

BLOCKCHAIN COMMUNITY LEARNINGS 2018-2019

A REPORT BY THE WASHINGTON BLOCKCHAIN COALITION



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Introduction

In 2018, we formed the Washington Blockchain Coalition with the mission to help blockchain businesses in Washington state succeed. We later assessed that the market would be unlikely to support a new trade association and that various parallel efforts in the regional blockchain community were already underway. Rather than duplicate these kindred pursuits, but recognizing that we had gained insights and learnings of value to existing or future blockchain organizations, we opted to contribute our learnings in the form of this free report. Our hope is that the contents herein will help others in the blockchain community of Washington succeed in their respective missions, in the spirit of our original goals.

Our learnings are presented in three main categories: what we learned from the local blockchain community about its needs related to education, advocacy, and services; what we learned about what it takes to launch a new trade association; and what we learned about how blockchain organizations can generate value for members. We also comment briefly on what some of the other blockchain initiatives in Washington state and elsewhere in the country are currently doing to advance blockchain and distributed ledger technology (DLT)-focused outcomes.

To summarize, last September we held a gathering with members of our blockchain community to discuss which obstacles blockchain business owners and projects had faced during the preceding year(s). Attendees shared their perspectives, opinions, and ideas in the following areas:

- Frustrations and obstacles faced by blockchain business owners, and ways to help
- Tools and resources already available in Washington state
- Additional tools and resources a new blockchain trade association could provide
- The evolving conversation then surrounding blockchain and cryptocurrencies
- Ways to enhance and create positive outcomes for that ongoing conversation
- The collective work needed to improve prospects for future blockchain entrepreneurs

One of the goals of such an event is to learn what a new organization can do to support its intended community, directly from that community. For example, what educational initiatives should an organization undertake in the investment community, academia, the business sector, and the general public, in order to help the blockchain sector? How can an organization best advocate for the blockchain and DLT technology community's interests, and to whom at the state and federal levels? Which recurring challenges and frustrations among blockchain entrepreneurs can an organization address, and how should the organization prioritize its work based on its expected impact?

Broadly speaking, the nature of the feedback on these matters fell into two categories: (1) what emerging blockchain communities feel they need in order to be successful, and (2) what blockchain organizations can do to deliver near-term and long-term value to those communities and the ecosystem of entrepreneurs, businesses, and organizations within them.

More specifically, three main areas were identified and subsequently explored as possible spheres of value through which a trade association can help the blockchain community:

1. **Education**, of investors, of academia (e.g., nearby universities and other educational institutions), of businesses (especially those not already exploring blockchain and DLT implementations), and of the general public and civic institutions
2. **Advocacy**, at both the state and federal levels, to ensure the success of blockchain & DLT projects in Washington state
3. **Services**, such as access to partnerships, to resources for finding opportunities & talent and for sharing industry knowledge, to opportunities to volunteer, and more

In the following three sections, we discuss each of these three areas in more detail.

Blockchain Community Learnings Related to Education

Nascent technology communities have a strong interest in communicating their ideas and domain knowledge clearly and widely and to multiple audiences. These audiences include surrounding communities, businesses, state and federal organizations, and more. A highly referenced desire therefore exists for avenues to educate and also be educated. We learned that such knowledge transfer is perceived as valuable for a variety of reasons, depending on the audience, and that it can take many forms:

- Educating others on what blockchain technology is, what cryptocurrencies are, how and when the two are connected, and how and when the two technologies are not
- Driving awareness of blockchain in the general public, private sector, and public sphere by speaking about the benefits and value of blockchain and DLT applications, respectively
- Dispelling misconceptions of blockchain technology's credibility or legitimacy as a means to attract talent / technology workers from more established tech sectors
- Informing businesses and public institutions about the cybersecurity of blockchain and DLT applications in order to improve overall trust in these technologies
- Publishing articles in widely-read online periodicals to highlight local success stories and show what the local industry is already doing to support blockchain companies
- Educating hometown investors and venture capitalists on the technology in order to encourage local investments in blockchain businesses
- Changing industry mindsets regarding blockchain's role in innovation by focusing on not only how the underlying technology works but also why industry-specific use cases are worth pursuing
- Enhancing the education and training available to professional communities so as to provide accurate information about blockchains and cryptocurrencies, while debunking misconceptions and myths that are false yet persist in public discourse
- Partnering with universities, providing ways for college students to work on blockchain projects, and hosting hackathons to engage developer communities
- Creating technical standards groups to foster open blockchain standards, best practices, architecture & security guidelines, and more

