Unifying Arbitrum's Mission, Vision, Purpose (MVP)

Non-Constitutional

Abstract

Following extensive conversations with stakeholders and active delegates, and feedback on our initial mission/vision/goals proposal, Entropy Advisors has decided to modify our approach for aligning the Arbitrum DAO on its end state goals and the more granular strategy through which these will be reached. This approach can be distilled into three separate phases:

1. Achieving wide-reaching agreement on why the Arbitrum DAO exists and what it is trying to accomplish. In other words, what is the DAO's mission, vision, and purpose for Arbitrum. The MVP is purposefully simple and unambiguous such that it is absolutely clear what the DAO is ultimately working towards, with additional complexity only introduced when strategic goals to reach the end state are created. Without an agreed upon north star, it is impossible to evaluate how one-off strategies and initiatives assist the DAO to reach its goals, simply because there is currently a wide set of different opinions on what the DAO is striving to achieve. Additionally, most—if not all—initiatives and strategies are evaluated in isolation without considering how they play into wider frameworks. While the MVP might feel too abstract, its purpose is to enable more complexity to be stacked on top of it through iterative efforts.

2. Once the DAO's end state goals have been solidified, anyone will have the opportunity to propose a strategy matrix made up of 12- and 24-month focus areas for the DAO through an open process named Strategic Objective Setting (SOS). These areas should have well-established guidelines for tangible implementation and what they aim to accomplish, as well as only have one purpose—optimally moving the DAO towards its end state. This is the step that will allow the DAO to refocus its attention on the most critical deliverables and judge how one-off initiatives fit into its short- to medium-term priorities. Entropy Advisors is working on the SOS proposal in tandem with the MVP, and it will be posted as a subsequent separate proposal with the DAO choosing one matrix of strategies as the winner.

3. Combined with financial forecasting, the SOS will enable the DAO to budget itself for the next 12/24 months by earmarking capital to each strategic focus area ratified in step 2. Arguably, the most important aspect of this step is for the DAO to align on how profitable/loss-making it wants to be during the coming year(s). Lastly, with clearly defined strategic focus areas, it should also become simpler for the DAO to begin marketing its efforts since, e.g., a clear identity, as well as narratives, can be built around each of the DAO's focus areas.

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MVP2

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When it comes to this proposal, we've strived to distill numerous key stakeholders' and delegates' thoughts and ideas into a cohesive mission, vision, and purpose for the Arbitrum DAO, presented below. It'll naturally be impossible to align all DAO participants on the DAO's end state goals because of the ecosystem's diversity. However, for this exercise to be successful, the passed Mission, Vision, and Purpose must have buy-in from a clear majority of the DAO and cannot be unilaterally pushed forward.

After looking into other ecosystems, we concluded that Lido currently has the best-suited mechanism to strategically define objectives in a decentralized and efficient manner, which is why we are striving to implement a program for Arbitrum that takes influence from Lido. We thank Lido DAO contributors who set a great example of how decentralized governance should go about this exercise.

Call to Action

The Arbitrum DAO's Guiding Principles are as Follows:

Purpose (Meaning): Scale Ethereum without compromise.

Mission (Action): Empower people with the freedom to build their best onchain world.

Vision (Aspiration): Arbitrum is home to the universal shift onchain.

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Motivation + Rationale

The current lack of defined mission, vision, purpose, and strategic objectives today has created a notable, twofold inefficiency in the DAO:

1. Each organization operating in the DAO must extrapolate for itself what it should work towards that contributes the most value to Arbitrum. Questions arise such as:

2. Should my organization work toward enabling operational sustainability and painting a picture of ARB as a productive asset?

3. Growth of the technology stack:

i. Orbit?

ii. Stylus?

iii. Arbitrum One?

- What role should public goods have within Arbitrum?

With a lack of clear strategic focus areas, being an effective DAO operator becomes difficult. Redundant and conflicting work turn into a reality due to a lack of alignment and organizational structure.

1. The absence of concrete goals has made it challenging for the DAO to judge the effectiveness of initiatives. A system has been created where all the DAO can effectively do is judge "Did this organization work hard" but lacks the ability to judge "Did this organization do a good job moving Arbitrum forward towards its end state goals."

Additionally, a clear vision is required for the DAO to pursue its own brand and marketing strategies. It is time to align on this vision. If Arbitrum DAO executes its mission successfully, what does Arbitrum's place in the world look like? What are the ecosystem and its numerous contributors (the DAO and its programs, the Foundation, and development teams) working towards? What sets Arbitrum apart from competitors?

