

Participant 18 Interview

participant 18 00:01

formal like learning through it, but as you know, this is a big, this a large self learning journey is whole new technology innovation, like the chains innovations like general purpose technology. So for 2018 I hooked into another startup that was merging artificial intelligence with finance. So it was trying to attack the holy grail of finance, which is like, beating the market. And so then it was interesting because it was a startup journey and it was an AI journey, and it was a blockchain journey. This company in order to use the ledger, immutability as proof of returns in using systems, [algos] to generate the factors or the filtering mechanisms and then merging it with traditional portfolio management, which is how do you construct the portfolio and then that kind of took me to defi summer 2020 COVID hit I saw a whole bunch of stuff happening in open finance that was really, really fascinating. Just because of my understanding of finance. I could recognize it on the chain. And I saw this really just incredible area being developed and i really attribute, a lot of this to [Sname\$] financing, the folks there that really allowed me and I just fell deeper into the learning hole. And at that time, I was working with a friend here in Toronto and we were trying to start a blockchain course. Why didn't the education because what you're doing a to define what's happening in this space is you're merging Like finance is at the core of all of this. And yet, literacy in finance is really low and I know I've talked to Sname\$ about this so much. And so you're asking people to take on this new innovation. And then you're asking them to play in a domain that is really just not their space. And it's, it's like you're trying to collide two massive learnings in one collision in a sense and so, but people manage, right, people fumble their way through and even financial professionals our time and so then it takes me too Sname\$ 2021 We're Sname\$ was was seeing his skill set in his AI work, because ironically, I met Sname\$ in a blockchain conference in 2019 where him and I were kind of doing the same thing. He's coming at it a different way. And I was coming at it from this other AI way. And then he asked me to come on board because he saw the opportunity of all these projects in 2021. Like needing his data services, token engineering services, however you wanted to define that, like, building as you know, as I always like to say, it's like building our Sairmiles rewards program\$, like everyone has these rewards programs in real life that they use, no one ever thinks about who designed them because someone had to design them you know, here in Canada, theres like Canadian Tire money. Grocery stores have like they call them PC point. So you spend \$1 and you earn some rewards, but who comes up with that? Well, that's that's like, you know, that's a you know, token engineering, that's reward engineering. And then now you have a technology that lets you monetize that transaction. Because I always tell people here, its so funny, we have all these rewards, and you can't really transact them and i might have some rewards, been holding for years and years and years, might not have any utility but we have a technology now, it's not used for that, but it could, theoretically so here we are. 2023. Shawn and I are still running Sname\$ and you know, i really played a large role, and I'm trying to understand how defi has emerged just two years is a long time in the space, as you probably know, and so yeah, I mean, at a high level, I feel like what the proposal in a sense is missing is there's no talk about finance anywhere. Like no where. Yeah,

Nathalia Scherer 05:35

that's a that's super important to to note, and I'll take that segue into defining for you. So what what is token engineering?

participant 18 05:48

its a discipline. Its not one answers its a whole bunch of things. I mean, that's why I think this technology, this innovation that allows you to have a discipline called token engineering which merges a whole bunch of skill sets. Math, economics, that's why this is a general purpose Tech because it takes in so much. So it's like it's like you having to have a technology that allows something to be multiple things, like an example, thats it's happening right now with the regulators because they can't define what Bitcoin is. Because it's three things. It's a commodity. It's a currency and its a store of value. It can play a role and each one of those at any different time. So you've got governance tokens that have no value, but they have utility. Could the values not being representative on law however you want to define it. But there's utility. I mean, like, you can even use your own TEC token as an example. You know, what's the utility in it? You use it to vote? I mean, I look at liquidity. You can't even sell \$1,000 without moving the price. So like, it's great that it represents something. It does represent value, but what's the purpose of it and it goes back, like we we ran a bootcamp \$name\$ you you're a guest speaker on the bootcamp. We ran a boot camp and we started talking engineering boot camp with like, the fundamental question is like why does someone take \$1 and exchange it for a token? Like why? What's the purpose? And a lot of it has to do with the token engineering behind it. What's the whole mechanics, much supply? What's intended to use? What's the future value of it? A lot of it comes back to assessing a financial asset, which goes back to the required discipline of, of knowing finance. It's nice to have. We work with math geniuses, \$name\$, \$name\$ on a whole bunch of other geniuses, but not the same level of geniuses in finance. So both of them would share that view. And it's fair because that's the scenario I live in a very fortunate to live in a beautiful country. Even in this developed country, financial literacy is low. Also reaching. Like I always use Canada's example because we have a very robust payment system. So, most people here have such luxury and such a small barrier of entry that the payment systems through the traditional rails are the path of least resistance and crypto is kind of like a luxury sense. Right, you know, Maslow's hierarchy of needs, you have to have satisfied certain barriers for the luxury to be able to invest in stuff so I don't know I feel my diverting away or is this No, no, no, I think this is great. And I want to also think you've added some clues in your answer, but what would you say that TE is solving the other fields are not solving? Well, I mean, it's a discipline so you're evolving. So the whole disciplines about, you know, your, you know, your understanding what more tools you can bring into the discipline to make it more robust, and it's awareness. Like, you know, one of the main reasons we ran a bootcamp is because we couldn't find resources with the required skill set. So we wanted to train some people who had already cross sectional disciplines deep spikes in different areas, right, because again, this is such an emerging it's a general purpose tech it applies across facets of disciplines, right to game theory, reward mechanisms, liquidity like it's, it's very, it's very large. So awareness, education, you know, that's kind of like I see is what TE is driving, even just the name \$name\$. It's kind of been Academy sorts. You're coming, you're going there to learn.

