

Ventured

Connecting Ideas and Work on the Ethereum Blockchain

Ventured International Inc.

Version 0.3

May 15, 2017

Abstract

Ventured is a platform for individuals to discover engaging work and for projects to find the talent they need. The Ventured platform will allow people to propose and manage ideas by trading dynamically generated token-shares for work.

This paper discusses problems with the current system of work, solutions within the Ventured platform, and the introduction of VentureCoin(VCN).

The current labor marketplace has massive inefficiencies for both workers and companies. Work is rewarded on average throughput, but has high variance between cost and value generated.¹ People work far outside their expertise and on projects that actively demotivate them.²

The Ventured platform will rely on three main systems to manage ideas, work, and transactions. First is a visual project management system where users can create and manage organizations called **Ventures**. Ventures will have custom generated token-shares that can be used as an equity-currency to exchange for work or investment on a Venture. Second is a system designed to help people work together called **Guilds**. Guilds will manage larger projects that are greater than what one person can achieve. Lastly, **Ethereum** is the “Smart Contract” Blockchain technology that enables the connection between ideas and people. Smart contracts³ provide a secure system for managing tokens, creating work contracts, and accurately rewarding quality work and talented people. These systems form a functional marketplace that encourages people to find interesting work and reward dedication to ideas.

¹ <http://hbswk.hbs.edu/item/how-should-pay-be-linked-to-performance>

² <http://hbswk.hbs.edu/archive/5289.html>

³ <http://solidity.readthedocs.io/en/develop/introduction-to-smart-contracts.html>

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1. Background

Post World War II America is often seen as one of the greatest periods of growth and economic mobility in the modern world. A study from Aaronson and Mazumder used an intergenerational elasticity indicator to suggest “that economic mobility was relatively low in 1940 but increased over the subsequent four decades.” Workers benefitted greatly in a post-war America. The “Organization Man” that stayed with a company could expect the company to take care of him. In turn these companies benefited from dedicated employees who worked hard to improve the organization.

“However, economic mobility fell sharply during the 1980s and failed to revert, perhaps even continued to decline, in the 1990s.” (Aaronson and Mazumder) Through a mix of policy changes and globalization, the prosperity that workers enjoyed in post-war America dematerialized. Corporations were quick to take advantage of cheaper solutions and when employees couldn’t adjust to the changing economy they were left behind. All of this came to a head in the recent recession where long term employees were often displaced.

This disloyalty to the company’s workforce has been a major part in a drastic rise of inequality. Productivity has kept rising, but people afraid to lose their jobs are working longer hours and struggling to get by.⁴ Wages have stagnated while additional company profits increasingly concentrate at the top.⁵⁶

“Codependency is a counterfeit form of loyalty.” (John C. Haughey)

Corporations stopped respecting the loyalty system that had worked for a generation. This situation is not likely to improve. Automation and technology make it easy for employees and employers to shop around which further disincentivizes loyalty on both sides. Switching jobs every two to three years nets an average 50% more over lifetime

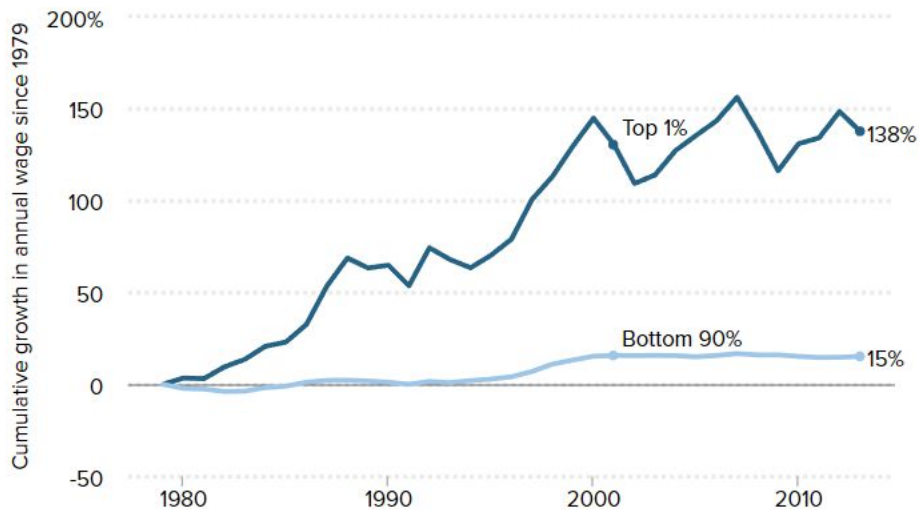
⁴ <http://time.com/money/4742648/middle-class-workers-struggle-financial-diaries/>

⁵ <http://fortune.com/2015/10/14/1-percent-global-wealth-credit-suisse/>

⁶ <http://www.epi.org/publication/charting-wage-stagnation/>

earnings.⁷ The days of loyalty to a single organization are numbered, and the workplace needs a new solution for keeping workers invested.

