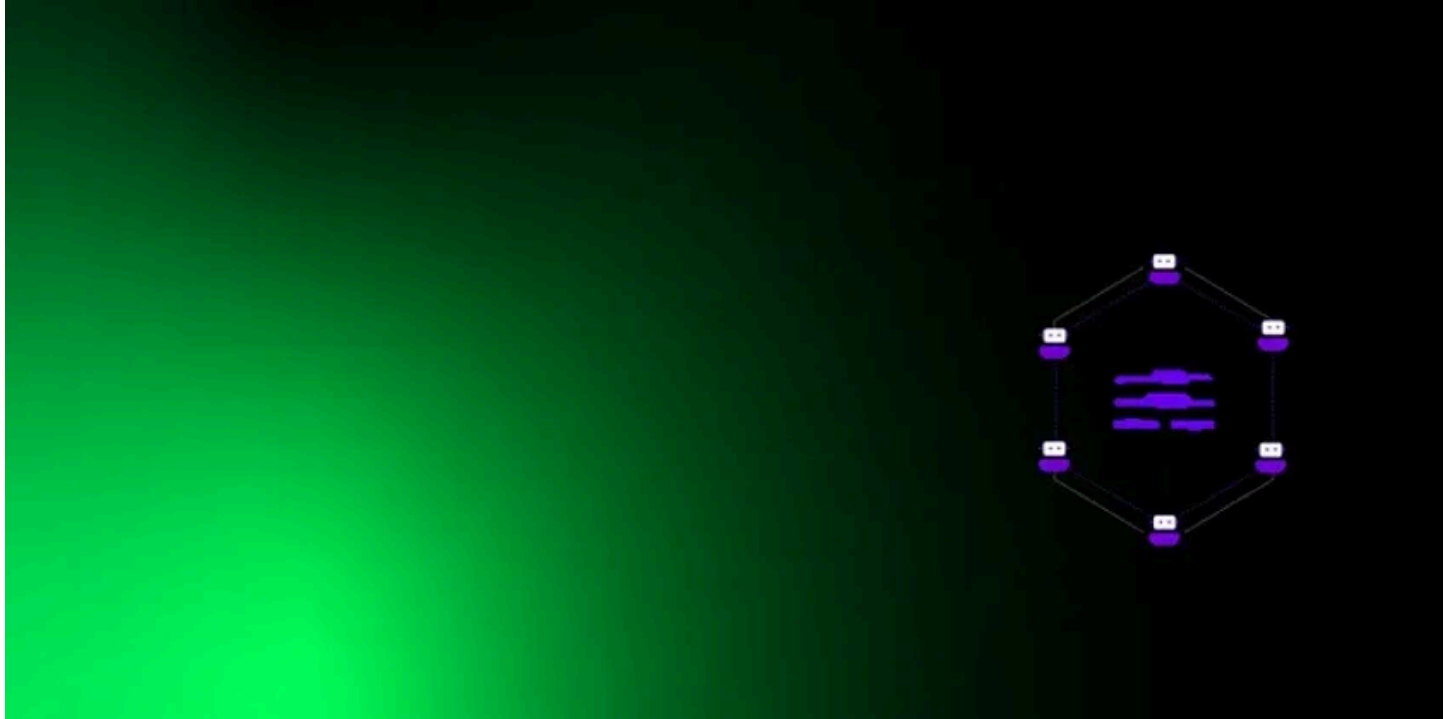


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How to Launch a DAO in a Decentralized Way: introducing Autonolas' Protocol-owned Services



Decentralized Autonomous Organizations (DAOs) have promised to decentralize human coordination by leveraging technology. However, often despite their best efforts, they remain centralized in ongoing operations — particularly off-chain. Innovators are pioneering decentralized operations and legal entities, and yet it has remained impossible to even launch a DAO in a decentralized autonomous way... Until now.

From obscure LLC variants to constellations of Associations, the brightest minds in crypto are working on pioneering new ways to form DAOs to achieve their original decentralized, autonomous vision. Lead Architect at Nascent, @brockjelm, suggested using a Special Purpose Decentralizing Organizations (SPDOs), i.e. DAOs without a specific product that buy software to launch a protocol. These organizations could be launched by anonymous members providing a “clean way to launch a protocol in a decentralized way”.

David Minarsch, co-founder of Valory — pioneers of co-owned.ai and co-creators of Autonolas, has offered a concrete proposal for DAOs to launch in a similar way. Concretely, Protocol-Owned Services (PoSe) allow DAOs to create and launch new services, subDAOs, or entire protocols in a crypto-native without any central or manual steps.

Here's how it would work:

1. *First, the DAO would specify an off-chain autonomous software service to be built.*

2. *Then, multiple developers would create or compose the components making up the service for the DAO. (Components and the service itself are represented on-chain as NFTs.)*
3. *Finally, the DAO would finally add the service to their governance system via a vote, and independent agent operators would run the nodes making up the service.*
At this point, the autonomous service offers its utility to the DAO, and can even launch new functionality, in a fully autonomously and decentralized way.

What is meant by launching new functionality in 'an entirely decentralized way'? This unique approach would allow for the creation of everything from services to a full protocol. One example is that of a "child-DAO" without any centralized (off-chain) entity making decisions. Therefore, it is now possible for a child-DAO to come into existence for example via setting up a PoSe. Once the child-DAO is launched, it can even have its own set of token holders that are independent from the parent-DAO, and it can function as a standalone DAO. This also allows existing DAOs to evolve their current offerings in a decentralized manner.

This raises some interesting questions about the liability of the child-DAO, particularly if it is created by multiple parent-DAOs. Will the liability flow up to the parent-DAO creators or to the child-DAO token holders, or both?

Despite these questions, one thing is certain — by removing centralized (off-chain) entities from the creation process of the DAO, PoSe offers a unique solution to achieve the ideals of decentralized and autonomous organizations. Arguably, the closest yet.

In conclusion, innovative solutions are being pioneered to realize the ideals of decentralized autonomous organizations. Autonolas' revolutionary take on DAO operation would allow DAOs to use Protocol-owned Services to evolve their offerings and launch services and protocols in a crypto-native way. It will be fascinating to see how they are put to use to make DAOs *actually* autonomous and decentralized.

Find the above interesting? Discover the possibilities of the Autonolas protocol in the whitepaper: <https://www.autonolas.network/whitepaper>.