Technological breakthroughs achieved in the last 6 years finally allow for large groups of individuals to connect directly, transfer value among themselves, decide and cooperate without the need to rely on any centralized entity or intermediary.

Imagine the Facebook network without Facebook. Imagine people lending or borrowing money, buying and selling goods or services without relying on banks or Paypal, insuring each other with no centralized insurance companies. Imagine a decentralized transportation network independent of Lyft or Uber, renting apartments without AirBnB, new P2P marketplaces emerging instead of eBay or Amazon. Imagine the ability to replace every service with a decentralized counterpart that does not rely on any trusted party or intermediary and often greedy or corrupt middlemen.

This vision is beginning to unfold. The Bitcoin monetary network, now worth over $3B, is the first true decentralized currency that managed to scale and gradually enter into the mainstream. Bitcoin is today appreciated by millions of people worldwide, and more corporations and governments are starting to acknowledge its value every week.

Rather than the currency applications of it, the core breakthrough of Bitcoin is twofold:

● Its underlying technology, the "blockchain" —a decentralized public ledger that is held by everyone but that cannot be controlled (or corrupted) by anyone;

● Its economic (game-theoretic) model for "mining" —an incentivization mechanism that contributes to building a critical mass of users, by rewarding early adopters with a shared value of the Bitcoin economy, in exchange for their participation into the network.

In the coming months, the next wave of technological decentralization will become a reality as new decentralized blockchain technologies will launch, most notably ethereum's, bringing new competition to the Bitcoin blockchain by providing a new infrastructure for automated scripts and trustless transactions (so-called "smart contracts") that are automatically enforced by the underlying technology of the blockchain. Already today, a multitude of decentralized applications are being developed on top of the blockchain, and, in the coming years, we will probably see a few of them rocketing to worldwide recognition.

The widespread deployment of DCOs will create new kinds of social and economic structures that will most likely disrupt the current models of corporate governance and hierarchical top-down organisation. We expect DCOs to become the new standard for human coordination and cooperation. But why are there still no real DCOs existing today? The technology is indeed young, but in a matter of months it will be sufficient to support such structures. Yet, technology is not enough.

Right after Bitcoin started to gain popularity, there has been a large wave of blockchain-based currencies (so-called "altcoins") popping up, essentially replicating the same characteristics as the Bitcoin network, without providing anything new in terms of innovation. In spite of the short spike of success that they have experienced at first, most —if not all— of these altcoins are now essentially in a phase of strong stagnation or recession.

A second wave of blockchain-driven innovation came out shortly afterwards. After ethereum first introduced the idea of using the blockchain for more than just financial applications, many startups emerged, focusing on the implementation of distributed applications (so-called "DApps") on top of the blockchain. Yet, in spite of the various promises and dreams that they have engendered, none of these applications actually managed to make it into the mainstream. The key problem with these blockchain-based applications is that they lacked the protocol layer, the interface between the blockchain technology and the actual user-facing application.

It is exactly this protocol layer that we, at Backfeed, are aiming to provide…

Backfeed develops foundational tools for Decentralized Collaborative Organizations, syncing the spontaneous actions of millions of people to promote an era of collaboration and decentralized value production.

As blockchain technologies are maturing, many of the technical challenges surrounding the blockchain —mostly with regard to security and scalability— will eventually be addressed. Yet, technical challenges are only a part of the picture. In addition to a sound technological infrastructure, two more pillars are needed in order to support the operations of a DCO:

1) **A set of rules for the distribution of economic value among contributors.** Value within a DCO is expressed through its own tokens —which extrapolate from financial shares at early stage to operational tokens at later stage, only through which users can then acquire the services provided by the DCO. These rules (which we refer to as the 'DCO protocols') rely on a contribution/evaluation-based reputation system to promote the systematic alignment of people's behaviors according to emergent collective interests —while rending unprofitable any dishonest and fraudulent behavior. In a nutshell, the rules are engineered to shift the community away from the Nash-equilibrium state of non-cooperation towards that of cooperation.