The top 1% wage grew 138% since 1979, while wages for the bottom 90% grew only 15%.



1.1. Static Jobs vs. Dynamic Work

The jobs of post-war America were incredibly stable. They were defined by a consistent 9-5 routine and hourly wages. Employees typically worked on a single project at a time all the way through completion.

In contrast the work of the modern world is incredibly dynamic. People often work multiple jobs and projects simultaneously or in quick succession. Company demands change greatly when new opportunities arise. There is a disconnect between the static job system that defined post-war America and the dynamic work that is being done today.

There is a need for a new type of dynamic work system where jobs are replaced by work. However, many of the benefits of static jobs need to be incorporated into this

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<https://www.forbes.com/sites/cameronkeng/2014/06/22/employees-that-stay-in-companies-longer-than-2-years-get-paid-50-less/#233d1546e07f>

system. Companies need invested workers and talented managers. Workers need fair benefits and wages. Loyalty, hard work, and expertise need to be rewarded.

1.2. Freelancing as a Current Solution

In response to the rise of dynamic work there has already been explosive growth in the “gig economy.” Freelancers receive an estimated \$1 trillion dollars annually for their work. People and companies are turning to contracting as a solution for their dynamic needs. This is generally a better solution than the static job system of the past, but misses many of the benefits that made static jobs effective.

There is little engagement in this contracting work and generally the contractors aren't being efficiently managed. Instead they spend lots of time left in the dark or managing themselves. Contractors undercut each other to compete for desirable work, driving down their wages. They have little recourse for collective bargaining and no stake in the projects they help build. Finally their work is treated as extremely replaceable and loyalty often goes unrewarded.⁸

Despite these disadvantages people increasingly choose freelancing work for the increased agency, flexibility in schedule, and a direct connection between their work and their pay. Time has become the scarce resource of the 21st century and being able to choose when your time can be used is appealing. Improving freelancing with benefits from the old system of work could create a more fair system for freelancers and attract workers reluctant to leave the false security of their unfulfilling day jobs.

1.3. What Freelancing Misses

Freelancing work today is mostly repeated one-off tasks or small solo projects with little opportunity to work on core aspects. Bigger projects or team projects are rarely

⁸ <https://www.thebalance.com/the-disadvantages-of-being-a-contractor-2948559>

outsourced. This misses the vast majority of work that is being done in the modern economy.

As a result companies are unable to contract out most of their work and have to spend a large amount of resources to integrate contracted work with the core business. Keeping long term contractors to maintain important projects can become prohibitively expensive and it can be challenging to create incentives for contractors to be loyal.

One of these missing incentives is the ability to pay freelancers with equity. Freelancers who earn equity would have a reason to be engaged in the growth of the Venture because their reward is directly tied to its success. Disengaged workers cost organizations approximately \$3,400 for every \$10,000 in annual salary. Companies with engaged workforces experience 19% growth in operating income each year.

1.3. What Ventured Offers

Ventured will expand the freelancing marketplace by creating a network protocol for a smart dynamic work system where the vast majority of the work required for a project, startup, or an event could be crowdsourced. A decentralized way to work that is still able to tackle the world's biggest problems.

It is key for the network to create a new system of loyalty where it is obvious which workers can be trusted with core projects. Part of the loyalty system will be based on using Ethereum to create token-shares as an equity currency for freelancing. These token-shares will provide a direct incentive for freelancers to make a Venture succeed. Additionally by supplying context for work, helping keep track of past work history, and rewarding continual work on one project workers can be incentivized to become loyal.

The Ventured network protocol has recently become possible because of the Ethereum network and major advances in machine learning. Modern machine learning techniques can be used to match people with work and make accurate estimates at the real value of a piece of work. These matches and estimates can be communicated

programmatically through oracles within smart work contracts created on Ethereum to accurately pay people. In the Ventured network people and companies will have the required information to understand the cost and benefits of their work.

