[Non-Constitutional] Transparency and Standardized Metrics for Orbit Chains on growthepie.xyz Allowing Data-Driven Decision Making

Proposal

Brief background: This proposal has been created initially for the Arbitrum GovHack Brussels and was selected as one of the finalists. This version is an updated version, especially making sure that this proposal is understood as a start to have more usage analytics around Orbit chains, and that the future process of data collection and onboarding of chains is streamlined, and constantly iterated on to make the listings cheaper and more affordable/sustainable for upcoming (and potentially smaller, more niche) Orbit chains.

Abstract

We want to increase the transparency into the Orbit stack by aggregating important metrics on a chain level so that users, builders, and DAO members can make better data-driven decisions, including what revenue an Orbit chain generates. This allows to plan much better, for example around an Orbit liquidity plan or other discussions around Orbit chains and their current/future support, or even retroactive programs (through better historic and comparable data points).

There is high likelyhood that the DAO will want to run an incentive program for Orbit Chains in the future. By having the data ready to go, we can avoid having a short-term program proposal which bootstraps data gathering. A 2% (low estimate) productivity increase on \$50 million would have been \$1 million. This proposal can likely pay for itself!

It will be in the form of a dedicated Arbitrum Orbit Stack page on growthepie.xyz having 20 chains listed with standardized metrics for each chain as well as an aggregated fundamental metrics view for the whole stack.

Motivation

So far, there is no go-to place that provides an overview of Arbitrum Orbit. Standardized metrics allow a better idea of the performance and outlook of each chain being part of the Arbitrum Orbit. This results in greater transparency for all chains regarding their activity and how the usage of one chain compares to another.

Users can use this information to gather a quick overview of the Orbit ecosystem. Builders can use the different metrics to better track adoption, and DAO members can make more data-driven decisions on future initiatives (e.g., Orbit retrospective funding based on onchain contribution to the DAO).

Also, visibility for the overall Arbitrum Orbit stack is increased, and the whole Ethereum ecosystem can see what is going on in the Arbitrum ecosystem - where to be and interact, build, or allocate funding towards. Additionally, for DAO members and delegates, revenue and cost metrics provide future insight into how the Orbit approach should be developed to make it profitable for the DAO as well (includes more transparency into how much Orbit chains are paying to Arbitrum One).

This proposal is meant as a start for a long-term partnership to provide listing of Orbit chains long-term and on a recurring basis on growthepie. After the listing of the first setup and 20 initial chains, we would like to follow up with another AIP to enable listing of the 21st+ chain.

Rationale

growthepie is an entirely public goods funded analytics platform for Ethereum scaling solutions. The AIP aligns closely with Arbitrum community's mission and guiding values. At growthepie, Ethereum alignment is at the core of our existence, ensuring that our efforts contribute to the broader Ethereum ecosystem.

We aim to enhance transparency, enabling data-driven decisions that are crucial for tracking outcomes and improving strategic decisions. All our code is open-source, allowing anyone to review and verify our metric logic. This openness fosters trust and ensures the integrity of our platform. We prioritize inclusivity by offering our platform and API completely free of charge, ensuring maximum accessibility for all users.

Our user-focused design philosophy centers on the needs of our diverse audience, making data easy to digest and actionable for all users. We uphold the values of neutrality and openness as we believe in the power of data to increase transparency and objectivity. All information on our platform is freely available, reinforcing our commitment to these principles.

Key Terms

• Revenue:

Gas fees paid by chain users

· Onchain contributions to DAO:

Orbit chain revenue contribution to the DAO (exact mechanics and details TBD)

· Fundamentals metrics:

Transaction Count, Active Addresses, Throughput, Stablecoin Market Cap, TVL (Total Value Locked), Revenue (Fees paid by users), Costs (Settlement/DA), Profit (Revenue – costs), FDV, Market Cap, Transaction Costs

Specifications

growthepie has proven to be a platform for people wanting to understand the overall health, activity, and usage across the Ethereum scaling solutions ecosystem. Arbitrum One was listed as one of the first 5 chains from the beginning. Since then, Arbitrum members have used the platform to compare Arbitrum One with other Layer 2s, and we have provided reliable data and visualizations for Arbitrum's community. Marketing has also used our charts to provide data-driven insights into the ecosystem and how Arbitrum One is growing, giving it more credibility.

Building on this, the Arbitrum Orbit should be given a dedicated place on growthepie with 20 chains listed in the beginning. This allows us to provide a mostly complete overview of the whole Arbitrum stack. This proposal is aimed at the start of a longer partnership. Hence, as part of this proposal, we will design and set up the initial pages and backend needed to onboard Orbit chains, aggregate fundamental metrics, and especially revenue metrics for each chain.

Which Orbit chains will be considered among the 20 chains as part of this proposal?

Every chain that is above \$1 million TVL (Total Value Locked) at time of the listing decision, will be eligible to be listed as part of this proposal. Every chain that is below at the start of the listing process will not be considered. In case a chain falls below \$1 million TVL in the future (after the listing decision had been made), the chain will stay on growthepie, however. The chain will not be delisted and available data will be presented as long as no official announcement by the chain's team has been made that the chain will be shut down.

