

# Future of DAOs 2035

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## Exploring the Future of Decentralized Autonomous Organizations

By :

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# Author's Note

I've reached a point in my life where it saddens me to think about all the great thinking & good work that gets lost in Powerpoints. One exciting thing I experienced diving into the world of DAOs is that there's not a lot of spreadsheets & slides being shared back & forth via email or Teams.

Instead, DAOs are using Discord, the group chat app known for being popular for gaming, to act as the communication & interaction hubs for their communities. The basic functions of Discord and the integrations being built for web3 services via Bots allow organizations of people from all over the world to very quickly come together and create infrastructure that rivals that of many companies I've worked with (and I've worked with a lot of companies over the years).

When it came time to consider the most effective & creative ways of communicating this research, I initially had the idea to create mockups of Discord chats and present those as "artifacts" from these future scenarios to help them come alive. But, then it hit me, why bother taking screenshots of fake Discord chats when I could just make the report a discord server? *So that's what I did.*

**In an attempt to present this foresight report in way that is compelling, unique, and authentic to DAOs, The Future of DAOs 2035 report was designed to be experienced as a Discord server.**

If you're reading this PDF, the links to the left will navigate you to full report experience. If you're just looking to quickly skim the Future of DAOs 2035, you're welcome to continue reading, but know that Discord report experience is really the ideal consumption medium.



scan above,  
click below



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# Introduction

The Future of DAOs 2035 is a foresight report that provides an understanding of the current state of Decentralized Autonomous Organizations (aka DAOs), explores a range of plausible future scenarios for DAOs, and considers how corporations might leverage, interact, adapt, communicate, be impacted by, or even operate as(!) DAOs in the future.

"DAOs are communes.

This report is the product of a months long futures research effort; and exists as something between an "introduction to" and a "future of" report to help people working at corporations big & small wrap their heads around the phenomenon of DAOs.

Virtual spaces for communities to cohabitate, divide labor, and stake tokens with the interest serving as a UBI—

Oh, before we go any further, and in case you're wondering how to say it – DAO rhymes with cow. 🐄

DAOs are friends supporting friends. Friends with \*economic\* benefits. Communes."

David Phelps  
@divine\_economy

img. David Phelps, @divine\_economy, Twitter thread "13 ways of looking at a DAO"  
[https://twitter.com/divine\\_economy/status/1453480931487006728?s=20](https://twitter.com/divine_economy/status/1453480931487006728?s=20)

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## Project Overview - What & Why DAOs?

If you don't know what a Decentralized Autonomous Organization is, perfect.

Put aside all your notions & biases about [cryptocurrencies](#), [blockchain technologies](#), and [web3](#) for a few moments. First, it's important to talk about what a DAO is.

*note*  
—  
hyperlinks throughout this report are clickable, enjoy.

While there are plenty of pithy explanations being tossed around (i.e. "a group chat with a bank account"), the truth is there's no singular agreed upon definition of what a DAO is or isn't.

A quick search will yield a variety of explanations but a succinct definition that I like comes from the [Ethereum foundation](#) (one of the technological-engines powering many DAOs):

**"A DAO is a collectively-owned, blockchain-governed organization working towards a shared mission."**

At first thought, DAOs might feel familiar to many organizing structures we already know. "Robo-corporations, right?"

I was right there with you.

But, the more you research, you realize that while they might feel like this or that; they're not like anything at all. I found [a great twitter thread containing 13 hot takes on what DAOs resemble](#) (excerpts of which you'll find throughout the report) but, still, no singular analogy is quite complete. What is important is that DAOs are

fundamentally different from any organizing structure people have ever been able to form in the past. This is directly a result of the web3 technologies enabling these communities to form.

*Community* is a word you'll see a lot in this report. And that's because at the core, that's what makes up a DAO!

When I started this research I thought I was going to be diving deep into some pretty esoteric technical discussions in blockchain enthusiast groups, but that is not at all what I found. Instead, I found communities of passionate, creative, and aspirational people from around the world who are organizing around common goals and being the change they want to see in the world, as corny as that might sound.

There are DAO communities for everything right now. You may have already heard of [the DAO that was famously trying to buy the constitution](#); or maybe the DAO that [actually owns a professional basketball team](#). There's DAOs trying to [provide](#)

[an alternative to venture funding](#) and there are even [DAOs building tools for DAOs](#).

I could go on and on, but the key is that DAOs are cropping up left and right. As of December 1, 2022 the [total holdings of DAO treasuries is the equivalent of over \\$9 Billion USD](#); and despite being in the middle of a crypto winter, the enthusiasm behind DAOs, and their communities, isn't waning.

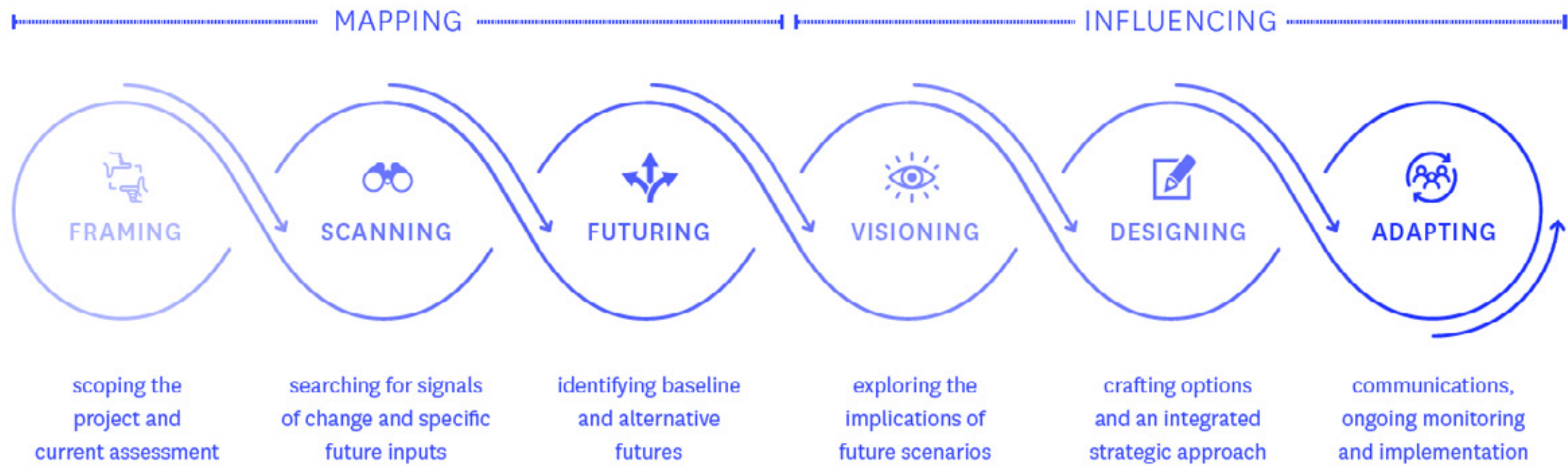
If this feels like I'm hyping DAOs it's because I believe DAOs, as an organizing structure for communities, people, and businesses have the potential to be one of the most significant agents and drivers of change in the future.

This the point where I put on my consultant pants and say "*Hey, \_\_\_\_\_ corporation! You would do well to get DAOs on your radar! Start thinking about how they might be impacting the future and your future. You don't want to miss the boat on 'the internet' all over again.*"

If corporations should have learned any lesson from COVID-19 – it's that it's never been more pertinent to prepare for the future, because literally anything can happen. Anything, like...say... a global pandemic that shuts down international travel, closes most all places of business, and forces everyone into quarantining at home for months and months.

This report aims to be a guided path down the DAO rabbit hole for corporate-minded folks new to the world of web3 by including basic explanations of the state of DAOs today; but, also provoke some futures thinking via the scenarios & implications.





## Methodology

Foresight is the systematic exploration of the future through understanding, anticipating and preparing for change. The aim of Foresight isn't to predict a singular future, but rather, explore the range of possible, plausible, and probable futures to help organizations identify & develop strategies to work toward their preferred future. Foresight has been used & evolved for over 70 years by world governments, non-governmental organizations, not-for-profits, and corporations to help them develop strategies for resilience.

The general approach toward Foresight typically follows:

- first – looking for the signals of change in the present to identify large trends & drivers of change
- next – developing a range of plausible alternative future scenarios
- then – using the scenarios to challenge & test existing strategies
- finally – identifying implications & craft options for more resilient strategies

*illustration//  
6 Steps of the Foresight Framework*  
—  
The steps of Framework Foresight map to the Association of Professional Futurist's Core Competency model

This futures research project followed a process known as **Foresight Framework** (illustrated above) that was developed at the University of Houston by Andy Hines & Peter Bishop. Framework Foresight was developed to be a teachable, approachable, and repeatable process for foresight that ensures methodical analysis of information. Within each step, there are specific outputs, and those outputs are the result of a variety of methods, tools, and activities.

