

*The Core Dev Team  
December, 2016*

*Ninety percent of paid work is time-wasting crap. The world gets by on the other ten.”*

**John Derbyshire, We Are Doomed: Reclaiming Conservative Pessimism**

*“Discourse and critical thinking are essential tools when it comes to securing progress in a democratic society. But in the end, unity and engaged participation are what make it happen.”*

**Aberjhani, Splendid Literarium: A Treasury of Stories, Aphorisms, Poems, and Essays**

*“Crowdsourcing is the ultimate disruptor of distribution because in a most Zen-like fashion, the content is controlled by everyone and no one at the same time.”*

**Jay Samit**

#### **FASTER AND FASTER**

The rate of economic and social change, driven by technological progress, is accelerating. This has been masked in productivity and other statistics by platform switching costs imposed by a mix of aspirational and actual monopolists. Hal Varian, now at Google, actually wrote the book on this strategy, [Information Rules](#).

The closed ownership model of open societies has dangerously mis-spent what should have been their competitive advantage. The simple solution in front of all of us is that open economies function best with open ownership models.

This is not a trivial issue. The society which supports the fastest sustainable economic growth rate is likely to be the one which dictates the rules to all others. This is not a game – this is the only game that matters in the long run.

The first piece of the puzzle is that if we like open societies, we need open ownership structures. By open, we don't mean transparent – but free. Free in that the intellectual resources are not owned by anyone. They are open – like the code of the Crown project. Open ownership can also be thought of as shared ownership – the intellectual property of the society belongs to all the members of the society. Intellectual property is treated as emergent – coming from an individual as a result of his or her daily interactions with the social fabric, such that it is idiotic to make any sort of causal statement attributing anything wholly and irreparably to any given individual.

If we were to free intellectual property in this way – it would be open to be utilized by whomever could put it to best use. By creating the best use and fighting off competitors, we might expect to achieve greater economic efficiency – by avoiding the monopoly rents universally pursued by software companies.

The sharing economy which has been created so far is a strange sort of half-breed. It seeks monopoly rents and openness. An actual sharing economy would be one which succeeded through best use – not by not seeking to underprice services, get lock-in and then extract monopoly rents.

Within our societies as a whole, this may just be a dream – but within the open source software community this best use, competitive model is already the reality. We either learn to run faster and faster or we fail.

## **ALL TOGETHER NOW**

The key to moving faster and faster still is in how we work together as individuals. An individual may not own the code, and we may seem to be de-emphasizing the individual -- but this would be a misunderstanding. The value of an individual won't be in what they know – but how they work and learn. In a world moving faster and faster how takes priority over what – methods dominate matter. They iterate, accelerate and compound.

This is the world we envision at Crown, and in the shared imagination of the team we balance behaving “as if” this were so with the very different realities of today. Today there are basically two forms of how things are done: either you are an employee with all the pros and cons or you work for yourself. The corporate employee model is being challenged due to the well-known weaknesses the corporate form inherited from the feudal world which gave it birth.

One of the weaknesses of the feudal system was centralization of power, and corporations have mirrored this weakness. This is an easily understandable and avoidable system design flaw – but to avoid this error of centralization in the Crown project, we need to create a new form. Just as we will seek to create a distributed system, and we already have a distributed team of individuals – we need to think about how we accomplish the additional task of creating distributed and open teams. So that at some point, there is no core team – just different Crown Teams. As we extend a symbol of the feudal system to a software platform where our goal is that no one and everyone has the crown, the irony is not lost on us.

Acceleration will place a premium not on accomplishment, but the ability to complement others – not with words, but with skills, independent but collaborating through a distributed platform.

## **BUT WE AREN'T THERE YET**

There is no doubt that the world is slowly moving to a decentralized sharing economy model where individuals and teams trade directly with other individuals – with platforms as intermediaries, which offer full range of applications supporting an effective and secure exchange of these goods and services.

The question is just how these platforms which enable sharing will be structured and owned. Will the platforms themselves will be shared and open enterprises, taking the transformation to its logical conclusion?

Part of the proposition of the Crown project is to take the sharing economy to this logical conclusion – or at least to experiment with one potential solution.

## **CROWN IS A STARTUP**

Startups are just people – a team with a dream. Their task is to develop an idea into a business. But even if the founders, the dreamers on a team, build a business – the business is often dependent on them and the idiosyncrasies of that initial dream. Their imagination lacks power if it isn't shared and open – lacks power if it is idiosyncratic and closed.