Nathalia Scherer 11:48

Thank you. And now, diving a little more into your daily routine of work. Can you share a bit more what it looks like? Some examples of typical tasks, rituals, processes that you need to handle routinely.

participant 18 12:08

Yeah, again, I'm gonna go back to first principles. This is my whole day in life is financially driven in the sense of tasks. \$name\$ and I run \$name\$\$s business. Work with our customers and our partners. That's priority one. tons of research in \$defi\$ is I have a vested interest in protocols merges into us helping our partners in research. There's a lot of r&d that \$name\$ does. And in traditional finance, we're capped off the other piece, because they're so connected.

Nathalia Scherer 13:00

And in terms of projects, can you give show examples of polar opposite? Token engineering projects that you've been involved with?

participant 18 13:25

I think I need a bit more clarity on that.

Nathalia Scherer 13:29

Yeah. So if you think of the projects, groups, even research groups that you've been involved with, within the token engineering, field and community, are you able to think of two of them that are that you would consider very different from each other? And why and maybe look at why you would think that they are very different. And this is because we're trying to map if you look at a spectrum of current different TE projects, like what are the differences between them their essence or type of tasks cetera?

participant 18 14:20

I think at the highest level answer would be governance focused versus financially, defi focused. Because those are two different things. from a business perspective, there's always been a common thread it's always about help us construct a system that will unlock value for the idea and community that I'm trying to build. Because most folks come with a long tail at least in our experience for like token discovery.

Nathalia Scherer 15:31

think you know, what would you be able to specify which areas of knowledge you consider essential for the token engineering field?

participant 18 15:49

There is no one maybe if you recall journey, one of the first times I met you I shared with you the curriculum we built for that blockchain one on one course that did like a friend of mine passed away him and I and another professor built a framework for high school education for blockchain, just like 101, like basic and what we uncovered after all the research that we did, in

putting it together is that it's like a multidisciplinary approach. So this innovation as a comeback to the blockchain innovation this general purpose technology. It brings in an aspect from every discipline it's just which area does it optimize better? And we see it in finance because it was the lowest hanging fruit because it's a ledger. Accounting, and finance work really well. So that was the easiest test case, but the application is gigantic, because it comes with a whole bunch of possibilities of other disciplines to come in, and, and use the technology and talk about the technology so I don't think there's like one discipline. I know there's ones that would have heavier weight. Like we I'll give you some examples, like so. Okay, so globalization, world issues and interactions like fundamentals of economics. Changing societies contemporary legal issues, topics in computer science how computers in society interact, technology, the environment, and society. Like think about this, this is gigantic, like it's so I don't know. You know, we're seeing this going to many disciplines, science. You know, we have data, there are protocols that are trying to harvest just data. I mean, look at \$name\$ alone, like, so. It's, I don't know, I mean, I think anybody can come and play in this space. I mean, sure, certain skill sets are going to be a lot heavier. Like you need a finance skill set to play in DeFi. You don't have that, you're really at a disadvantage. we've coined it. We use a term. \$name\$ and I talked about like asymmetrical information because you have an advantage. You really do. I would have fireside debate with anybody for a long time about that I don't know if that answers your question.