*"Foresight is the study of change that uses a systematic methodology to explore the future in order to make better decisions today by helping us move us toward the futures we want and avoid those we don't, and to ultimately build confidence in the future by building our capacity to avoid surprise!"*

*Andy Hines*  
—  
Program Coordinator,  
U of Houston Foresight Program

# Framing

This project framing was through the lens of exploring the changes driven by and around web3 & DAOs to think about how Corporations might leverage, challenge, or embrace the concept of DAOs in the future.

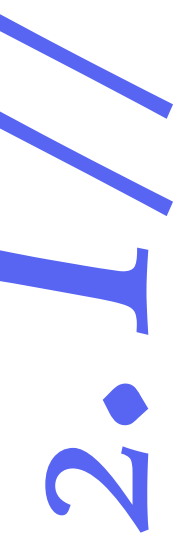
### RESEARCH AREAS INCLUDE:

- ▶ Ways in which corporations might be forced to interact & transact with DAOs in the near, mid, and long term
- ▶ How DAOs might fit in existing organizational & legal structures, and what structures they might create for their own purposes
- ▶ The potential impact & influence of DAOs and US political institutions & policy on one another
- ▶ The role of blockchain tech – how it is currently utilized by DAOs and how it might be used to form, organize, manage, and transact
- ▶ The environmental impact of DAOs vis-à-vis blockchain technology

img. David Phelps, @divine\_economy, Twitter thread "13 ways of looking at a DAO" [https://twitter.com/divine\\_economy/status/1453480931487006728?s=20](https://twitter.com/divine_economy/status/1453480931487006728?s=20)

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## DOMAIN DESCRIPTION

### CLIENT:

This research was conducted to be applicable to most any American CPG, Retail, Telecom, Hospitality, or B2B services company seeking to understand & explore DAOs, with a focus on envisioning what role DAOs might play and their impact to business.

### GEOGRAPHIC SCOPE:

Primarily focused on the United States business landscape but given the non-state actor nature of DAOs, research did include some international countries (e.g. China) and/or markets (e.g. the EU).

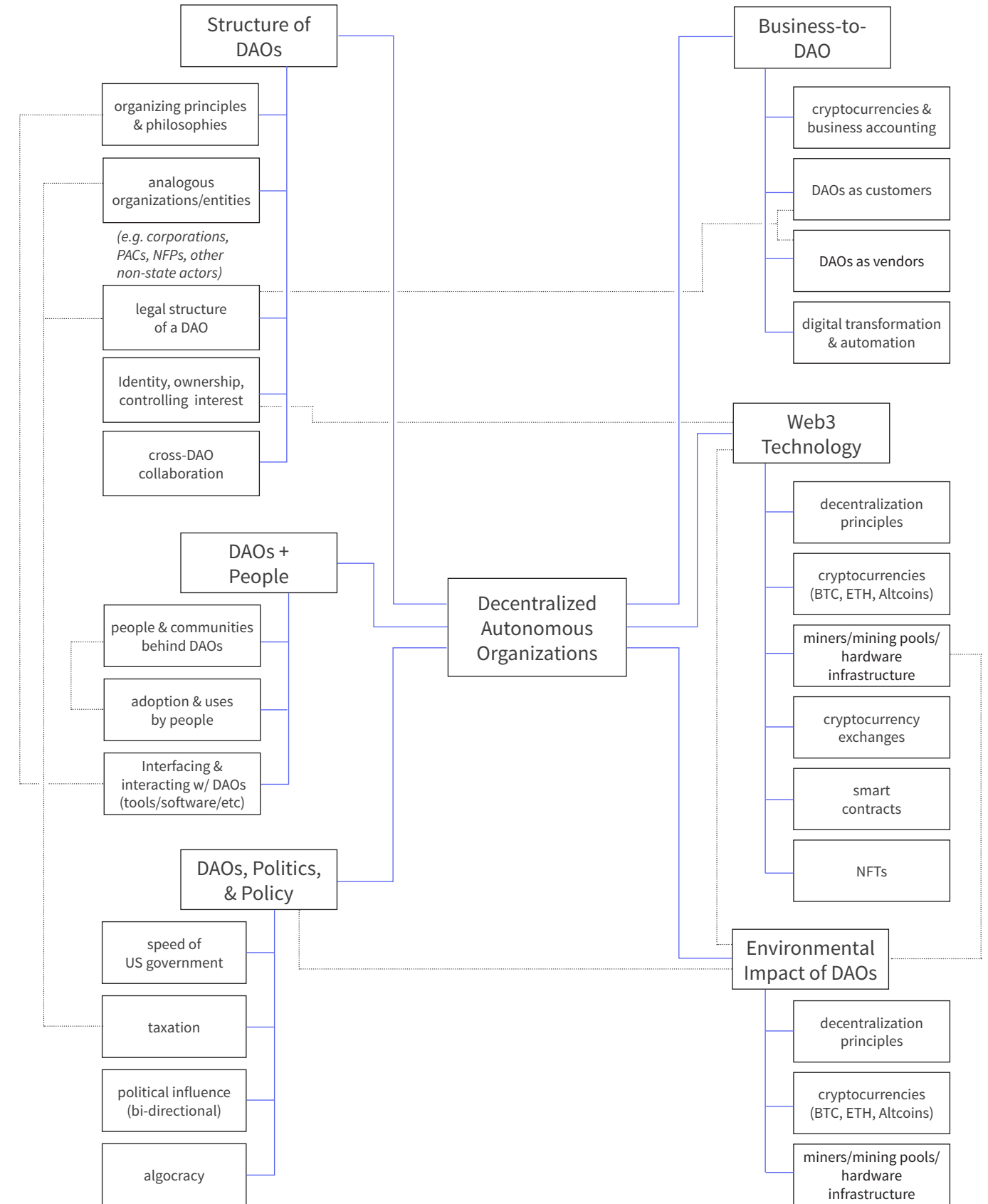
### HORIZON FOCUS:

Horizon 3 • Long Term • 10+ years

### QUESTIONS FOR EXPLORATION:

- ▶ What is the current landscape of DAOs? What are the forces of change likely to impact the future of DAOs?
- ▶ How might DAOs and their role in business (and society) evolve in the short, near, and long terms?
- ▶ Given the persistent state of post-pandemic economic uncertainty and its effect on cryptocurrencies markets, how is this impacting the growth & evolution of DAOs?
- ▶ In what ways are established businesses are exploring, embracing, or utilizing DAOs today, how might this change over time?
- ▶ What technology is vital to DAOs existence? What technology is likely to impact the DAOs in the future and in what ways?

illustration//  
Domain Map



## STAKEHOLDERS

### NATIONAL GOVERNMENTS

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DAOs represent a new type of organizing structure for businesses and organizations that governments will be forced to adapt/upgrade existing legislation & systems for in order to properly regulate and tax.

### STATE & LOCAL GOVERNMENTS

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Legislation to recognize smart contracts and DAOs as legal entities is happening from the ground up, at least in the United States.

### MULTI-NATIONAL CORPORATIONS

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The college of multi-national corporations that collectively make up the global economy are the defacto controlling stakeholders of our current civil order. DAOs represent an opportunity to replace the nation states with immutable data and code and an avenue for corporations to replace nation states entirely

### DAO ORGANIZERS

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Individuals at the core of creating & organizing a DAO. These people largely seem to be crypto & decentralized finance enthusiasts interested in replacing the existing banking & financial services infrastructure. In addition, A Large portion of DAO organizers also appear to be developers working on blockchain technology.

### DAO PARTICIPANTS

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individuals at the core of creating & organizing a DAO. These people largely seem to be crypto & decentralized finance enthusiasts interested in replacing the existing banking & financial services infrastructure. In addition, A Large portion of DAO organizers also appear to be developers working on blockchain technology.

### INTERNET SERVICE PROVIDERS & TELECOMS

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In the US, ISPs serve as gate keepers in the business world between people and all digital services.



# Scanning

This research was conducted over the course of 8 weeks from August to October 2022.

The interrelated worlds of cryptocurrencies, blockchain technologies, smart contracts, and DAOs (collectively referred to as web3) move very, very fast, and during the research & writing of this report significant events happened such as the Ethereum Merge and the collapse of cryptocurrency exchange FTX.

Despite this, over 100 signals of change were identified & reviewed as part of the signal scanning and three expert interviews were conducted with individuals working as part of different DAO communities; all of which provided a rich foundation of inputs for synthesis into drivers & scenarios

3/1



1 3 48



david phelps @divine\_economy · Oct 27, 2021

6/

DAOs are games.

DAOs are structures with incentive models for gaining power through contributions with opportunities for continual failure. Games.

You win by collaborating and coordinating with those around you through positive-sum reinforcement.