Crown is a startup in a sense, but it is also an open and shared business – which is a new and different breed of business startup. By utilizing shared public key infrastructures, peer-to-peer networking and open source technologies -- platform start-ups can be formed which are not driven by a short-term profit maximization motive, like the traditional corporation. Start-ups like Crown can be formed, where the economic incentive for participants in the platform is to increase the value of a limited supply of digital tokens by creating uses for the token. No one owns the platform which creates the value, but anyone who owns the tokens or uses the services which it can be traded for, is an interested party who has an incentive to make the platform more efficient.

Because no one owns the platform, it does not need to produce returns or rents for itself. There is an incentive for the platform in these new start-ups like Crown to be as low cost and efficient as possible, as opposed to the

incentive to create lock-in and extract rents in the traditional system. The returns which would have gone to shareholders of the platform in the traditional model, go to the businesses and customers operating on the platform in the Crown Open-Sharing model. The competitive advantage of the platform isn't in the returns that it provides itself, but the opportunities it offers those who use it. Creating use creates value.

This open-sharing model is still a capitalist model – it relies on the profit motive, not idealism. But profits and the prospects of returns are distributed differently than in a traditional start-up. No one gets a salary, and there may never be any full time employees. The value of the token is driven up by sharing ideas and building community, as opposed to hoarding shares and playing games with patents and capital stacks. And lock-in really isn't possible since all the code is open source. You just have to be better and run faster.

Although Crown is just a startup, we believe that the business model emerging from different crypto-currency projects is a better business model for society because of the heightened competition inherent in open and distributed teams and code. If nothing else, by removing the requirement for extraordinary returns to the platform itself -- which behave like a tax on the economy at large, the crypto-based start-ups could provide the basis for a higher sustainable economic growth rate for the society which is open to this approach.

This is also a start-up where access is the opposite of exclusive. Anyone can buy tokens, operate nodes and contribute design ideas and code. This new model of start-up is just bringing democracy to business – whatever labels we may put on it. It has just taken a few hundred years since the arrival of modern democratic governments for a technologically enabled form of democracy to displace feudalism in corporations. This is just the evolution of democracy and capitalism, extending human agency and in doing so mobilizing information, increasing opportunity, and improving material well-being. Old story, new form.

#### HOW THE CROWN TEAM EVOLVED AND WHERE IT IS GOING

Crown was founded by a team of 4 core members back in December 2013 with an simple idea of connecting the Crown symbol to the blockchain – the seed of an idea, but nothing more. There was no concept of a business or a platform. None of these members had the development skills to launch the project. By the second half of 2014, when Crown was finally launched a few former team members had already quit because they thought the launch would never happen. After a little over a year, only two members of the core team were still actively working with Crown. They were approached by a few former developers from a major crypto project, who had a plans which they had not been able to implement at the other project. Some of these ideas were implemented and the Crown project moved to the next stage. This brought another wave of new investors, developers and users.

***So what are the lessons learned from this experience? The team, project and code evolve.*** Crown starts as a BTC clone, first wave of changes adds merge mining, timestamps and namestamps -- then another wave brings master nodes, DGW – and another wave brings the latest DASH and BTC code update and a new wallet and iOS and Android apps thanks to the skills of several developers, who work based on their schedule and availability – some for Crown, some for free to see their ideas put to work, or others who aren't paid but hold a number of tokens and will economically benefit as the tokens appreciate in value. No one person is in control, and when man plans, God laughs. But we have our plans nonetheless. It's possible that what will actually happen won't be what we planned, but that by planning we will be more prepared for whatever comes.

***As crypto team members come and go, the only sensible and democratic way the core team can work long term is to remain open.*** Membership in the core team will be based on what one is doing to advance the project. If a core team member is not actively advancing the project they will be expected to step back, and individuals who are making important contributions to the projects may be asked if they would like to be part of the core team. Ideally, the platform will evolve beyond needing a core team at some point – but we haven't figured out exactly how we would do that yet.

We are sure that this cycle of team members stepping up and back will happen again and again. People will leave from the team to pursue other ideas and projects and new team members will get attracted by the project wanting to join in. Rather than resisting this pattern we embrace it. We seek to make the voluntary nature of the project is not a weakness but a strength.