Nathalia Scherer 20:22

Um, but, now let's focus on some challenges. So what would you say that are challenges you faced in your work with token engineering, or challenges that you also see in the field? Both in the field and your specific work with it?

participant 18 20:46

I feel like there is a bit of well the challenge is knowledge and understanding. I mean, we're at such an early stage in this development that it's just it's just still for everybody, we're still learning. We're still learning how to, like security. Like you know, when people use the words, be your own bank. They throw those words around pretty lightly, but they're actually monumental waiting. Because the banking system is worth a lot of money. And it took many, many, many years to get to where it is. And not every banking system gets it right. You know, I'd say Canada has the best banking system in the universe. Again, I debate that but it's true. It's really shown a disciplined way of surviving many, many systematic, and market situations. Yeah safety, security, which comes with awareness and understanding. Obviously, regulatory barriers regional barriers. Yeah.

Nathalia Scherer 22:36

And how about needs, do you see any pressing needs that token engineering for the token engineering field to address?

participant 18 22:58

Yeah, I think it's like unlocking value sorry, my dog is barking

Nathalia Scherer 23:08

I can still hear you very well.

participant 18 23:17

Yeah, like I'd say like unlocking value in the sense it's definitely something I think everybody wants to have I know it might be faux pas to to go into this with a monetary view but the whole point here is to help potentially people financially. So again, it's it's different. I've shared this with \$Livia\$ also, like, people living like my perspective. I'm so lucky and fortunate. Like from my perspective, sitting in Toronto, is different than your perspective from Brazil. Right. And what open finance produces the outcome is the same. So it's x but X only impacts me by X percent. It might impact you by a large percent. You follow me? So this whole regional disparity, I think, has a huge opportunity for were open finance can help and I'll give you a concrete example. During our bootcamp, we had participants share with us a story about a region in the world where acquiring \$10 USD a day would be a fundamental, life changing impact. I can tell you right now. It wouldn't take a gargantuan amounts of money to generate \$10 a day with what's in the marketplace, in open finance. So imagine you're able to turn something where you create like, like a cash flow funnel, where you can sprinkle it across certain regions. And again, I'm not trying to push to the monetary side. It's not all about making money, but I feel like that's part of the incentive. Like a balance.

Nathalia Scherer 26:05

and I think this connects really well. With our next our next question, which is how would you describe the role of ethics in token engineering?

participant 18 26:29

That's a very good question. That's another another force that I think shows itself in open finance, in decentralized finance. Like, if I could ask the question back, like this whole notion of having a white hat in open finance, someone could take advantage but doesn't in a sense or saves a protocol, doesn't have to but does. But you don't see that in traditional finance. I mean, we also don't see a lot of like, the hacking is been a really detriment to our whole space.

Nathalia Scherer 27:40

You expand a little, a little more on that.

participant 18 27:43

Just like the protocols being drained or users being fished you know, like, so because that's, that really hurts people right? So I again, I would, obviously, would take that question to the experts in the sense of, because it's a very big question. When it comes to security stuff. You

Nathalia Scherer 28:31

know, now, do you have any thoughts on how to increase diversity and inclusivity within the token engineering field?

participant 18 28:45

No, but I really think the token engineering community does a very good job. That's my reflection.

Nathalia Scherer 28:59

Thank you. Thank you. And in your perspective, what are the incentives to be practicing token engineering?

participant 18 29:18

Well, it's again, I'm gonna come at it from just my perspective. It would help you be a better participant in open finance. Safer, more aware. I would say potentially more profitable.

Nathalia Scherer 29:59

And speaking of that, how do you perceive the financial reality of the field right now? In finance, of like, what do you see as the financial reality most of the token engineering field?

participant 18 30:19

Oh, no, no, this is we're in great shape. Like this is this is a for realness, like. You have to take the long term view, you know, this transformation is, is already on its way. So there's no turning back.

Nathalia Scherer 30:48

But an intern but in terms of, if we look if we look at token engineering right now as this field, what do you see as typical rewards in terms of value in form, that someone can receive participating in it as a as an engineer, as a researcher, you know, like for anyone that is involved right now?

participant 18 31:10

Oh, yeah. No. So I mean, the view might again, I could be a glass half full guy. So just take it with a grain of salt but so let's just go high level. Are there more people or less people aware? Of the space and say more? You're gonna say why? I'm gonna say because of the NFT's. So this innovation did more to the awareness of this space than anything before. Because it's a picture it's a rock. It's a it's an \$name\$, it's a \$name\$, which is the sickest collection, and I'm not trying to do maybe should pick that out, not endorsing. But it is a really cool community, but I feel that the awareness is growing. Literacy is growing. The space is growing. So more people come in TE they become aware they think of their own ideas to get the courage, the backing the support, and they launch their own product, and it just perpetuates. So this is what I was trying to refer to in my notion. transformation has occurred.