A new association for the advancement of blockchain projects may initially have limited resources, so early educational efforts might focus on investors, the existing blockchain community, the business community, and the general public.

Investor education can happen through use cases and in-person events, with the goal of improving investor familiarity with blockchain companies and the problems being solved. Use cases can be success stories, documented in a knowledge base or membership library, that are shared with investors and other audiences.

In-person educational events specific to an audience can be organized frequently, either at a common location or at various destinations throughout the city and state, and might cover general knowledge ("Blockchain 101") as well as in-depth topics of interest to that audience. The goal here is to increase fluency with blockchain and its uses while also raising overall awareness of the technology space.

Some of these educational events and presentations might be recorded to generate, over time, a growing online knowledge repository. Such a library could be used to enhance awareness initiatives, to host easily referenced material or an interactive database of frequently asked questions, and to produce an online curriculum for future learners in academic institutions, the business community, the general public, and/or civic organizations.

Blockchain Community Learnings Related to Advocacy

The question of how to engage legislators and regulators in the first year(s) of a blockchain organization is an important one. This requires defining which legislative and/or regulatory priorities to establish and pursue. Part of this evaluation should take into account that, as with any professional, lawmakers and regulators are busy individuals with domain knowledge and expertise in their particular areas, so the work of a blockchain community may well involve educating them on the technology and on the needs of its innovators. In other words, effective advocacy must include sharing blockchain domain knowledge directly with legislators and regulators.

One general outcome of these efforts may be to raise baseline awareness of what blockchain and distributed ledger technologies are and how they work. To re-emphasize the point, state and federal legislators, even those who are supportive of emerging computer science technologies and who might wish to establish programs favorable to the organizations that build them, must be given enough information to make informed decisions. In order to invest the time and resources necessary to propose high-quality laws and subsequently enforce them, legislative and regulatory authorities must therefore be equipped with accurate, modern, signal-rich, and noise-free knowledge about these technologies; what businesses need in order to create them; and what the impact of those technologies on communities and constituents will be. This requires a two-way conversation between authorities and innovators on what the state of the art is and what the benefits of that art are expected to be over subsequent years.

To achieve this, blockchain organizations may consider focusing on developing relationships, establishing themselves as authoritative and reputable sources of answers to the questions that inevitably arise, and generating clear legislative and regulatory asks mapped directly to the desires and interests of their members. The forms this work may take also varies in impact and scope:

- Involving the state in efforts to advocate for the blockchain community's goals, and securing clear, supportive blockchain guidelines at the state and federal levels

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- Supporting local leaders able to improve blockchain outcomes locally, regionally, and nationally
 - Coordinating events that foster direct access to regulators (e.g., panels and presentations) to enhance knowledge transfer between those regulators and the blockchain business community
 - Creating opportunities for blockchain entrepreneurs to inform upcoming legislative or regulatory dialogues around blockchain, and to revisit existing ones if needed
 - Driving, as an economic development activity, greater investment from local investors and angel groups in blockchain businesses, which strengthens economic outcomes for local blockchain entrepreneurs, reduces the need for business owners to seek investments in other parts of the country, and may encourage support for policies that further enhance the local blockchain community's outcomes
 - Reducing the friction some blockchain businesses still face in accessing basic business services, such as bank accounts and insurance

Blockchain Community Learnings Related to Services

While education and advocacy are essential drivers of blockchain-related economic and technological transformation, the success of blockchain communities and their innovations also depends on supporting what happens within the walls of individual businesses. Blockchain businesses, like all businesses, need money, talent, and help in various forms. The following activities were suggested as some of the valuable services and resources blockchain community organizations can provide to meet the needs of these businesses:

- Securing access to coaching, mentoring, and other services for blockchain entrepreneurs and startups, via, for example, opportunities at local coworking spaces and accelerators
- Providing partnerships and other means for blockchain teams to find & share talent, from developers to service providers knowledgeable about the blockchain space
- Creating events that bring blockchain peers together through meetups and conferences, with the goals of reducing silos, enhancing overall connectedness in the existing community, and growing the overall size of that community. These events can also be portals for highlighting local knowledge and inviting leaders from other blockchain-prominent cities to share their learnings
- Hosting spaces for smaller groups to gather and exchange their challenges and ideas on an ongoing basis
- Building internal and external hubs of information in the form of resources, market / business intelligence, frequently asked questions, and blockchain business directories. The latter can help to daylight the business services and solutions on offer in the local blockchain ecosystem
- Coordinating face-to-face opportunities for blockchain companies and entrepreneurs to share their areas of expertise with one another, perhaps generating new business for themselves in the process
- Fostering alliances with area corporations, cloud technology giants, and universities
- Coordinating opportunities for technologists to apply their solutions and time to non-profit and humanitarian projects throughout the state

Learnings on How to Start a Blockchain Trade Association

In addition to our learnings on what blockchain communities need and how they wish to contribute to their communities and economies, we learned much about the work required to set up a blockchain trade association. Current and future blockchain community organizations may benefit from this knowledge. Depending on the unique nature, scope, and context of your organization, the following may be some of the steps you evaluate while conducting your own research. Consult the resources and professionals that can provide you with the guidance and information you need throughout your efforts.

Getting Started

You will likely spend time identifying your mission and researching which organizational entity type is best suited to your intended mission. As part of those discussions, you may need to assess how many and which initial board members to have in your organization. Another area to explore early on is how and when to incorporate your organization and to research if, how, and when your organization will wish to apply for tax-exempt status. You will want to identify which of the available tax-exempt designations will best fit given how you plan to carry out your work.

It may also be important to identify which financial and administrative aspects need to be in place and by when, as this timeline may affect your early operations as well as your future member recruitment phase. Accordingly, the work of creating a plan of benefits to offer members and how much to charge for each membership category based on the benefits you can deliver is likely to take time and may depend on seeking feedback, as early as possible and if pertinent to your context, directly from the member community you wish to support. The goal of this fact-finding phase is to achieve clarity on exactly how your organization can help its would-be community in the first year(s) of operation, down to what percentage of your efforts will be devoted to education, advocacy, and/or services of benefit to members.

For example, you might identify three educational initiatives to prioritize, three state and/or federal legislative efforts to focus on, and one social impact project to commit to in your first year. All of that information can help you generate the first set of deliverables for your

organization, and you'll then be able to create a plan to inform potential members of your proposed focus, the areas in which you wish to create tangible value, and the real costs of those efforts.

During this phase, you might also consider how you will communicate those efforts and benefits to prospective members, how you will process member applications and dues, how you will onboard new members, and what deadlines and goals to set for yourself around initial membership so that you are able to measure your progress. Knowing all of this may set you up to identify the amount of help you will need throughout the initial member recruitment and onboarding process, the call-to-actions to incorporate in your communications, and what you will need to have in place for members in your early days.

With all this work in place, you may be in a better position to recruit members to your trade association and to begin working on behalf of your new community.

Committees

You may also wish to consider which committees your organization will need in order for it to carry out its mission in its first year(s) of operation. Depending on the nature and scope of your blockchain organization's mission, you may need committees for *Membership & Member Applications*; *Education*; *Social Impact*; *State Legislation & Regulation*; *Federal Legislation & Regulation*; *Board Nominations*; and/or *Nomination & Governance*. These are just examples.

When considering how to build such committees, there are many factors to brainstorm depending on your situation. Some of the following may be helpful to think about.