The goal of the MVP proposal is to align the DAO on the highest level of purpose, enabling the subsequent SOS to build on top of it and function as a framework through which delegates and key stakeholders can propose and choose a set of concrete short- and mid-term goals for Arbitrum DAO. This approach helps ease Entropy's concerns with our initial approach, where the proposal promised everything under the sun as it continually expanded with more (and sometimes conflicting) opinions into the mix. Additionally, we believe our original desire to set out on a 5-year plan left too much room for ambiguity without tangible steps to be taken.

Thus, the scope has been reduced. Even within the objectively high-level MVP proposal herein, there are still likely to be areas of contention, such as whether Arbitrum should align with Ethereum so closely, whether the DAO should put a greater emphasis on its flagship Arbitrum One product, and whether the delegates will actually feel empowered to use the MVP as a driving force for their actions.

The MVP will be the foundation for most actions taken by the Arbitrum DAO going forward, especially when it comes to short- to medium-term strategy setting and budgeting. It is a document that will help drive the DAO, protocol, token, and ecosystem into the foreseeable future and directly inform decisions surrounding new proposals and initiatives.

Diving In

Purpose (Meaning): Scale Ethereum without compromise.

Driving Question: Why does Arbitrum DAO exist?

- Why is Arbitrum DAO building all of the products with the design decisions it is?

Answer: Arbitrum DAO's purpose is to Scale Ethereum without compromise.

According to the blockchain trilemma, to scale and accommodate more throughput and users, Ethereum requires trade-offs in terms of either security or decentralization. Making concessions to decentralization or security is not an option for Ethereum mainnet, leading to a chain that even with today's limited number of onchain participants becomes prohibitively expensive for most users. Arbitrum's purpose, true to Vitalik's rollup-centric roadmap, is to scale Ethereum. Arbitrum is the

core technology that allows Ethereum to scale to more users and throughput. Though the purpose is tightly aligned with Ethereum, that does not mean the DAO should exclude the Arbitrum scaling tech from moving into other ecosystems that face similar challenges.

"Without compromise" is arguably the most crucial component of the DAO's purpose. Arbitrum is not just scaling Ethereum, it's doing so without concessions to censorship resistance, accessibility, decentralization, or security. Unlike competitors, Arbitrum does not ship technology that concedes on these points. Arbitrum scales Ethereum, but does not compromise on the benefits that come with Ethereum such as no single point of control, the elimination of intermediaries, and most importantly, users' maintaining control of their assets without trusting an entity.

Mission (Action): Empower people with the freedom to build their best onchain world.

Driving Question: What is Arbitrum DAO doing to achieve its purpose?

- What activities is it executing in practice that lead to its reason for existence being achieved?

Answer: Arbitrum DAO's mission is to Empower people with the freedom to build their best onchain world.

Arbitrum DAO's mission is to empower people with the sovereignty to build what they want, code in their preferred language, execute without barriers, and create without needing permission—embracing true onchain freedom. However, building one's best onchain world does not just apply to developers, but equally to users, creators, and DAO contributors.

Arbitrum gives builders the freedom to develop on their own terms. "Your chain, Your rules." This includes, among other things, allowing for self-governed rollups (not forcing ARB into the design) and supporting multiple languages. Arbitrum stands out in being the best and most robust scaling tech, but also in forward-thinking design decisions that enable it to be the primary home for builders by giving freedom and flexibility to its development community.

The most important aspect of enabling the best onchain world is achieved through Arbitrum continuing to build a full-featured tech stack that includes battle-tested permissionless proving, forced inclusion, custom gas tokens, multi-language support, interoperability, MEV solutions, and much more. True to its purpose, the best onchain world with Arbitrum has security at its core.

Empowering rollup and application developers to leverage the best-in-class technology stack without restrictions will establish network effects and, importantly, a unified narrative that ties together the rest of the ecosystem, creating an environment that attracts new builders across a wide set of verticals to Arbitrum. This in turn enables Arbitrum to be the primary destination for compelling blockspace, defined as a blockchain's ability to attract users through the utility it provides. For a rollup to be compelling, it must have sought-after blockspace, which can only be achieved in one way: Attracting great apps. We don't just aim to create blockspace that maintains Ethereum's core values, we aim to create blockspace that people want to use. Attracting builders is one of the most crucial pieces to Arbitrum's mission. While crypto has many amazing apps, compelling blockspace is the key that will enable crypto to break into magnitudes more users in the future. Today, Arbitrum One is the most compelling rollup in crypto and the DAO's flagship product, and that is an achievement we must continue to support at all costs. That said we must not lose sight that on a long time horizon, the ecosystem will also expand through complimentary Orbit chains.