Nathalia Scherer 32:47

Yeah. Do you think that there's enough money in the field right now? There's enough resources flowing to people working in the field. And where, where do you see that the resources coming from?

participant 18 33:06

Well, the value of our space is 1.1 trillion. So it's up to the community to go grab that value. Remember, like I money is attracted to yield like water follows a crack its never gonna stop.

Nathalia Scherer 33:45

and looking at the future now. What do you wish for the future? Of token engineering as a field? And how do you see it in the next three years? How do you see the field of engineering in the next three years?

participant 18 34:05

Yeah I'm optimistic on it. If you just think of what we all survived, like, I don't really, folks have to, I think put things in perspective what we went through in the last 12 months and to still be, you know, a 1.5 or \$1.1 trillion dollar market is I think, pretty amazing. You know, with all the shenanigans protocols blowing up with people buying doing fraudulent things like traditional folks do, but just it happened to be in the crypto space, but it's still being where we're at. I think it's pretty amazing to tell the truth. Regulation has to get cleared up. I think that's the biggest barrier the moment that we can get some clarity even just some just agreements I think would be amazing. Because that's gonna unlock, I don't know if folks have thought about it, think about like a decision maker who has a lot of assets or capital at risk, and you have uncertainty so you can't really pull a trigger. So like it's people are sitting there could be a lot of like patient money waiting for a decision that once that regulatory clarity comes in, you'll have this massive unlock sort of like what's happening right now with with \$staking derivatives in Ethereum\$ were because of the new merge all the security is now being unlocked. Right. So what's gonna happen to all of that, where's that all going to go? What are people going to do with it? So, once clarity of regulation comes in, I think it'd be really amazing and you got to think like, unless you believe we can have a repeat of the last 12 months, again which would be just like as we call it a long tail event.

Nathalia Scherer 36:44

My internet broke for five seconds were You were you finished with that answer? Sorry. Now, how about AI? If we look at know as AI comes in and continues to advance, there is potential for it to significantly impact the development and implementation of token engineering. So in your opinion, how do you see AI affecting the field of TE and your role in the landscape?

participant 18 37:22

It's affecting it has been affecting because what is artificial intelligence it's harnessing computer power. So we back computer power for a long time. It's just getting smarter. So yeah, sure, I mean, this whole \$chatGPT\$ is going to change a lot of things. So for menial tasks, I think it's going to help everybody I think having this like, cool little agent. It's like accelerating it's like almost taking the time to build something again, optimized. So I think AI is going to be a huge asset pool. It's not going to replace, it's going to complement just like the chain chain is not going to replace traditional financing. Never get a binary zero or one world there'll be complimentary. It will fill the gaps for efficiencies. And I feel like AI is going to do the same thing. Right.

Nathalia Scherer 38:35

We're coming close to the end the interview and we'd love to hear whose work you admire in the field in the space. And also perhaps, who would you recommend? We talk next? Good interview for this study.

participant 18 38:58

Um, like for me, again, just going back to first principles. I mean, my world is very defi focused. So there's the protocols that like I'm invested in or have a high affinity for this because I think they've done a really solid job with their token omics sort of for the space that they're playing in that they're trying to solve for. Just the way that the community perceives itself. So, like, \$name\$, \$name\$ \$name\$ \$name\$. \$name\$, there's a whole bunch of, i mean, we work with the \$block science\$ guys who are solid. You guys are pretty solid. In some of the resources before, I've worked with the \$name\$ folks that are tools, I mean, these are all tools that you would need to be part of the community I think there are like anchor protocols that everybody needs to understand, like the \$name\$s, ecosystem. They're really you know, and even like the \$voting escrow mechanism\$, like there's really core mechanisms. That you look at that have assets and community behind it, tested through market cycles. You could look at as successes like the \$name\$ teams incredible. Guys are doing none of these names I'm saying. Like, this is just the probably like way more protocols out there. Shit that I've worked with or I'm researching, so at least one necessarily but those are the ones that I mentioned I think are definitely anchor ones that you can learn from.

