

LECTURE 5

RUNNING AN ICO

ONLY DO IT IF IT MAKES SENSE

- ▶ The Wild West days are (mostly) over
- ▶ Make sure it suits your product
- ▶ Make sure it fits your business
- ▶ Get legal clearance from multiple legal firms

TOKEN DESIGN

- ▶ Make sure you have a valid use case
- ▶ A real product that is in demand
- ▶ Real utility on the blockchain
- ▶ Legal
- ▶ Satisfies contributors
- ▶ Satisfies users

HAVE A HUGE MARKETING BUDGET

- ▶ In terms of effort and cost, a successful ICO is not very different from a successful IPO
- ▶ Example: 750k USD raised to run the ICO
- ▶ Articles will cost 20-30k
- ▶ Talks and endorsement on youtube: 10k
- ▶ Development costs: 10-20k
- ▶ Advisors
- ▶ Exchange integrations: 75k a piece
- ▶ Hiring a specialized marketing campaign: 100 - 250k

DEFINE YOUR GOALS AND FIND YOUR SECOND CROWD

- ▶ First crowd are the investors / speculators
- ▶ Second crowd are the users / supporters / enthusiasts
- ▶ Find your second crowd
- ▶ Impart a sense of ownership in the second crowd
- ▶ Goals should be clear and realistic
- ▶ The white paper is not science fiction

TEAM

- ▶ Have a strong team (easy to say...)
- ▶ Knowledgeable people from the relevant industry with relevant experience
- ▶ Practice transparency. Photos, names, LinkedIn profiles linked, etc. Make it legit.
- ▶ Get strategic supporters and advisors
- ▶ Get board members from your industry

STICK TO YOUR PLAN

- ▶ Don't change the deal during the ICO
- ▶ Don't change the deal after the ICO
- ▶ Avoid changes in the team during or after the ICO
- ▶ Don't change the goals / amounts

ACCOUNTABILITY AND TRANSPARENCY

- ▶ Use the technology to keep the project accountable before, during and after the ICO
- ▶ Define clear and attainable goals
- ▶ Return funds if minimum not met
- ▶ Protect your contributors' interest
- ▶ Ico contracts
- ▶ DAICO

DURING THE ICO

- ▶ 24/7 communication is key – similar to kickstarter campaigns
- ▶ Monitor forums
- ▶ Monitor news / tweets
- ▶ Monitor / report scams
- ▶ Constant IT security monitoring

HOW YOU WILL BE SCAMMED

- ▶ You will be impersonated in chat rooms
- ▶ Your ICO website will be copied on a similar domain, displaying a different ICO contract address
- ▶ Your users will be approached by “special pre-ICO deals” in private conversations on chat
- ▶ There will be fake Google ads with your ICO name, pointing to a fake website
- ▶ Your project, github repo, white paper will be copied and used under a different project name

USE THE TOOLS

- ▶ MyEtherWallet: register your ENS name
- ▶ Etherscan: register your token
- ▶ Hardware wallets: secure your keys
- ▶ Cipher browser: best tool on mobile

THANK YOU

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