[olympusdao.medium.com/the-game-theor...](https://olympusdao.medium.com/the-game-theor...)

	Stake	Bond	Sell
Stake	(3, 3)	(1, 3)	(-1, 1)
Bond	(3, 1)	(1, 1)	(-1, 1)
Sell	(1, -1)	(1, -1)	(-3, -3)

(Left, Top)

As you can see, the dominant strategies are all cooperative. Both players' staking results in 6; stake and bond results in 4; and bond and bond results in 2. Conflicting moves (stake/sell and bond/sell) are neutral. Competition (sell/sell) is the only negative sum outcome, with -6.

1 2 36



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7/

Actually, DAOs are a specific \*type\* of game: World of Warcraft Raids.

When you've maxed out your training to be the best you can be, there is only one way to get better.

Collectivize with those around you to complete quests you never could.

@RaidGuild @rabbithole\_gg

2 4 44

img. David Phelps, @divine\_economy, Twitter thread "13 ways of looking at a DAO" [https://twitter.com/divine\\_economy/status/1453480931487006728?s=20](https://twitter.com/divine_economy/status/1453480931487006728?s=20)



**HISTORY**

2013

**NOVEMBER**

Ethereum conceived of & presented in a white paper by then 17-year-old Vitalik Buterin

2014

**JANUARY**

Buterin speaks at the North American Bitcoin Conference in Miami and presents the idea of a distributed Autonomous Organization as part of his 25 minute speech on Ethereum

2015

**July**

The Ethereum network goes live.



2016

**JUNE**

A lone hacker exploited a flaw in The DAO smart contract code to move the equivalent of 50 million dollars worth of Ether into a secure escrow. The Ethereum blockchain hard forks to undo the hack. The DAO hack and the fork seemed to generally slow down DAO excitement & progress on DAOs for a few years.

**APRIL**

The first distributed autonomous organization, called The DAO is conceived & launched via a token sale, raising the equivalent of 150 million dollars by the end of may.

2019

Emergence of a variety of new DAO projects, many focused on basic infrastructure for creating new DAOs (notable DAOs include: MakerDAO, DAOHaus, MolochDAO, MetaCartel and Aragon).

2020

**APRIL**

Iowa's House of Representatives passed a bill legally recognizing smart contracts in the state, joining a number of states in the US had already passed legislation on the use of smart contracts including Arizona, Nevada, Tennessee.

2021

**JULY**

Wyoming becomes the first US State to legally recognize DAOs as a legal entity.

**NOVEMBER**

The Constitution DAO was formed with the goal of purchasing the United States Constitution and putting it back in the hands of the people.

2022

**SEPTEMBER**

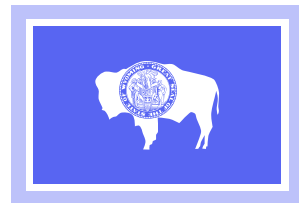
The Ethereum Merge upgraded Ethereum from the original proof-of-work mechanism to proof-of-stake, reducing Ethereum's energy consumption by ~99.95%.

**JUNE & AUGUST**

Two pieces of bipartisan federal legislation specifically addressing DAOs hit the US Senate: the Responsible Financial Innovation Act” (RFIA) and the Digital Commodities Consumer Protection Act of 2022 (DCCPA).

3.2.1

CURRENT CONDITIONS



DAOs can obtain legal status as a company.

Wyoming & Tennessee have introduced new legislation that allows DAOs to obtain an LLC-style partnership.



Ethereum has transitioned to Proof-of-Stake.

The technology underpinning Ethereum has made the smart contract platform more environmentally friendly by reducing the energy consumption by 99.99%.



The Network State, posits blockchain-based nations

A recently published manifesto from a crypto thought leader which outlines the way in which a new nation state could be formed using blockchain technology and an approach which mirrors that of a DAO

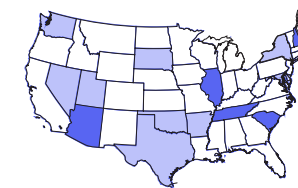
Vitalik Buterin  
— Founder, Ethereum

*"Because DAOs do not have a sovereign above them, and are often explicitly in the business of providing services (like currency and arbitration) that are typically reserved for sovereigns, it is precisely the design of sovereigns (political science), and not the design of corporate governance, that DAOs have more to learn from."*



Buterin declares "DAOs are not Corporations."

Ethereum creator Vitalik Buterin recently published an essay outlining the differences between a DAO and a corporation that prompted a lot of debate & discussion in the DAO landscape.



State-by-state legal recognition of "smart contracts."

Since 2018 a number of states have legalized portions of smart contracts, and each year, more are considering it.



The US Senate is reviewing DCEA, RFIA & DCCPA

There are three pieces of legislation in the US Senate regarding blockchain-based assets and their class as an asset for taxation. These legislations also mention, explain, and classify DAOs with regard to governance tokens.



TECHNOLOGY

3.3

TRENDS, ISSUES, PLANS, PROJECTIONS

Researching the technical (and often polarizing) topic of web3 & DAOs involved analyzing over 100 signals of change. The PESTLE framework was used to avoid getting lost in the abundance of information available.

TRENDS & ISSUES HIGHLIGHTS\*:

- ▲ [The number of DAOs](#) is increasing, from about 700 in May 2021 to about 6,000 as of June 2022. Also, as of November 2022, there was [over \\$9 Billion USD of assets held in DAO treasuries](#) across all networks.
- ▼ The Ethereum Merge is projected to [consolidate control of the Ethereum protocol](#) to fewer & fewer entities.
- ▲ [The crypto market cap in 2021 topped \\$3 trillion dollars.](#) The overall global economic uncertainty & bear markets of 2022 have knocked crypto down, but believers are always optimistic.
- ▼ While Non-fungible Tokens (NFTs) rocketed in 2021, [sales of NFTs in 2022 have flatlined.](#)
- ▶ The DAO community is split between those seeking legal recognition in the US for easier real-life operations and those who prefer the current laissez-faire approach for long-term innovation and freedom.
- ▶ The optimal level of decentralization for DAOs varies, as some communities are finding that a certain amount of centralization is necessary for achieving goals, despite the initial promise of complete decentralization.

PLANS:

- ▶ Other states are following Wyoming's lead in [passing laws recognizing DAOs](#); and based on the historical precedent set by Wyoming's creation and widespread adoption of LLCs could find DAOs seeing the same proliferation via federal legislation.
- ▶ a16z crypto's [recently announced \\$4.5B investment fund](#) dedicates \$1.5B to seed investments and \$3B to venture investments, with explicit focus on DAOs and governance, legal and regulatory exploration to aid portfolio companies. The influx of venture capital could lead to increased competition in the form of venture capitalist-friendly forks and copycats.
- ▶ Despite the ongoing "crypto-winter," [corporations like Starbucks & Nike are exploring crypto and blockchain-based loyalty programs](#), with Starbucks planning to offer an NFT-based loyalty program on the Polygon blockchain called Starbucks Odyssey, which could set the trend for other corporations to follow in incorporating tokenomics and aspects of DAOs into their business.

PROJECTIONS:



[The Digital Asset World of 2035](#)

Wharton Blockchain and Digital Asset Project & World Economic Forum

Four plausible futures for the world of 2035 exploring the level of centralization and integration between traditional/physical and digital asset worlds, which are key drivers of change for the future of DAOs.



[The Macroeconomic Impact of Cryptocurrency and Stablecoins](#)

World Economic Forum

Explores the impacts of crypto based on a range of regulation scenarios, with recommendations for policy-makers & businesses including creating international classification frameworks & taxonomies.

\*The full signal scan, trends, issues, plans, & projects can be viewed on Miro [here](https://miro.com/app/board/uXjVP-QyFVY/?moveToWidget=3458764540076527470&cot=14).



3.4

### EXPERT INTERVIEWS & COMMUNITY IMMERSION

Finding experts to interview in the DAO space required immersion into DAO communities themselves. This exploration included numerous DAO websites, YouTube channels, podcasts, and perhaps most importantly – exploring a number of DAO Discover servers.

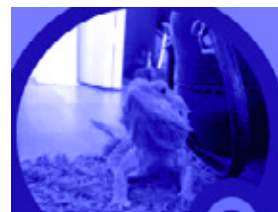
The immersions into DAO communities via their Discord servers proved to be hugely influential to the project because on top of enabling connection with several supercontributing community members; the realization that Discord exists as a platform and as a medium.

The interviews were conducted via Discord audio calls, and were primarily used to both understand the current state of DAOs as well as help distill what is driving change in the DAO space and DAO communities.