Nathalia Scherer 41:25

Your mic

Livia 41:28

Last question, since we have a little extra time, you mentioned that the market is 1.1 trillion. So when asked about token engineering, you mentioned the cryptocurrency market. Do you think those are synonyms, like is token engineering crypto is there what is the differentiation is there any differentiation?

participant 18 41:59

What's what's wrong with crypto?

Livia 42:05

No, nothing wrong just understanding because I think sometimes there is a

participant 18 42:09

It's like saying it's like saying use email without using the internet. How are you going to use email without using internet?

Livia 42:25

Well, but the email is different than the internet. Right? Are you saying that token engineering is the email and crypto is the internet.

Nathalia Scherer 42:34

So

participant 18 42:35

we need engineers to build these tokens. So like without people who understand token economics supply curves, you can't build a token

Livia 42:58

and what and I think there was just this that we missed a little bit what were the tools that you use? Like what is in your everyday?

participant 18 43:07

Oh yeah, no I mean, I mean, we ran over these tools in our bootcamp but like you know, like the basic wallet understanding \$wallets\$, understanding how to \$read the chain\$, where to get protocols like there's some amazing tools out there \$token terminal\$, \$dune analytics\$, \$defi lamma\$. But even traditional finance gives you a ton of information. Like a lot of, like if you think about, like traditional finance, like it's really really like tied to crypto. And the value of crypto is what is allowing TE to have a token. So you have a token because of it whether you can get out of your token or not still have some thank you so, so yeah, I feel like they're there. They're just together. Like we're all together.

Unknown Speaker 44:35

Thanks, Mike. I'll pass it back to Nathalia to close it.

Nathalia Scherer 44:42

thank you again my

participant 18 44:46

I hope I wasn't too finance heavy. You're probably going to get someone that won't be and you'll balance it all out. So

Nathalia Scherer 45:01

exactly. It's a diverse field. So you're very grateful for all the different angles and perspectives on it. And this is really great. So thanks for bringing in your perspective to it. And now the next steps for us are to continue the interview probably for the next month. And and then at some point, like when we're done through the interviews and some reviews, we might reach out if we have any questions or early insights to share. And of course, by participating in this study, you'll be absolutely part of the first group to get the insights. So yeah, we also welcome any questions or considerations you might have along the way. So

participant 18 45:52

yeah, might have an idea. I just I don't know when to insert it. Just because I think from my understanding you're at the early part of your journey, but I think I have a cool I have an idea that maybe at some point I can share with you guys.

Nathalia Scherer 46:13

Yeah, I would love to hear that. Do ya? Would you like to share it now?

participant 18 46:18

No, I was gonna say I guys, I think I was the first one Livia is that fair to say? Okay, so, how many folks, are you planning on breaking through?

Livia 46:32

Around 30 or more if we have more?

participant 18 46:36

Okay. Yeah, like this idea would actually fill the gap. That is finance. [Wait].

Livia 46:47

Do you Yeah, feel free to share it?

participant 18 46:52

Yeah, I have, like, um, we're it was an experiment that we ran for 101 days and so it was coming at teaching people like it was trying to teach you about this space while taking you on a financial journey. Right so you're learning and earning at the same time. So I don't know where that fits in your journey. But as an academy probably be a cool thing to have.

Livia 47:44

Yeah, and just to clarify, this is a proposal that passed in the token engineering commons and we are in this process of a merge with the \$name, but there's still different work streams. So I think the best person to talk about that would be with \$name. I think she would be very open and receptive.

participant 18 48:05

Yeah this is why I was going to. I just wanted to chat with you about it, not necessarily. Because there's still some work that we have to do we're doing a post review, so like to see what quantifying the whole experience. So I need some help from my team because I'm not Python enabled yet, just a little bit there was no we have five minutes left, but

Nathalia Scherer 48:45

I think if also I'd be happy to actually have any links. So this just share with us. That could be great to just see. And at the forum, I think you've added your preferred way of connecting with us. But could you clarify again, like what is your preferred way to if we want to reach out with any Discord is

participant 18 49:16

fine emails fine. I don't think I'm hard to get to hold of. And are these re-occurring hours or are they like just touch points going forward? Will there be another one of this or

Nathalia Scherer 49:35

no, no. I think this and yeah, but is it okay, if we reach out if we have any extra questions? Yeah. It's all good. Well, thank you so much. Very generous.

participant 18 49:47

Good luck. Yeah. Good luck. Enjoy. And have a good day. Bye. All right. Thank you.