately 14 full time contractors, plus additional partners and third party contractors. The firm utilizes in-house software development and business analysis teams to support organizational design and the translation and implementation of workflows into software where desired.

Lumen:

For the proposed operational reporting project, Lumen PhD, a Principal at Powerhouse

, will oversee and manage the research and design work required. Lumen has extensive experience at startups and FAANG including a prior Operations Executive role at the Maker Foundation and Strategy roles in MakerDAO. He also possesses an R1 PhD in Social Psychology focused on game structures and organizational behavior. As part of this prior work, he managed federally funded in vivo and digital psychological intervention reaching thousands of participants.

Powerhouse

Delivered ArbGrants for LTIPP

Powerhouse successfully supported the recently concluded Arbitrum LTIPP project with [ArbGrants](#), a site to capture and surface reports for the 80+ grantee projects. This work included business analysis, workflow design, and software development. The final product was a custom-hosted software workflow that enabled the Program Manager to complete the required oversight of compliance for biweekly reporting. Powerhouse also completed a large portion of the last-mile customer service work, including helping grantee projects navigate their reporting obligations and other program inquiries. For more information on this, you may see the post-mortem presentation [here](#).