Each Orbit chain – as Arbitrum One and any other chain listed on growthepie – will have their own set of metrics (in the categories activity, value locked, economics, and convenience) and their own single chain page. Additionally, each chain will appear on each fundamental metrics page for which the specific metric is available.

Stack view for an aggregated Arbitrum Orbit view

On top of that, we will introduce a Stack view (new page) that provides a complete overview of the whole stack aggregated. This will be on a dedicated page which will enable users, builders, and DAO members solely interested in the Orbit to go to this place and learn more. See the prototype which includes:

- Leading chart that aggregates Layer 2s and/or Layer 3s together showing growth over time
- Table that lists all available Orbit chains on growthepie separated into Layer 2 and Layer 3
- Fundamental metrics section with the aggregated view of all chains combined in the Arbitrum Orbit

This set of views will make it possible to easily get an overview and see the growth of the whole Orbit ecosystem but also to compare certain Orbit chains against each other (or against other Layer 2s from other ecosystems).

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Steps to Implement

Timeframe starting from the date of DAO proposal approval and weeks/months add up to each other. Total duration ~ 5 months. Chain listing time is also dependent on potential collaboration with an indexing provider and their speed of chain indexing.

Steps
Step
Resources (hrs)
Costs (in ARB)
Timeframes
Design and implement general platform UX adjustments on <u>growthepie.xyz</u> (more chains mean restructuring of UI elements and different filter logic)
Design - 20, Frontend - 40
\$10,350.00 USD
3 weeks
Design and implementing frontend views: Orbit specific stack view, Single chain view (for each Orbit chain), Fundamentals view (to compare Orbit chains)
Design – 15, Frontend – 50
\$11,200.00 USD
3 weeks
Streamline listing process
Frontend – 10, Backend - 15
\$4,350.00 USD
2 weeks
Data infra setup (RPCs, database execution) and Frontend hosting costs
Backend - 30
\$5,175.00 USD
2 weeks
Metric aggregation & Logic: Activity (Transaction Count, Active Addresses – daily and monthly), Value locked (Stablecoin Market Cap, Total Value Locked), Economics (Revenue, Costs, Onchain Profit), plus Market Cap and Fully Diluted Valuation where applicable, Convenience metrics: Transaction Costs (median 1-day aggregation), DAO Contributions (how much back to ARB)
Research - 20, Backend - 40
\$10,350.00 USD
2 weeks
Listing first 10 Orbit chains (above \$1 million TVL) and maintaining frontend + data pipeline for 1 year
Design – 10, Research – 40, Backend – 80, Frontend – 20, Infra - fixed
\$84,375.00 USD
2 months
Listing 10 more Orbit chains (above \$1 million TVL) and maintaining frontend + data pipeline for 1 year (20 total)
Design – 10, Research – 40, Backend – 80, Frontend – 20, Infra - fixed
\$84,375.00 USD
2 months

Overall Cost

The following cost are denominated in USD. The exact ARB amount will be determined closer to the onchain proposal date to reflect the US dollar ask.

Fix setup costs (\$41,425.00 USD):

- Design and implement general platform UX adjustments (more chains mean restructuring of UI elements and different filter logic)
- Designing and implementing frontend views: Orbit specific stack view, Single chain view (for each Orbit chain),
 Fundamentals view
- Data infra setup (RPCs, database execution)
- Metric aggregation & Logic: Activity (Transaction Count, Active Addresses daily and monthly), Value locked (Stablecoin Market Cap, Total Value Locked), Economics (Revenue, Costs, Onchain Profit), plus Market Cap and Fully Diluted Valuation where applicable, Convenience metrics: Transaction Costs (median 1-day aggregation), DAO Contributions (how much back to ARB)

Initial chain listings (20 Orbit chains in total) and maintenance for 1 year (\$168,750.00 USD):

- Integrate brand assets (icon, colors, etc.) for each chain
- Pull raw transaction data and store in our database
- Setup metric logic where applicable (e.g., bridge contracts for value locked, custom gas tokens, DA layer, settlement layer)
- · Daily aggregation of all relevant datapoints
- Aggregated data / metrics available via API (for frontend and other data consumers)

Requirement:

Arbitrum Foundation provides indexed data. If not, an additional cost for indexing will be added (\$3,750.00 USD per chain)

Recurring costs also cover:

- · Hosting frontend
- Maintenance backend / data pipelines
- Regular posts on social media about interesting developments (from data perspective)

Total Costs: \$210,175.00 USD

Further information

This proposal has been initiated during the Arbitrum GovHack Brussels 2024 for:

· Track Number:

8

Track Name:

Orbit Stylus Infra

Initial Challenge Statement:

How might we help Arbitrum users, builders, and DAO members to make Orbit metrics available in an easy-to-digest manner so that DAO processes can be improved and builders can get an ecosystem overview resulting in more data-driven decisions and transparent processes?

growthepie team members:

Tobias Schreier, Matthias Seidl, plus growthepie team for implementation: Manish Gupta, Lorenz Lehmann, Ahoura Azarbin, Nader Bennour, Michael May, ETH Wave

More on our contributors page: growthepie Contributors

Team Lead:

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Links:

Pitch Board

Proposal Video

growthepie platform