#### The Experts\*:



**kairon#7878**  
'Supercontributor'  
JUMP, RabbitHole, RADAR



**Cdogg#1999**  
Community Liason, Aragon DAO  
Member, CanaDAO



**shawnywonzie#4546**  
Community Manager, Aragon DAO

### HIGHLIGHTS FROM THE EXPERTS

*"You have to bend over and beg for data from Web 2.0 companies and web3 democratizes this...NFT & tokens are the cookie of Web3. This has implications across every industry & vertical."*

**kairon#7878**

*"Web 1.0 was read, Web 2.0 was read + write, Web3 is read + write + own. Web3 gives people a sense of ownership and outlets to participate."*

**shawnywonzie#4546**

*"The community matters a lot more than it would in a traditional organization. It's almost like a public company, but with no barrier to entry. Having a token for an organization, community matters."*

**Cdogg#1999**

*"Stablecoins are the backbone of this industry and two-thirds are owned by Blackrock. What happens with the global recession or collapse if these companies decide to take out of the treasury? We are building all of these platforms based on having a stable treasury, if these collapse, we don't have a DAO scene."*

**kairon#7878**

*People think that it's easier to startup a DAO; but, people are overestimating the ability of DAOs to replace a typical business structure. Business, Tax, Corporate Entity – It's quite hard to start a DAO, it adds more complexity to liability to DAO members.*

**Cdogg#1999**

*"AI & DAOs are so tied together and people don't realize. Automation is going to eliminate a lot of jobs; DAOs are the reaction to that. It will be financially viable to do this."*

**kairon#7878**

*"What you're gonna see (in the future) is that DAOs today are going to be drastically more centralized, and traditional organizations becoming slightly more decentralized."*

**Cdogg#1999**

*For businesses to transition, there would have to be an order of events. For this to make sense eventually – money won't be a real thing. You'll have voting power in organizations, that's what you'll pay for things with.*

**shawnywonzie#4546**

\* Many individuals within DAO communities participate using pseudonyms. Out of respect to the interview participants, Discord names have been used here to preserve their pseudonymity.

# Futuring

Futuring is the stage in Framework Foresight where all the signals, trends, issues, plans, projections, and expert interviews collected during research are synthesized into plausible, possible, and probable future scenarios.

Framework Foresight utilizes Drivers of change as the transitory step between signals and scenarios. Once drivers have been identified, they are used in combination with the Four Futures archetypes to help create a range of Scenarios which (if the Drivers are robust) afford the creation of holistic scenarios which track toward plausibility.

The following section highlights both Drivers of Change and provides a deep dive into one of the Scenario.

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img. David Phelps, @divine\_economy, Twitter thread "13 ways of looking at a DAO"  
[https://twitter.com/divine\\_economy/status/1453480931487006728?s=20](https://twitter.com/divine_economy/status/1453480931487006728?s=20)

8/ david phelps @divine\_economy · Oct 27, 2021

DAOs are jam bands.

Or, Phish-haters among you, artist collectives.

Call them improvisational creation protocols. Everyone in a DAO is a creator, and their creation is what draws community.

And vice-versa.

think of DAOs as the OG creator collectives: rock bands

if 40 people join your band, that doesn't make it more creative or improve the music—quite the opposite

the unlock is giving people tools to play your music, cover it, create their spin-offs, and get you as a producer

Show this thread

9/ david phelps @divine\_economy · Oct 27, 2021

Rather, DAOs are sports teams.

Some DAOs will use treasuries to recruit top talent to play on their team.

Others will use classes or clubs to develop and represent talent over time.

DAOs mint stars. The team is a product of its talent; the talent is a product of its team.

10/ david phelps @divine\_economy · Oct 27, 2021

DAOs are funds.

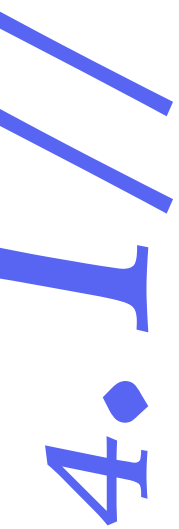
DAOs collaborate with each other by investing in each other.

That opens new possibilities for collaborative and composable funding—DAOs supporting each other rather than relying on VC.

DAO tokens may ultimately represent baskets of supporting projects.

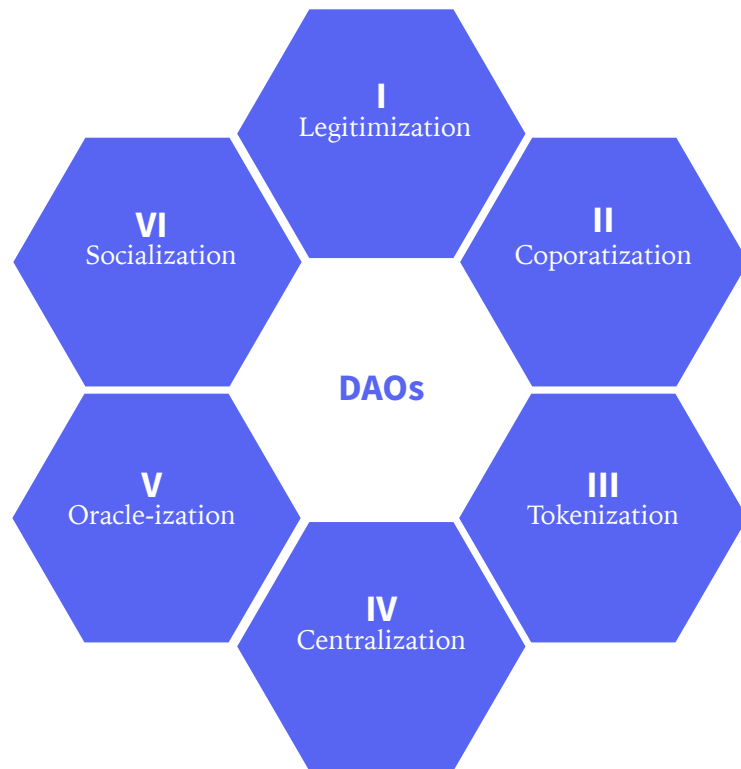
11/ david phelps @divine\_economy · Oct 27, 2021

Actually, though, DAOs are sitcoms.



### DRIVERS

Drivers of Change are thematic clusters of inputs collected during futures research that explain what is driving and shaping change. It's the first step of synthesis for turning signals & trends into scenarios.



#### I. LEGITIMIZATION

For DAOs to see widespread adoption as organizing structures & proliferation in the business world, they first need to be recognized as legitimate in the eyes of states & the US federal governments. Although legislation is progressing in Congress, ongoing political turmoil in the US could see DAO friendly-regulation massively disrupted if a given party assumes power; or, perhaps worse, regulation to legitimize DAOs could stagnate or stop entirely as more pressing matters take the political spotlight.

#### II. CORPORATIZATION

The amount of venture capital & collective interest flowing into web3 & crypto projects means current DAOs & communities can expect competition entering from web 2.0 tech giants; and maybe more notably, traditional Corporations looking to avoid missing out on opportunities to capture value in web3 they same way many missed out on Web 1.0 & Web 2.0.

#### III. TOKENIZATION

Distributed decision making is at the core of the value proposition of DAOs as an organizing structure; and the so-called tokenomics are the means by which DAO ownership, investment, and value are determined. There is no single solution for tokenomics today; and as DAOs evolve in their purposes & governance structures, so too will the tokenomics of DAOs.

#### IV. CENTRALIZATION

The decentralization promised by early DAOs is already facing challenges in the form of a lack of engagement from token holders (not dissimilar from the lack of participatory voting in many democratic nations). Some DAOs are already recognizing the need to restructure and centralize decision making to a degree to avoid stagnation and keep up the momentum of the DAO.

#### V. ORACLE-IZATION

Smart contracts, which from the basis for DAOs, rely on data to trigger events. Getting data from real world sources & events onto blockchains to be used by smart contracts will ultimately rely on not only access to the data itself, but also being able to trust the sources of these data.

#### VI. SOCIALIZATION

For many people & companies, web3 technology like blockchains, cryptocurrencies, and NFTS are still foreign concepts in that general awareness might be rising, but adoption is still relatively low; and understanding & adoption of DAOs is even lower. DAOs are likely going to need to serve a role in continuing to lower the barrier to entry for web3 through education & onboarding efforts – helping businesses understand the value DAO structures might bring to business operations.



## SCENARIOS - OVERVIEW

Scenarios describe events and trends as they could evolve based on extrapolating drivers & examining the overlap of these extrapolations. They are usually presented as written narrative of what might plausibly occur and how that could emerge from the present.

Scenarios can be used by organizations to either:

- ▶ test how effective current strategies might be in a given future and plan & adjust these strategies to be more resilient long-term
- ▶ help identify a "preferred future" and begin identifying the steps that might be taken today to work toward that future

Framework foresight utilizes an adapted version of Jim Dator's Four Futures Archetypes to guide creation of scenarios. The following four scenarios are summaries of longer narratives, the full text available in the Future of DAOs 2035 Discord.