Facilitating large projects to use contracting is key to the future of work. It will be a necessary step in fair payments and expediting the most important work in the world. Freeing people to choose the work that is most valuable or most interesting will be empowering and completely change the landscape of business.

2. Ventured Platform

The Ventured Platform will allow users to efficiently exchange three things: Work, Cash-Equivalents, and Token-Shares.

The users we are building this product for fit into two main categories: People who have ideas that require work to execute (Venture Creator) and people who have some skill they are looking to apply to a project that interests them in exchange for some cash-equivalent or stake in that specific project (Venturer).

This means there are two general use cases for the Ventured Platform:

1. A user will be able to come to the platform and search until they find a Venture that meets their criteria (pay rate, schedule, location, social match, skill match, interest, etc). Then that user will be able to apply to do work for that Venture in exchange for some amount of money (ETH, BC, LC) and/or some amount of Token-Shares of that specific Venture.
2. A user will be able to come to the platform and create a new Venture which is an idea for some product, service, event, organization etc. Once the Venture is created that user will be able to offer their own unique Share Token and/or money (ETH, BC, LC) in exchange for work.

Weekly Product Stream

There are many additional use cases which we will be showcasing in a weekly product stream. The idea for that stream is to take a closer look at some of the features listed below and their corresponding use cases and then to walk through the product prototype on stream and get feedback from the audience.

Ethereum Overview

Ethereum is an open-source, public, blockchain-based distributed computing platform featuring “smart contract” (scripting) functionality, which facilitates online contractual agreements.⁹ It was created by Vitalik Buterin, an early Bitcoin adopter, with contributions from several other developers. Ethereum employs smart contracts to execute arbitrary code on a collection of nodes that make up the Ethereum network. The token that powers the Ethereum network is called “ether”, which in turn supports the entire platform.

Smart contract programs (“Dapps,” short for “decentralized applications”) require gas (some amount of ether) to run. The gas is paid to the miner whose computer runs the contract. A distributed application has several benefits over the traditional method of software development. Distributed applications on the Ethereum Blockchain allow software to have no single point of failure, be open source, and require no central broker that controls user content or product data.

1.3. Micro-Equity Creates Invested Workers

One of the major missing tools for freelancing is a simple method to pay people with equity. Equity payments constitute a second possible currency with which to pay employees. This currency is typically based on a future payoff where the value is

⁹ <https://en.wikipedia.org/wiki/Ethereum/>

expected to rise and liquidation options are more rare. However because the future payoff is correlated to the success of the Venture there is a direct incentive for employees to make the Venture succeed. Workers become invested in the growth of the Venture because their reward is directly linked to that success.

Ventured plans to use Ethereum to create this secondary currency for freelancing. The addition of a token-share for Ventures will make contractors invested in the projects they choose to work on. It also establishes a simple way for startups and small projects to crowdsource their needs by offering their token-shares as an early payment for people who really think the project will succeed.

Disengaged workers cost organizations approximately \$3,400 for every \$10,000 in annual salary. Companies with engaged workforces experience 19% growth in operating income each year. It is vital to create engaged and invested workers that want the Venture to succeed. Incentive plans and payments based around the performance of the Venture are some of the best ways to create invested workers.

<http://www.greatify.co/media/statistics-employee-motivation/>

Features

1. **Search** - As a user I want to be able to find Ventures that are a good match for me. Some of the search/filter categories include: pay rate, schedule, location, social match, skill match, and interest.
2. **Discovery** - As a user I can directly input my preferences for Ventures that are a fit for me and the system can also discretely learn which Ventures are a fit for me over time. This means that as I continue to use the Venture Platform the “Recommended Ventures” will become more and more accurate. This will allow me to discover Ventures that are a good fit for me that I otherwise would not have thought to seek out.

3. **Ventures Creation Tool** - As a user I should be able to create a new Venture using a step-by-step template which makes the process as easy as possible. There are many complex questions such as how to organize the Venture's management structure and how to decide the number of Share Tokens to create etc that should be simplified into a suggested template format which can be customized to the user's satisfaction.
4. **Guilds** - As a user I may enjoy working with a specific group of people. I find that we all have a good chemistry and our skills complement one another's. So I create a Guild which allows us to offer our services as a group and take on larger and more complex work tasks. -bargaining
5. **Friends** - As a user I will encounter many other people while doing work on the Ventured Platform. If I like working with a specific person I may add them as a friend and write a note about them in my friend's list. 'Great front end dev. Really seemed to be on the same page.' Later I may direct message a friend and ask them to join a Venture with me or I may filter the list of Ventures to see only ones that include my friends.
6. **Reputation** - As a user I want to be recognized for the amount of time I have spent working on a specific Venture. There is a difference between someone who has been putting in tons of hours on a Venture and someone who has just joined. If there is a critical task that the Venture needs done it may be helpful to see which of the candidates has the highest reputation. Additionally, a Venture may decide to reward people with high reputation as a bonus in order to incentivise individuals to work on the project for longer periods of time. The key assumption here is that in some cases an individual's ability to contribute value to a Venture is enhanced by amount of context and background knowledge that the individual will gain over time while working on that specific Venture.