***Currently the core team consists of 5 members. There are another 5 to 10 people who are additionally very active in the development of the Crown infrastructure.***

New team members usually come alone because they are attracted to the project - in line with the principle of the decentralised sharing economy: *"This project makes sense to me, I think I can help in this specific aspect, since my strength is this or that."*

***The process of admitting new members is still forming in our heads, but this is how it works now:***

1. The new member has to have a specific added value, which will help the Crown project evolve
2. Profile of the person is looked at by the core team members
3. New team member has to acquire a reasonable amount of CRW in order to have own interests aligned with the team, **becoming an active owner.**
4. Have the right drive, enthusiasm and belief that the project will succeed

Alongside to the core team, is a growing community of entrepreneurs seeking to build profitable businesses on the platform. This consists of:

1. Throne/Node operators
2. Throne/Node hosting services
3. Token Exchanges
4. Block Explorers
5. Mining pools
6. Website designers and coders
7. QT programmers
8. A handful, but growing number of Crown specific applications

The rapid development of the Crown infrastructure relies on the project strategy and continued evolution of new features and uses. It is extremely important for Crown to form clear and concise goals in a small group at this point so that the project can pivot as needed to keep building the community. If the vision and execution are effective, the crown network and user base will grow, and the value of the limited supply of Crown tokens will rise. As we develop the platform we will look to the price as a signal to the value of uses and the effectiveness of our efforts.

## CRYPTO CROWDSOURCING

As Crown evolves, a lot of more talent will be needed, and the core team will have no chance of succeeding without active community support. We believe that the right model to get new and complex tasks done and implemented is Crowdsourcing, which is defined below:

<https://en.wikipedia.org/wiki/Crowdsourcing>

***Crowdsourcing*** is a specific *sourcing model* in which individuals or organizations use contributions from *Internet* users to obtain needed services or ideas. Crowdsourcing was coined in 2005 as a *portmanteau* of *crowd* and *outsourcing*. This mode of sourcing to divide work between participants to achieve a cumulative result was already successful before the digital age (i.e., "offline")<sup>1</sup>. Crowdsourcing is distinguished from outsourcing in that the work can come from an undefined public (instead of being commissioned from a specific, named group)

*and in that crowdsourcing includes a mix of bottom-up and top-down processes. Advantages of using crowdsourcing may include improved costs, speed, quality, flexibility, scalability, or diversity<sup>1</sup> Crowdsourcing in the form of idea competitions or innovation contests provides a way for organizations to learn beyond what their "base of minds" of employees provides (e.g., [LEGO Ideas](#))<sup>1</sup> Crowdsourcing can also involve rather tedious "microtasks" that are performed in parallel by large, paid crowds (e.g., [Amazon Mechanical Turk](#)). Crowdsourcing has also been used for noncommercial work and to*

*develop common goods (e.g., [Wikipedia](#)). Arguably the best-known example of crowdsourcing as of 2015 is [crowdfunding](#), the collection of funds from the crowd (e.g., [Kickstarter](#)).*

Like so many other elements of the platform – crowdsourcing is not new or in any way unique to Crown. Our plan to embrace crowdsourcing comes from a recognition of our own skill gaps as well as a sincere interest in testing and incorporating every element of a shared and open enterprise which we can.

## CLOSING

The Crown platform is a new sort of distributed decentralized open source crypto platform network start-up – something which isn't really a business, but isn't a charity either. Something whose value will be driven by its use and whose uses will be driven by the creativity and ability of the individuals who are attracted to the project. But those individuals will be expected to distinguish themselves not by creating profits for the Crown platform – but by creating uses for Crown. The individuals on the core development team should be those who are both stakeholders in the tokens and also active contributors to the project, although the real emphasis is on contribution to the project and the stake in the tokens is just a signal of belief in the project.

We don't know exactly where this will go, but we expect that events are most likely to accelerate and then keep accelerating once the project gets going. To support this acceleration without burning people out, we expect that the composition of the core team and other teams developing businesses on the platform will turnover more than traditional historic business models.

Our strategy and approach may sound idealistic. We deliberately play on metaphors and symbols as a strategy to capture a piece of your imagination. But we are pragmatists, not idealists. We believe that the evolution of business forms will be an inevitable response to the evolution of technology which has collapsed transaction costs. This structural economic analysis isn't new or complex either – it's just Ronald Coase circa the 1930's.

We appreciate your interest and welcome your questions.