### CONTINUATION

The system moves forward along its current trajectory. This is the "official future" and usually considered most likely.



### TRANSFORMATION

The system is discarded in favor of a new one with a new set of rules.



### COLLAPSE

The system falls apart under the weight of "negative" forces.



### NEW EQUILIBRIUM

The system reaches a balance among competing forces that is significantly different from the current balance.



### DAO on the Road:

In 2035, DAOs have grown and evolved due to the extended political and economic stagnation of the early 2020s in the US. DAOs faced challenges during their growth, such as retention and engagement problems, and the need for centralization in some cases. As corporations are starting to rehire workers they are encountering individuals trying to incorporate new methods & ideologies learned from contributing to DAOs. These new web3 savvy corporations thrive, and as a result, longtime DAO organizers and contributors are being courted by corporate strategy and human capital organizations. The slow success of DAOs results in the government is finally realizing it's time for meaningful crypto and DAO legislation that's been collecting dust over the last decade.

### Upside DAO:

The 2024 election season saw a record amount of money from pro-crypto Venture Capitalists & DAOs flowing into politics. Candidates who were friendly towards cryptocurrencies and DAOs gained popularity and were successful in passing legislation that benefited DAOs. This led to a surge in the creation of DAOs, with many startups forming as DAOs to chase funding. Corporations also embraced the so-called "Great Unlocking" and started adopting web3 technology, resulting in traditional business functions being controlled and driven by DAO-like organizations. In 2035, some of the largest corporations now more resemble DAOs, with the use of the term "corporation" falling to the wayside. Some of these organizations are now working towards recognition on the international diplomatic stage.

### LockDAO:

In the mid-2020s, the US government creates and launches its own central bank digital currency and bans all private cryptocurrencies, causing a complete bottoming out of the crypto market. Many individuals and corporations immediately abandon their crypto projects, while some DAOs try to find ways to continue without violating the restrictive laws. Other countries follow suit with similar bans, resulting in shrinking DAO memberships. By 2032, the public interacts with the US digital dollar, and DAOs and crypto are remembered as a fad. Many former communities become centralized for-profit companies.

### Slow DAO:

In the early 2020s, web 2.0 tech giants conspired to stifle the growth of web3 technology and DAOs through political influence. Despite the benefits of blockchain and DAOs as public goods, the web 2.0 corporations chose to maintain their walled gardens instead of evolving. While regulations allowed for the existence of DAOs, they also limited their potential. Many contributors left DAOs to pursue traditional startup paths, but some of these new companies adopted web3 governance elements. These "web 2.9" companies found a niche acting as bridges between web 2.0 and web3 allowing tech giants to still profit off the "old way" of doing things. In 2035, DAOs still exist, people still value them, and many are able to make a living as full-time contributors.



# 4.3

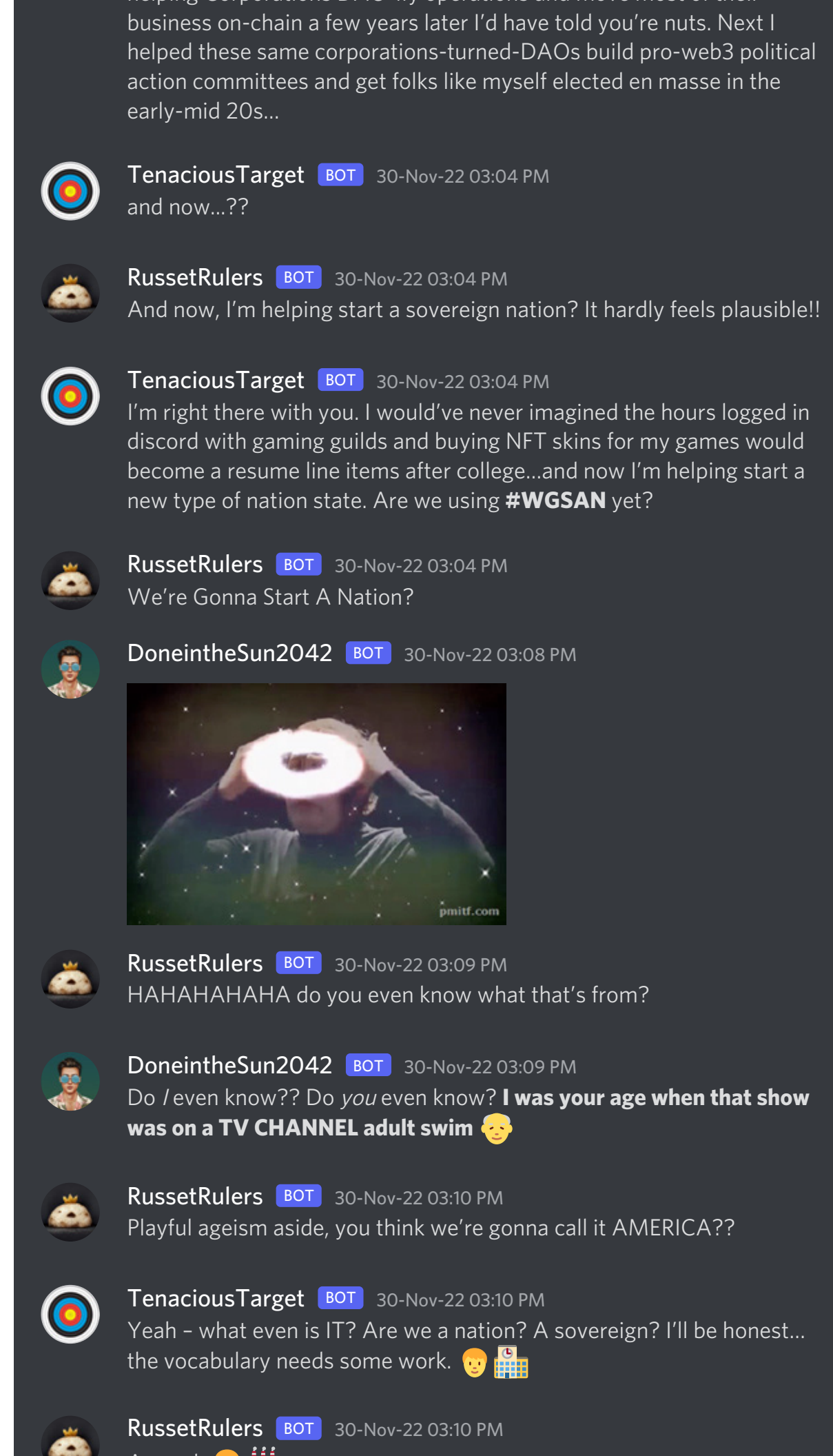
## SCENARIO EXAMPLE - UPSIDE DAON (aka TRANSFORMATION)

### "DISCORD FROM THE FUTURE"

In addition to expanded narratives & evolved drivers, chat logs were created for a fictional DAO in each future scenario.

Part of the fun of foresight scenarios is considering what the day-to-day, lived experience of that future might be like; and these chats were created to give a taste of each scenario.

In this excerpt from the "Upside DAOn" transformation scenario, three members of a Corporation-turned-DAO jocularly discuss their efforts to emancipate their organization from their sovereign and create their own nation-state equivalent.