7. **Work Management Systems** - As a user I want to understand how my piece of work fits into the larger picture. Why does the specific task I am doing now matter? Additionally, how is this Venture organized? I am doing work for someone who is managing this piece but who do they report to and how does that piece fit into the big picture? One aspect of this feature will be a dynamic visual representation of all the tasks and groups of tasks and where they are located in space relative to each other.
8. **Integrated Ethereum Smart Contracts** - As a user I want to create contracts between the Venture I am representing and a person who has agreed to do work for the Venture. I may or may not have the skills required to write a smart contract on the the Ethereum Network so I should be able to create a contract using a GUI and existing smart contract templates. As a user signing up to do the work I want to be able to propose to accept a contract on the condition that something is changed. This counterproposal or amendment to the smart contract should be easy to suggest and easy for the original work creator to review and approve/reject.

How it works

For the Venture Creator

Once a user finishes the setup process a custom page for managing the Venture and a set of Token-Shares are dynamically generated within the platform. On this page a user can create work, allocate tokens for work, and manage permissions for people working on the Venture. Additionally, Ventures have public information regarding who has done past work, the status of a project, and the eventual goals.

After it's creation, a Venture will be a fully autocratic organization, but this can be changed into several management systems including a full DAO (decentralized autonomous organization).

For the Venturer

Once a user creates a profile they can discover or search for Ventures that interest them. As that user does work their ratings will change based on the work they have done (customer satisfaction rating, skill rating, teamwork rating, timeliness rating, etc). Over time a user's profile should become an accurate reflection of the type of work they are good at and the preferences they have.

Eventually the system may make suggestions for new opportunities based on profile preferences, friends list, and which Ventures the user is following. Venturers can team up to form guilds or add each other as friends to do work

together in the future. And of course any Venturer has the ability to create their own Venture at any time.

3. VentureCoin (VCN)

3.1. Token Launch Summary

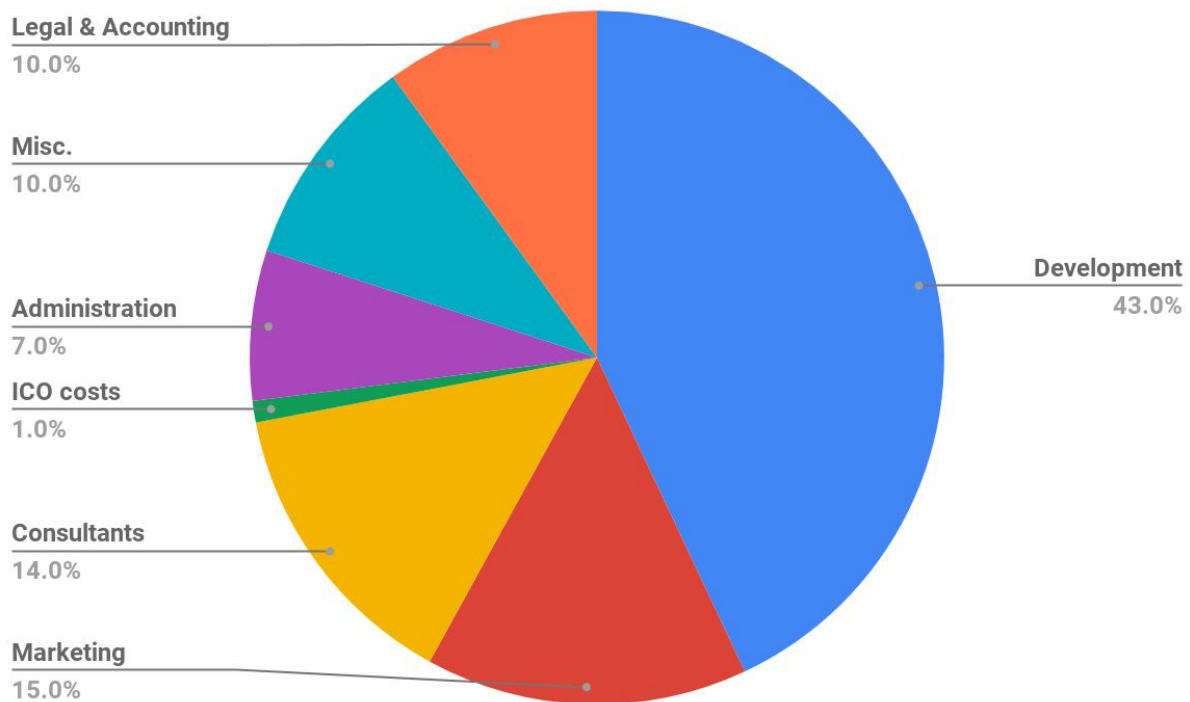
VentureCoin will have a hard cap of 40M USD, and a minimum of 4M USD ETH (4M USD).