- What the responsibilities of each committee will be
- How long the terms for board members and committee members should be (e.g., one or more years) to maximize the effectiveness of these individuals and of the organization, and also whether or not these terms should be staggered
- The option or requirement for board members to serve, during their last year of service, on a committee to enhance continuity
- The number and proportion of officers, members, and/or directors on the committee, and how and by whom committee members will be selected

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- To the above, the value of creating an organizational *Handbook* outlining guidelines around
 - professional / representational cross-sectionality (e.g., members from academia, small businesses, large enterprises, service providers, etc.)
 - gender parity
 - regional diversity (e.g., to avoid overrepresentation or underrepresentation of communities from one city or region relative to the rest)
 - committee-pertinent experience
 - The extent to which committee job descriptions and board requirements are written inclusively
 - How committees such as a *Nomination and Governance Committee* might evaluate future candidates based on experience, references, written statements of interest, and more
 - The merit of employing firms to provide all new board members with training on how to serve on nonprofit boards, and other such trainings that may improve baseline organizational effectiveness
 - What the fiscal year ought to be for the organization (e.g., June 1 – May 31 or other options by nonprofits)
 - The value of creating a *Member Handbook* to set expectations and provide information & resources to members as well
 - Which resources may be of value to the organization, such as [501 Commons](#), as well as a list of organizations able to provide auditing, financial policy support, training, and other services

To conclude, it may well take six to nine months, possibly more, to achieve all of the above and to launch your new organization, which is a significant investment of time. These learnings, which are simply points for consideration, may not even apply to or be comprehensive for your context or group. The good news is that if you surround yourself with others who share your passion for the blockchain space, and if you learn from and collaborate with those who have experience operating, assisting, or organizing new trade associations, you will be able to accomplish the early work necessary to establish your organization.

How Blockchain Trade Associations Can Create Value for Members

In any technology community of many individuals, groups, and businesses, different perspectives will emerge regarding the best way to advance the aims of the ecosystem. To create maximum value, blockchain organizations might first seek to understand these different viewpoints and then design the scope and set of objectives to undertake.

Some are of the opinion that a blockchain organization can best serve its goals by focusing primarily on advocacy. They contend that education is important but happens organically as individuals and groups educate one another on their areas of expertise and interest, and that, furthermore, a concerted effort has to be made to lobby for legislative, regulatory, and economic changes if the fruits of all that community-based education are going to result in long-term tangible successes for the blockchain community. Furthermore, in this view, other groups already exist that are actively advocating against the advancement of a blockchain business economy, thus a blockchain trade association ought to prioritize the majority of its efforts around advocacy, where it will have work aplenty.

Others are of the opinion that blockchain trade associations should advocate and educate in parallel, because a brand new organization for an emerging technology cannot succeed if it doesn't first invest considerable time listening to the very communities it hopes to influence, being educated by and educating those communities as needed. In this perspective, growing a base of support takes time; advocacy begins with education; and a trade association is likelier to inform changes in legislative and economic outcomes for the blockchain sector by influencing communities and constituents in every part of the state—an effort which, naturally, requires long-term effort and coordination, with a balance of advocacy and education that approaches fifty-fifty.

Concretely, a blockchain trade association might choose to focus on the particular combination of advocacy, education, and services that address its community's perspectives and needs, effect that community's best interest, and yield the most value.

One of many possible combinations of ideas for such efforts is presented below.

Possible Education Initiatives

1. Create a community channel and an online content library. The community channel could host questions and answers of value to members, arranged by topic or domain area. The web library could contain crowdsourced content (e.g., a wiki) of use cases and best practices. In tandem, these can be used internally to provide resources to members and externally to provide education to the academic, business, and civic community at large
2. Establish a web academy and/or an in-person education series taught by your members or invited guests with particular domain familiarity. The web academy could host pre-recorded presentations and community events, or serve as *How To* curriculum for particular topics. In any new and rapidly evolving technology space, both archived and fresh material can enhance learning
3. Host live events and classes at regular intervals in partnership with local businesses and blockchain university groups to maximize knowledge transfer between your organization, its members, academic spaces, area investors, the local business community, the general public, and others