# Visioning & Designing

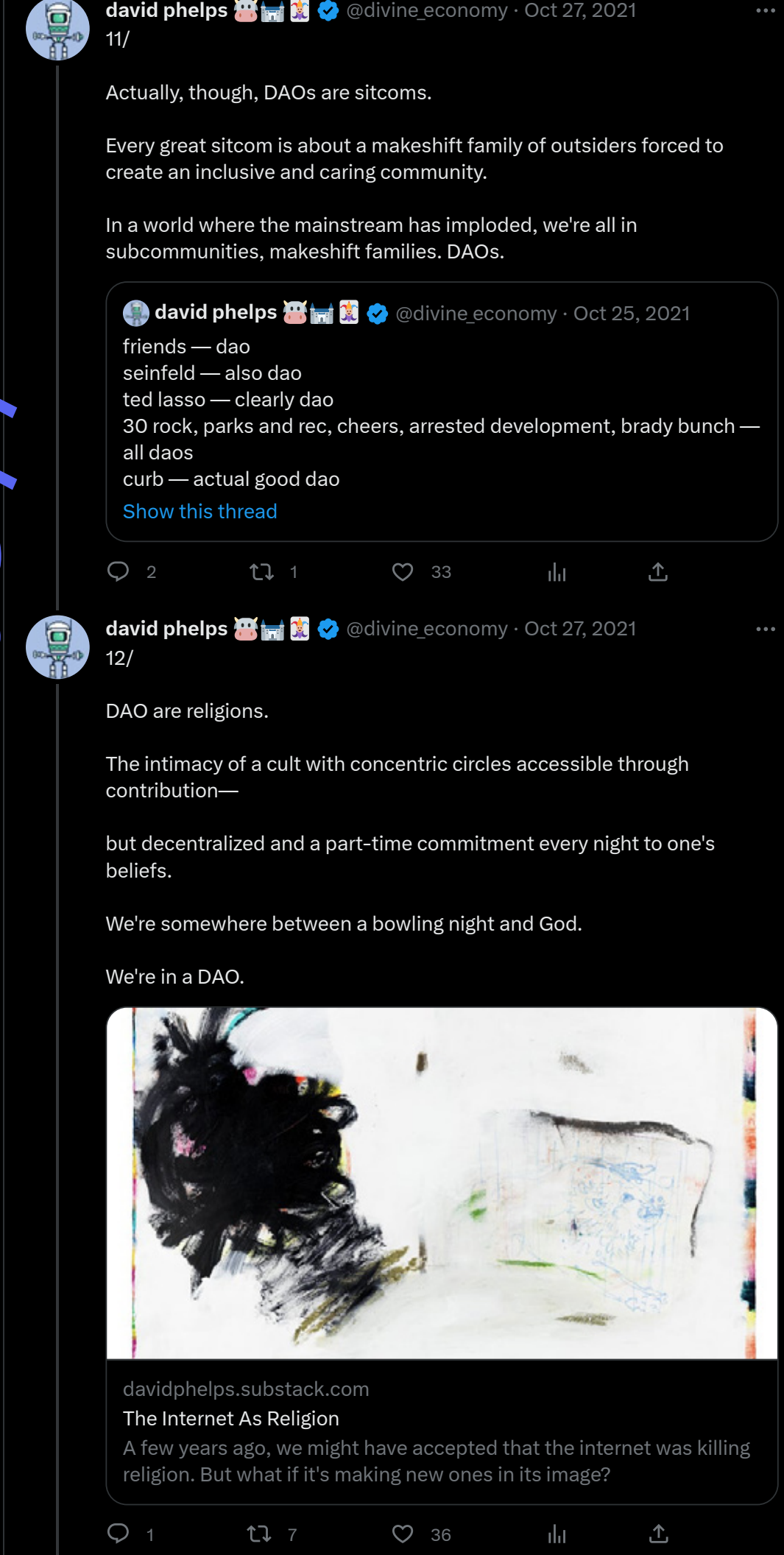
The Visioning & Design steps are closely related and consist of two primary outputs –Implications analysis & Options identification, respectively.

Visioning consists of using futures wheels to consider the implications of a given scenario, and use these wheels to identify important & provocative issues. Designing is the process of translating these issues into strategic, actionable options that recommend what a client might do based on what the future might look like (i.e. our four scenarios).

These steps deliver on the promise of foresight: by considering the range of plausible futures (informed by futures research) organizations can develop strategies for resiliency in any future.

05/11

img. [David Phelps, @divine\\_economy, Twitter thread "13 ways of looking at a DAO"](https://twitter.com/divine_economy/status/1453480931487006728?s=20)  
[https://twitter.com/divine\\_economy/status/1453480931487006728?s=20](https://twitter.com/divine_economy/status/1453480931487006728?s=20)



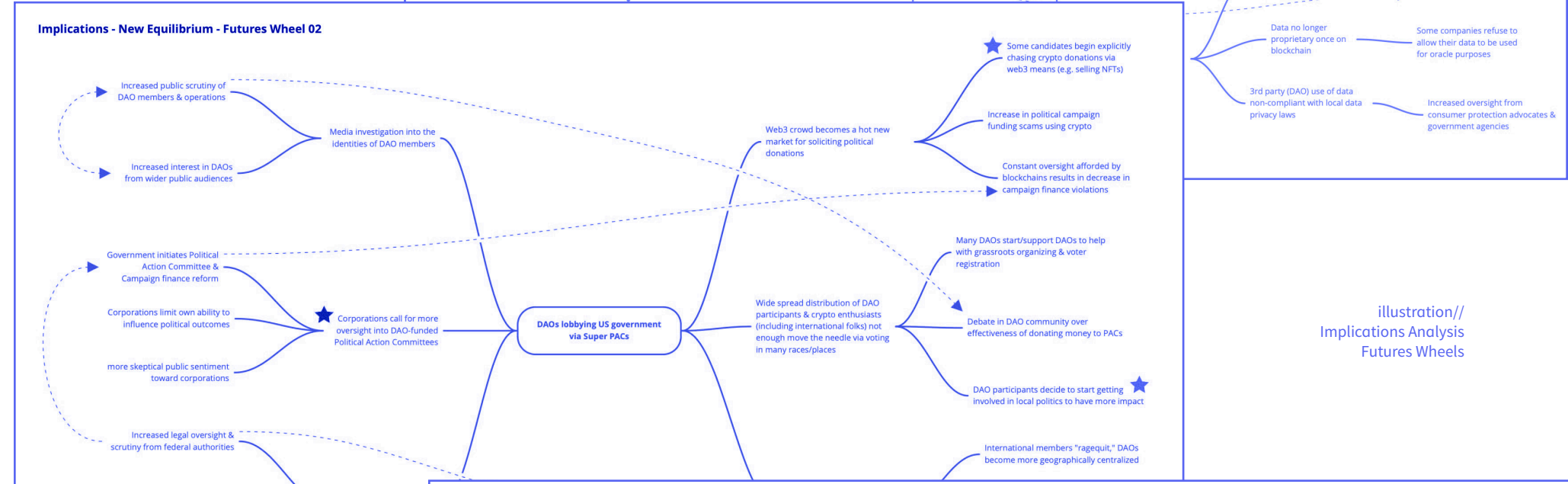
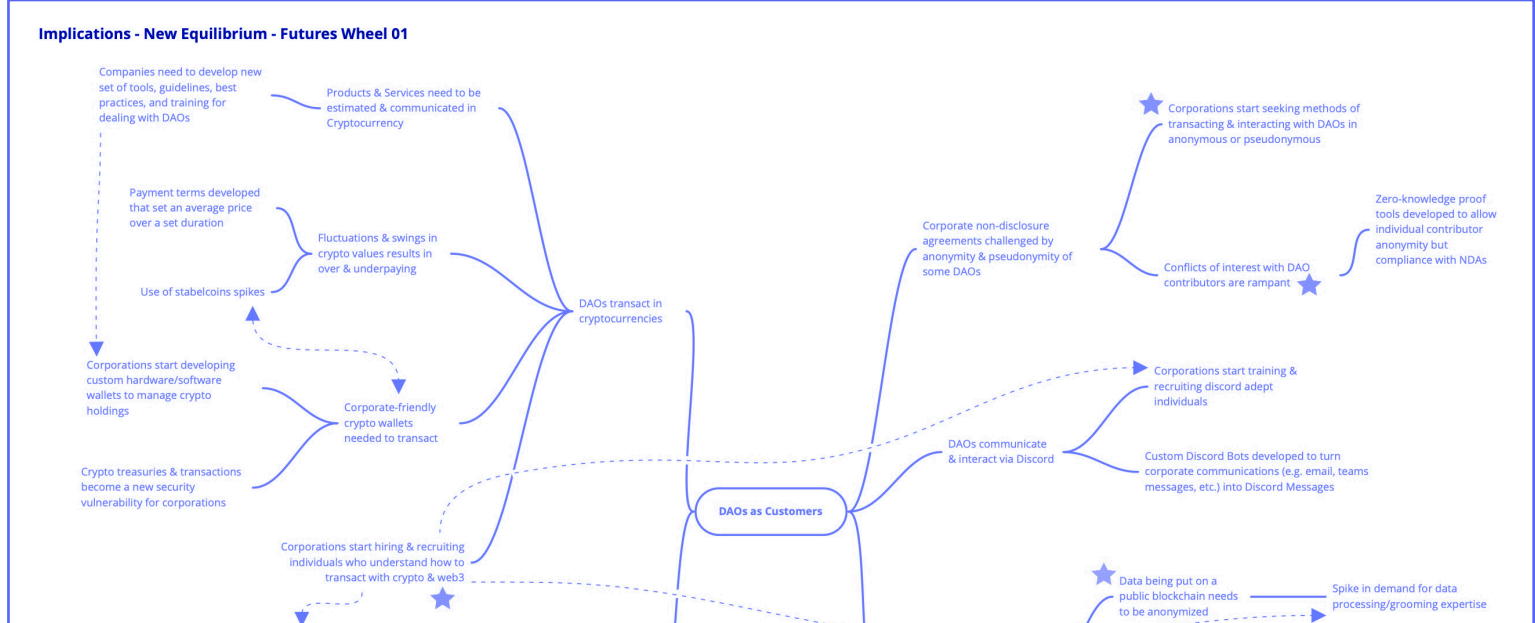
5.1