2) **The tools and platform for people to navigate through the complexity of a DCO.** This requires at least two fundamental components: Firstly, the tools for DCO members to evaluate and accordingly reward contributions of any kind, which can be integrated into any existing collaborative platform. And secondly, a visual navigation system (or browser) for DCO members to simply and instantaneously understand the structure of the organisation, and figure out how they can contribute the most at any given time.

THE TEAM

● **Matan Field** (CEO): PhD in Theoretical Physics (in "String Theory"), one of the founders of La'Zooz (a first attempt at implementing a DCO worldwide).
● **Shahar Halutz** (CTO): B.Sc. in computer science and mathematics, a programagician generally based at Saint Sebastian in Spain.
● **Tal Serphos** (COO): financial veteran and an operational one-stop-shop, generally regarded as the McGiver of the team.
● **Primavera de Filippi**: PhD in Law, faculty associate at the Berkman Center at Harvard law school, and world-leading expert on legal implications of DCOs.
● **Jordan Greenhall**: co-founder and former CEO of DivX.

Together, we are creating the tools and methods to operate DCOs, and aim at leading the making of the DCO universe we envision.

DEVELOPMENTS

Backfeed is driving (and riding) the decentralization tsunami building up in front of our eyes.

The protocol layer is the first development of Backfeed. It is designed to create a bionic (and mathematically-grounded) organisational structure for DCOs. The Backfeed protocols include multiple set of rules for: economic, reward and reputation systems. These are three fundamental components for any large-scale DCO to be able to operate in a meaningful way in such a decentralized setting. These protocols regulate the transfer of value between the organisations and its members, according to predefined, transparent rules. They also govern the decision-making procedure that is essential to the operations of the DCO.

Further down the road, Backfeed will develop a decentralized collaborative platform containing all the building blocks required to seamlessly operate a DCO. That platform will operate as an occupational network where the reputation of people will be carried from one DCO to another. People will log on to (the-then-decentralized-version-of) Facebook to be social, and log on to Backfeed platform in order to work.

At the moment a protocol-layer and platform implementation MVP is being developed by Backfeed in a centralized, accelerated manner. In the next couple of months, once the MVP is up and running, we will launch a few DCOs on it, including: journalism, ride-sharing, social search-engine, ecological footprint offset, consultancy and developers guilds. At the same time, the effort to build this collaborative platform will become itself a DCO, using its own product to bootstrap.

FINANCING

Backfeed has recently raised $210k as a bridge loan from strategic partners. These funds are used for operations, development, design and legal support until achieving the MVP. In parallel, we are starting the process of round A fund-raising to pursue further developments and publicly launch our framework, establish further DCOs and initiate their crowd sales.
Backfeed's business model is based on a three-fold mechanism:

1. **Generic DCO business model:** Anyone wishing to use the services provided by a DCO will have to pay with (and thus first purchase) the DCO tokens. Whenever new tokens are being purchased from the DCO, an additional fraction of the same amount is distributed to previous token holders, as dividend. Finally, at any time, tokens can be redeemed against existing DCO funds, resulting from former purchases of tokens. At the same time, contributors to the development of a DCO will be rewarded with the same tokens for their contribution. Backfeed will continue to develop and support the most successful or promising DCOs on top of its own platform. Hence, as a lead developer of a variety of DCOs, Backfeed will be a major multi-stakeholder in the DCO ecosystem.

2. **Transaction fees:** In particular, developers of the Backfeed platform itself will receive Backfeed tokens for their contribution. Upon issuance of new tokens within other DCOs using the Backfeed platform, a minor part of the tokens will be claimed as "transaction fees", to be distributed among all Backfeed token holders as (another kind of) dividend. Again, Backfeed, as a first contributor to that effort, will be a major stakeholder of Backfeed tokens, and consequently of all other DCOs' tokens.

3. **Services to corporate:** Backfeed will also develop a set of methods and guidelines for standard (legacy) organizations to decentralize themselves in a controlled, gradual manner (as will be done with Backfeed itself). Hence, Backfeed will acquire, for that service, some of their newly created DCO tokens.