Possible Advocacy Initiatives

1. Conduct meetings to consult your members and generate agreement on which legislative asks to make of your state, and develop a clear and cohesive communication plan to convey those asks to legislators. Develop ethical guidelines for interacting with legislators throughout the communication process. Focus on those efforts that will most benefit members of your organization and community, with a goal to have legislation drafted and passed in the timeframe of 12-24 months
2. Identify potential champions for blockchain-supportive legislation and develop education-focused relationships with House and Senate lawmakers to inform them of your community's priorities. This could take the form of one-on-one meetings, community gatherings, invitations for legislators to speak at hosted events, educational projects to educate lawmakers prior to legislative sessions, or lobby

days for member blockchain businesses to present their innovations and ideas to legislators during the legislative season

3. Establish pathways to honest, useful, reliable information for legislators and a means to seek clear guidelines from regulatory bodies so that blockchain businesses can operate with clarity on rules and regulations

Possible Services

1. Establish a directory of blockchain organizations in your state and the services or innovations they provide. This may help existing and future members to more quickly locate the talent, services, investors, and other resources they need
2. Create a well-curated, user-friendly, and reliable event listing in order to reduce event fragmentation across websites, messaging platforms, and mailing lists—make it easier for members and non-members to connect to the blockchain ecosystem
3. Organize monthly, quarterly, and annual events for members, including networking mixers and fundraisers
4. Produce rich literature that enhances professional development, captures valuable industry insight, or helps members communicate their strengths. This can take the form of reports, thought leadership material, collaborative white papers, and more
5. Create opportunities for members to volunteer and to participate in efforts related to community service, public relations, marketing, and/or community evangelism. Also coordinate events or projects for members to contribute their time or apply their technological innovations and know-how to non-profits, schools, and social-impact initiatives. For example, your organization might connect members to school districts, to communities without easy / direct access to blockchain events, to charities, and to efforts to enhance health and wellness in your locality

Other Blockchain Initiatives

Here are a few of the many organizations in Washington state with, as of this writing, blockchain or blockchain-adjacent services, resources, or information:

- [BlockchainNW](#) contains news and events and hosts annual gatherings of blockchain organizations in the region
- The [Blockchain Society at the University of Washington](#) aims to connect students at the University of Washington Bothell, the University of Washington Tacoma, and the University of Washington Seattle to education, industry opportunities, and internships in the blockchain community
- [PNW Blockchain](#) hosts meetups, maintains a calendar of blockchain events, and contains resources for the Pacific Northwest blockchain community, including a blockchain business directory
- [TF Blockchain](#) brings innovators and corporate executives together to network and learn from each other in an ongoing blockchain conference series
- The Washington Department of Financial Institutions (DFI) maintains the webpage [Bitcoin and Virtual Currency Regulation](#), which includes a list of virtual currency licensees in Washington state; information on virtual currency regulation in Washington state; and information for businesses, investors, and consumers
- The [Washington Technology Industry Association \(WTIA\)](#), a cooperative of technology companies based in Washington, formed the [WTIA Cascadia Blockchain Council](#) to make the region, from Portland to Vancouver, a hub for blockchain development

We encourage others to explore these and the many other organizations and initiatives related to blockchains, web3 and decentralized applications, and distributed ledgers in our region and beyond. The reader may also find it beneficial to explore what other states such as Wyoming are doing with regards to blockchain community organizations and legislation.

Concluding Remarks

In this report, we shared our learnings from the blockchain community of Washington state and from the efforts we undertook to explore how we might serve its community of innovators. We hope the community's insights and the outcome of our explorations makes it easier for other organizations to continue to serve their respective missions and communities, and for new blockchain organizations in the future to flourish.

We also believe that the spaces, organizations, and individuals who foster the success of blockchain technology and its builders today will contribute to a positive and powerful tomorrow. Therefore, we hope the reader and others will be encouraged to help blockchain and DLT-related businesses secure the education, advocacy, and services they need to contribute their brilliance to Washington state, to the Pacific Northwest, to the United States, and to the world.