If the minimum is not reached, we will return all ETH/BTC/LTC to their address owners. There will be 1.5 Billion VCN minted, with 500 million for sale in the initial coin offering. Core contributors of the Ventured project will retain 500 million VCN with a one year vesting schedule. The remaining 500 million VCN will be used to promote the framework and to make donations to the Ethereum Foundation. No future VCN will ever be minted.

- Total VCN = 1.5 billion
- Total VCN for sale = 500 million
- Exchange rate: 1 ETH = 5,000 VCN
- Token contract address: Will be published through our website 12 hours before launch date.
- Launch date and time: 8AM PST August 15, 2017
- Token launch time-frame: One month.
- Token launch completion: Token launch will end when either the maximum number of ETH are raised or after a period of one month.

3.2. Budget Allocation

The funds raised from the ICO will be allocated in the following manner:



3.3. Token Usage

VCN is itself a Token-Share and will have its value tied to the Ventured platform. Tasks that will improve the overall platform like crowdsourcing work ratings and reputation will be payable with VCN. Additionally VCN can be used to invest in other Ventures and in general transactions within the platform at a discounted rate to Ethereum. These transactions include governance, creating new Ethereum tokens, assigning new tasks, network arbitration, and other functionality.

3.3.1. Creating New Ventures/Guilds

Newly created Ventures and Guilds will automatically generate an ETH address associated with the organization. The amount of VCN consumed to create either will depend on the initial settings for the associated item. Larger and more complex Ventures and Guilds will require more VCN to create.

3.3.2. Creating New Dynamic Equity-Currencies

Ventures will be able to create their own tokens through the Ventured platform. They are able to dictate the initial value of their token through an ICO funded by ETH, as a ratio to VCN, or by declaring no inherent value to the token.

3.3.3. Creating Smart Contracts

The Ventured platform will provide a simple user interface to create smart contracts. Smart contract execution and deployment will require a variable amount of VCN depending on the contract parameters.

3.4. Token Specifications

The core of the VCN token will be a fork of the MiniMe token open sourced by Giveth.¹⁰ This token contract was chosen for its great functionality and flexibility. Clones of itself can be easily generated at any given block number, and anyone can give extra features to the token holders without having to migrate to a new contract. Some of the applications that the MiniMe token contract can be used for are:

- Generating a voting token that is burned when you vote.
- Generating a discount "coupon" that is redeemed when you use it.
- Generating a token for a "spinoff" DAO.
- Generating a token that can be used to give explicit support to an action or a campaign, like polling.
- Generating a token to enable the token holders to collect daily, monthly or yearly payments.
- Generating a token to limit participation in a token sale or similar event to holders of a specific token.
- Generating token that allows a central party complete control to transfer/generate/destroy tokens at will.
- All other applications that an ERC20 compliant token is capable of

¹⁰ <https://github.com/Giveth/minime>

5. Legal

See the terms and conditions here: <https://www.ventured.one/terms/>

6. Conclusion

Ventured is the next generation of work. It allows people to work on things they find most interesting, and be rewarded for it. Individuals are no longer bound by companies, or location. Ventured is an ambitious platform by any standard, but also has the potential to benefit all workers on a global scale.

We hope to empower individuals in a way that allows for increased productivity and life fulfillment. We want you, the potential investor, to help us bring this platform to life.

Subscribe to our newsletter at <https://www.ventured.one/> and participate in our initial coin offering on August 15th. Using the funds raised, we will be able to fund development of Ventured and fix the current broken system of work and labour.