When it comes to end-users, creators, and DAO contributors, Arbitrum DAO's mission to empower people with freedom can be quantified in two notable ways:

1. Being part of a wider, resonating collective movement generates a certain degree of loyalty, excitement, and alignment that is difficult to quantify, yet crucial in driving long-term, sustained engagement and new contributions.

2. Freedom is attributed to the ability to pick and choose from a wide selection of applications and infrastructure-level solutions, creating a package of services tailored to specific requirements. Arbitrum offers flexibility to meet diverse priorities and utility functions—whether users value security, privacy, low costs, etc, the ecosystem adapts to support them all. Arbitrum is building to be the one-stop shop where end users, creators, and DAO contributors are equipped to effortlessly perform anything that's achievable on a blockchain without constraints.

In order to reach the aforementioned goals, it is of the utmost importance that Arbitrum DAO is a sustainable organization with revenue. Without sustainability, it will be impossible for the DAO to continue supporting the building out of the best scaling tech, pushing forward an ecosystem attracting the best builders, and providing end users, creators, and DAO contributors with an empowering, collaborative, and personalized environment. A pivotal piece of Arbitrum DAO's mission is ensuring that all highly adopted Arbitrum-based rollups and apps create revenue for the Arbitrum DAO, maintaining alignment between the ecosystem and token.

Vision (Aspiration): Arbitrum is home to the universal shift onchain.

Driving Question: What is the end state goal for Arbitrum that the DAO is striving to achieve?

- Where is Arbitrum's place in the world after the DAO achieves all it has set out to do?

Answer: Arbitrum is home to the universal shift onchain.

With the most full-featured tech stack and compelling (sought-after) blockspace in crypto on Arbitrum stack rollups, users and builders from all walks of life and verticals will have flocked into the Arbitrum ecosystem. New users' first onboarding experience in crypto will be through an Arbitrum rollup, while the default choice for developers will be to deploy on an Arbitrum technology stack-enabled chain. In a world where financial transactions happen onchain, the majority will take place on Arbitrum blockspace.

Arbitrum DAO will function as a resilient flywheel. The best tech stack together with robust ecosystem support will increasingly attract builders and notable enterprises who create and enable applications that onboard more users into the ecosystem. Profits accruing to the DAO from users leveraging Arbitrum's blockspace will bolster network security and also be reinvested in a sustainable and diversified manner. Sequencing and licensing fees will be reinforced by acquiring ownership interests that help expand the ecosystem (intangible) and enable value accrual (tangible). The DAO will function with some similarities to a conglomerate, leveraging investments to create an even more robust application and infrastructure layer, directly strengthening its core product, which again will produce increasing returns that can be used to strengthen network security through the ARB and to support new growth.

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MVP Flywheel

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Concluding Thoughts

It took multiple months of conversations with stakeholders to really get a sense of Arbitrum DAO's future but Entropy Advisors is very happy with the potential for this new process. While much of this proposal is not directly actionable, we believe that it is the necessary first step in moving forward with Arbitrum DAO's future strategic plans. We look forward to making final modifications to the MVP based on the DAO's feedback. It is worth noting that it is not possible for the MVP to serve everyone's desires because it would end up with contradictions, but it's important that it is a document that the DAO can get behind and feel empowered to use.

The subsequent SOS (Strategic Objective Setting) proposal will be the next step in this exercise, in which anyone will be able to create 12- and 24-month actionable strategic goals for the DAO. The SOS will be posted shortly after the MVP. If approved, it will include a 14-day notice period and 30-day submission window, in which any contributor can submit a strategy matrix of concrete strategic objectives aligned with the MVP. These workstreams could then be budgeted, creating a new paradigm for operational structure in the DAO.

Expected Timeline

1. ~7 days: MVP forum period requesting comments and time to edit the proposal with delegate/broader community suggestions. Will be extended if necessary.

2. 7 days: Snapshot to signal approval/disapproval/abstention of MVP (simple majority with at least 3% of all votable tokens voting either "For" or "Abstain").

3. SOS posted

4. Entropy Advisors plans to take the MVP to a constitutional vote, adding it as language to the constitution, after a 6-month trial period. During the initial 6 months, changes can be made to the MVP via a proposal+Snapshot vote, but after being included in the constitution, would require a constitutional onchain amendment. It is our belief that the current MVP is broad enough to handle substantial changes in the crypto market.

A huge thank you to @castlecapital and @maxlomu and other contributors for dedicating considerable time and effort to provide us with valuable feedback on this exercise.