# VISIONING - IMPLICATIONS ANALYSIS SLOW DAON (aka NEW EQUILIBRIUM)

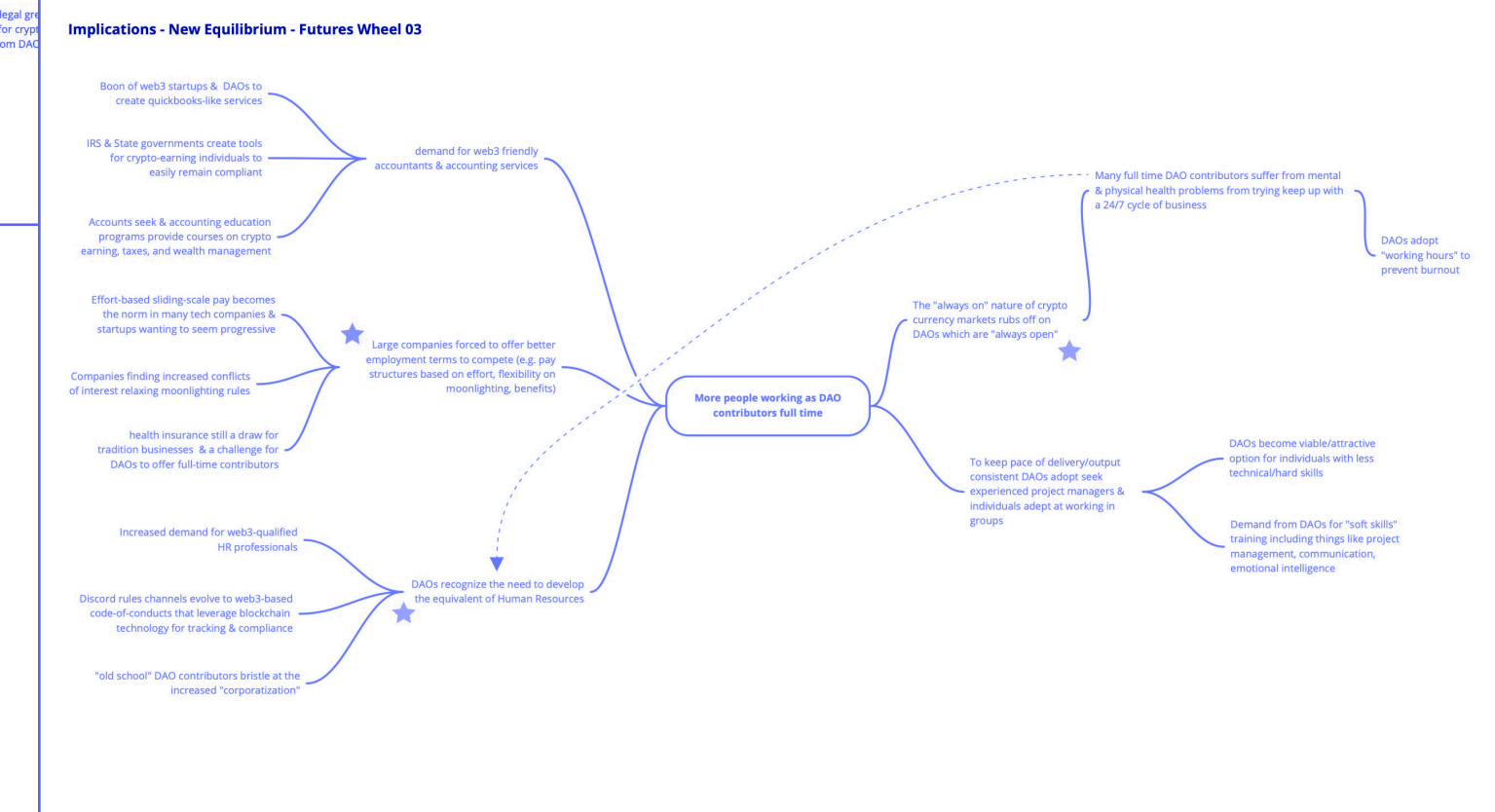
## ANALYZING IMPLICATIONS

Framework Foresight uses Futures wheels allow the rapid & expansive exploration of primary, secondary, and tertiary implications of a scenario.

The futures wheels pictured here illustrate the implications of the Slow DAON (New Equilibrium) scenario, with stars being used to indicate both important & provocative implications.



illustration//  
Implications Analysis  
Futures Wheels



5.2

## DESIGNING - OPTIONS SLOW DAON (aka NEW EQUILIBRIUM)

The Framework Foresight process of Designing entails extracting the most important & most provocative implications and translating those into options for the organization to consider.

### MOST IMPORTANT IMPLICATIONS

- ▶ Corporations need to hire web3 native or adept individuals and/or upskill existing employees
- ▶ Corporations need tools to transact with DAOs (corporate-friendly hardware & software wallets, corporate-friendly crypto exchanges, etc.)
- ▶ DAOs as customers presents a new source for corporate conflicts of interest
- ▶ Large companies forced to offer better employment terms to compete with flexibility afforded by DAOs (e.g. pay structures based on effort, flexibility on moonlighting, benefits)
- ▶ DAOs & web3 ways of working influencing Corporations could lead to a loss of older employees who struggle to learn & adapt

### MOST PROVOCATIVE IMPLICATIONS

- ▶ Corporate crypto treasuries become a new threat vector & target for cyberattacks
- ▶ Corporate need to hire web3 native or adept individuals and/or upskill existing employees
- ▶ Corporations seek to transact & interact anonymously/ pseudonymously
- ▶ Corporations call for more oversight into DAO-funded Political Action Committees

## The DAO Experiment | understand, upskill, and adapt to Web3

### Why is it important?

The transition to web3 from web 2.0 is an exponentially larger gap than the transition from web 1.0 to web 2.0. The technologies underpinning web3 are fundamentally different and Decentralized Autonomous Organizations are at the forefront of evolving new, community driven ways-of-working and doing business that keep pace with these rapidly changing technology. Now is the time to begin learning from DAOs, upskilling corporate employees, and adopting the best of web3 technology to being transforming & evolving Corporations. What might a DAO look like that does what the business currently does?

### How do we make it happen?

Create a group of cross-organizational stakeholders (from the internal organizations mentioned above). The mandate should be two fold – learn enough about web3 to ideate how the business might use web3 technologies to deliver on core business and to create a decentralized autonomous organization that is a web3 service provider of the businesses' core function. A dedicated team of 6-10 people could likely create a functioning prototype DAO, along with an attempt at defining an initial governance structure, within 6-9 months.

### How do we make it happen?

Someone within Operation or IT should own this effort to start, but the emphasis should be on community ownership by the end.

### What should we do about it?

- IT & Operations – research into web3 technologies and conduct an internal assessment as to the organization's current web3 readiness. Create an operations & technology roadmap with a focus on evolving enterprise operations to web3 technologies.
- IT & Operations – begin reaching out to DAOs (especially those creating & maintaining DAO tooling) to understand how web3 technology is being utilized by DAOs and how DAO community ways of working may be leveraged, emulated, or forked
- Community identification – Work with sales, marketing, and organizational managers to identify internal & external communities that currently work with/within the corporation. Sales & marketing can identify external enthusiast & customer communities that exist today that are leveraged to inform organizational thinking; organizational managers can identify formal or informal teams within the corporation that drive progress)
- Learning & development – Seek & develop education programs to begin upskilling current employees on web3 technologies & web3 ways of working. Start with IT, Operations, and Product teams – create discords & experiment with "always on," decentralized, more asynchronous ways of working (this could even extend to alternative compensation structures), with a focus on decentralized & collaborative approaches.

## Identity Control | Leveraging the anonymity & pseudonymity of web3

### Why is it important?

The decentralization inherent to Web3 affords all participants to operate with anonymity (and/or pseudonymity) should they chose. This anonymity, leveraged by a corporation, might afford certain advantages such as maintaining confidentiality, protecting privacy, and protecting assets.

### How do we make it happen?

Create a group of cross-functional group of stakeholders (from Legal, Operations, and IT). The mandate is to audit existing business processes and determine what, if any, operations might benefit from anonymity (and/or pseudonymity) ways of working or doing business.

Team can be augmented with individuals with web3 & DAO knowledge & expertise as needed.

### How do we make it happen?

Operations should lead this effort.

### What should we do about it?

- IT & Operations – research into web3 technologies and conduct an internal assessment as to the organization's current web3 readiness. Create an operations & technology roadmap with a focus on evolving enterprise operations to web3 technologies.
- Legal & Operations – Research & analysis into the possibilities of anonymous or pseudonymous operations. Identify caveats & pitfalls associated with doing business anonymously.



# 6.0

## ADAPTING

### COMMUNICATING THE REPORT

Part of the fun & challenge of futures work is getting people in the present (often corporate stakeholders) to really feel what a given future world might be like. Designing the report to be consumed & interacted with as a Discord server is aimed at giving non-DAO-experienced readers a glimpse at what it's like to be a member of a DAO. One joy (or for some, deterrence) about joining a DAO is learning to navigate their Discord server. Part of my goal with using Discord as the medium for delivery of the report was to help get people over the initial barrier of entry to many web3 & DAO communities by simulating the experience.

The Discord-as-report is divided into three sections: one for the research, one for the future scenarios, and one for the implications for

organizations today. Each section has channels full of content devoted to parts of the futures research with the information presented as a discussion between myself and a Discord bot named DAO-Bot. There is no shortage of informative links.

In addition to the report contents itself, there are three discussion channels in the Discord. These discussion channels are designed to give readers a place to ask me (and each other!) questions, discuss ideas & inspirations, and share their own information, thoughts, perspectives, and links.

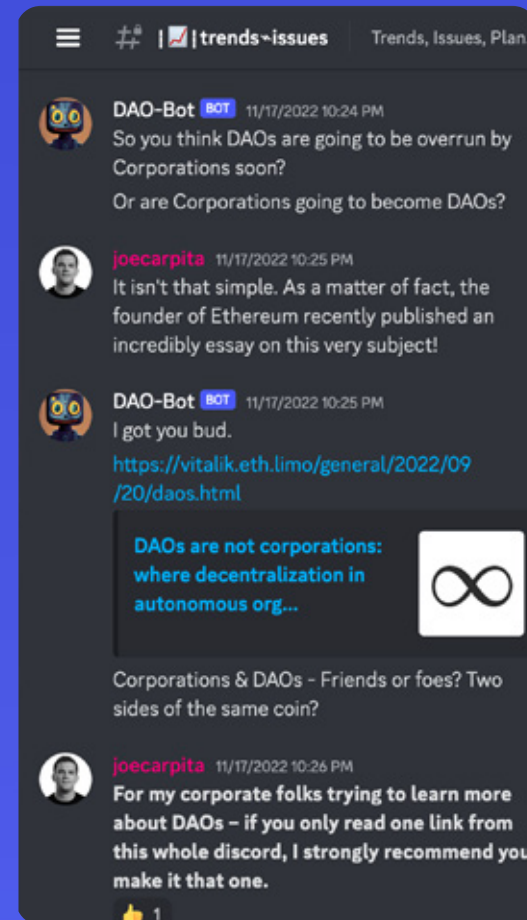
Explore the Discord, I cannot recommend this enough.



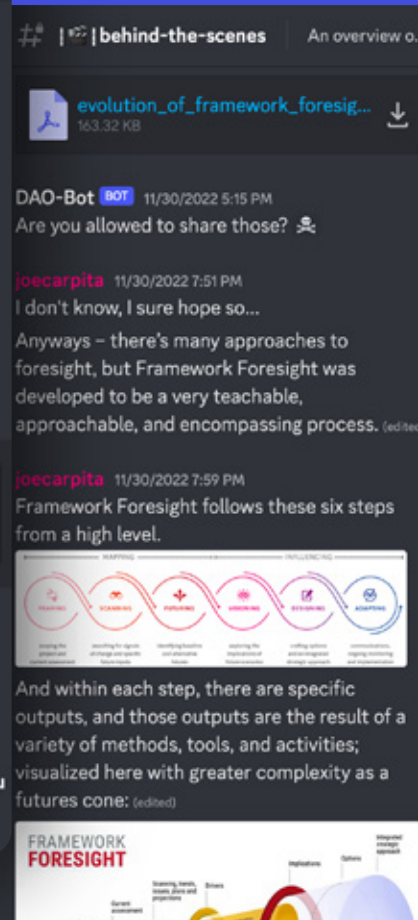
SCAN ABOVE, CLICK BELOW



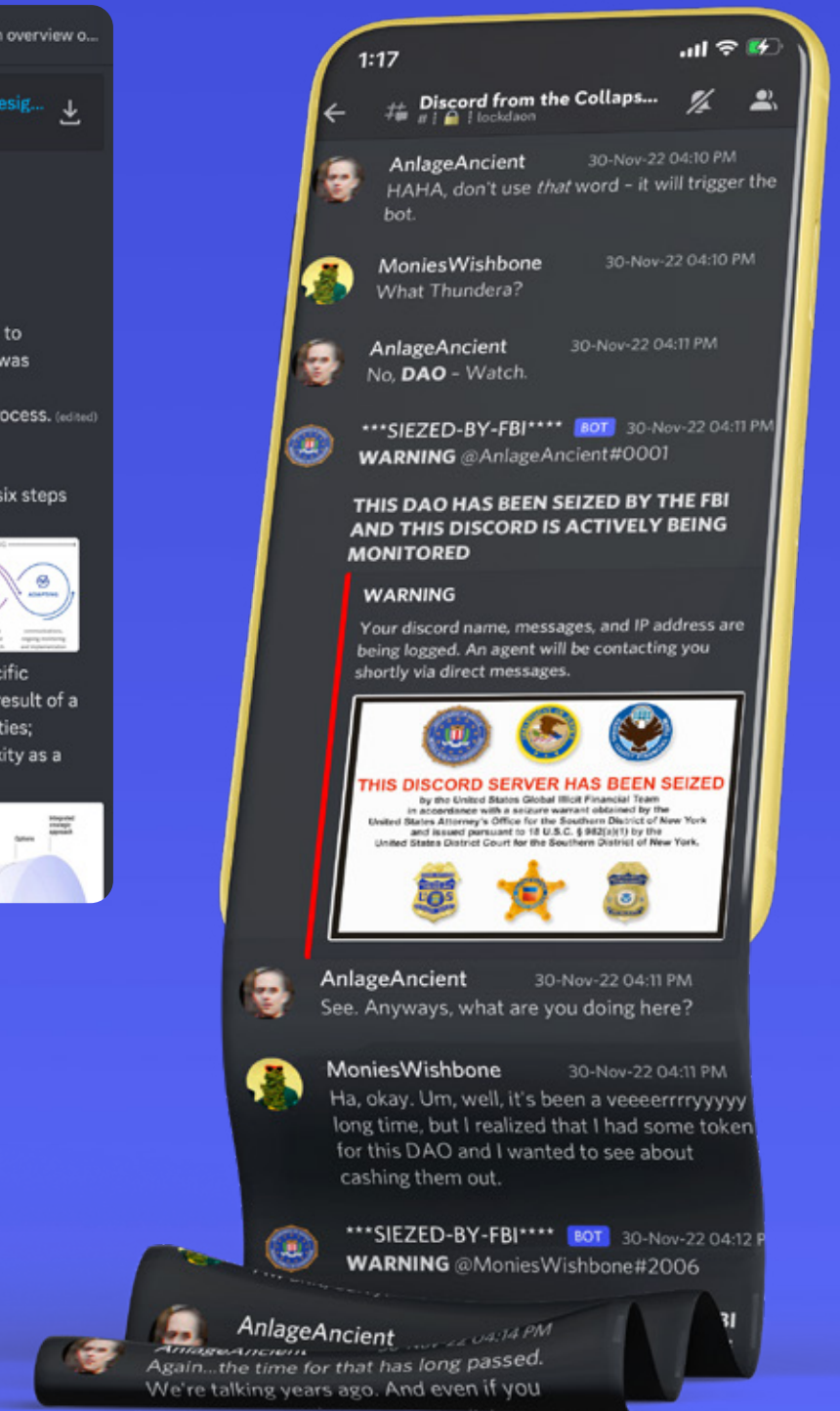
## TRENDS & ISSUES



## FORESIGHT PROCESS



## SCENARIOS AS "DISCORD FROM THE FUTURE"



7.0

## CONCLUSION

When I initially began working on this report I knew *of* DAOs, but I don't think I *understood* them.

I assumed they were esoteric communities focused on building & maintaining decentralized finance apps & services (like MakerDAO). But, what I discovered when I dove down the rabbit hole was communities of creative, curious, and passionate individuals who are seeing the possibilities enabled by web3 technologies and are excited to be a part of creating the next big thing.

I'm old enough to vividly remember when Web 2.0 technologies were taking off: people were creating content via blogs and social platforms like YouTube, and new services were springing up everyday to replace analog ways of doing things; and DAOs today feel like that times 1,000,000.

The more I learn about DAOs and the web3 space and the more I see how few large companies are dabbling in this space; the more I think this is going to be the missed opportunity of the century.

Way bigger than missing the transition from offline to online, and way bigger from the transition from the web to mobile.

My hope is that by reading this report and or interacting with the content via the Discord will ultimately get you thinking about what the future might hold for Decentralized Autonomous Organizations and the impact they're poised to have on the way we do business will inspire you to keep diving down the rabbit hole and champion web3 ways-of-working in your organization.

Good luck! 🐇



End.

