The Future of TEM

Creating Community While Trust is Eroding

John M. Schroder
john@thetemstore.com

Abstract. This paper, somewhat in keeping with the Bitcoin white paper by Satoshi Nakamoto, is intended to serve as an initial roadmap for any company searching for innovative inspiration or direction, but in particular, for those companies within the communications, communications management, or expense management industries. The overarching premise comes from the belief that trust in public institutions is not just at an all time low, but has been fractured to the point where recovery is impossible. From the recent resignation of Harvard's president to Congressional inability to balance a budget, our nation's premier institutions simply don't foster public trust.

An extreme case for the critical nature of trust can be found by quickly looking at our Cold War adversary and its misadventure in Afghanistan. This war ran from roughly 1979 to 1989. The logic behind the Soviet presence was to support the communist government against the insurgent movement most often summarized as the Mujahideen. Throughout that ten year long engagement, most observers assert that the typical Russian citizen was of the belief that the Red Army was winning. While public trust of bureaucrats and central planners was certainly quite low, the military was still a point of pride. Only upon the Red Army's return home did the public realize that the war had been lost, and the reality of a decade's worth of fighting for nothing began to truly hit home. Two years later, the Soviet Union collapsed.

Popular narrative: the US defeated the Soviet Union in the Cold War because free market capitalism eventually crushed centrally planned communism.

More plausible truth: while the free enterprise system of the United States most certainly outproduced the Soviets, the actual collapse of the Soviet Union stemmed from a decades-long process in which institutional trust was eroded, meaning the very economic foundations of their system no longer existed, and therefore, its collapse became inevitable.

Glossary of Terms and Acronyms

AI: Artificial Intelligence and/or Augmented Intelligence.
AR: Augmented Reality; uses your own space (e.g. home), but with outside elements brought in, such as possible paint colors, furniture, or appliances.
CBDC: Central Bank Digital Currency.
DePIN: Decentralized Public Infrastructure; number of estimated tokens or projects: 56
ETMA: Enterprise Technology Management Association; estimated number of member companies: 50.

MEF: Supposedly, this actually isn't an acronym, though some research says it used to stand for the "Metro Ethernet Foundation." Regardless, MEF is focused on digital transformation at the enterprise level; estimated number of member companies: 200.

MMS: Mobile Management Services; typically comprise everything from security and content management through compliance and cost management.

NFT: Non-Fungible Token, a cryptocurrency category that typically is used to show or emphasize the uniqueness of something (a piece of art, an automobile title, etc).

POTS: Plain Old Telephone Service; typically associated with copper lines (analog), and so this service has largely been replaced by digital or cloud based alternatives.

PoC: Proof of Concept.

PoW: Proof of Work (crypto currency term).

RWA: Real World Assets: number of estimated tokens or projects: 92.

TEM: Telecom Expense Management (historical); Technology Expense Management (current).

Tokenomics: an emerging financial practice conceived within the crypto industry that addresses how a blockchain's native token will be managed and can include concepts like supply, distribution, utility, and incentives.

VR: Virtual Reality; as opposed to AR, VR immerses users into entirely new environments of their choosing.

1. TEM Overview

To some, it might seem as though traditional TEM is no longer a "strategic" play. While it has remained a niche offering, few Fortune 500's choose to go it alone and handle this practice in house. While the space has certainly evolved, it is certainly not being replaced, so it is worth exploring why TEM has shown such genuine staying power over the past few decades.

From the TEM Service Provider Side

TEM as a Gateway: when a Service Provider (SP) or Value Added Reseller (VAR) can claim to provide TEM services, they often get access to a much wider range of opportunities within the enterprise. For example, a tech consultant who can provide a TEM solution as part of an initial engagement, might soon be designing an entire network, and possibly getting the carrier commission that comes with it.

TEM as a Proof of Concept: similar to the Gateway mentioned above, for some, a short TEM project can provide a viable PoC that leads to other projects. This is one of the ways that SIB possibly uses TEM, as it sets up their other cost reduction services.

TEM as a Throw In: if a customer is big enough, there may be enough commissionable services being procured that TEM gets thrown into the deal.

From the Client Side

TEM as Bridge Between IT and AP: very few companies have accounting departments that are capable of "speaking" IT. That means that bills get paid with the aim of keeping the phone lines working, not with the aim of ensuring that services match contracted or provisioned expectations.

TEM as Bench Strength: many TEMs come with some level of IT professional experience or expertise. Because of this, many TEMs can provide various levels of technical support.

TEM as a Best Practice: many organizations adhere to some level of accounting "best practices" that TEM can help facilitate or show compliance with. Not only can a well run TEM program prevent unwarranted expenditures, but a good program can help with annual budget forecasting and other high level finance functions.

Two words underly all of these reasonings: trust and efficiency. From telecom specific management software to telecom specific support services, the TEM offering has survived without sometimes having a true "strategic" narrative because TEM providers have managed to find efficiencies where others opted to never look. As an example, one of the country's largest TEM providers currently manages over $26B in annual technology and/or telecom spend. One of the ways many TEMs optimize tech spend is via payment channels, specifically, via the use of a payment channel that generates a small transaction fee that can produce rebates. So with $26B in spend, it might look like this:

$26B x .50 (amount of spend that won't be / can't be paid via optimized payment channel)
= $13B

$13B x .02 (rebate percentage paid via optimized payment channel) = $260M

$260M x .50 (based on a 50/50 revenue split with customers) = $130M

In this example, $130M in annual revenue is being generated by simply paying customer bills. While not every TEM is doing this, many are, and it's indicative of TEM companies' ability to find ways to stay relevant.

Another possible reason for TEMs staying power, has been that for many TEMs, they have retained something of a startup mentality, especially when compared to the carriers they often audit, and sometimes represent. As Peter Thiel has stated, "startups operate on the principal that you need to work with other people to get stuff done, but you also need to stay small enough so that you actually can."[1] For many TEMs, this ability to get things done under the banner of "trusted advisor" has allowed them to innovate in meaningful ways that have resonated with their clients. It is perhaps true that many of these

---

[1] Thiel, Peter & Masters, Blake. *Zero to One: Notes on Startups, or How to Build the Future*; New York: Currency (an imprint of Random Rouse); 2014.

innovations have not scaled in some sort of "network effect" type fashion, but that doesn't mean that TEMs haven't innovated.

An example of this inability to achieve any meaningful network effect can be found by simply searching Twitter (X) and seeing how many followers the largest TEM providers have:

Company	Twitter (X) Followers
Calero	No Account
Sakon	117
Radius Point	471
Tangoe	1723

To be fair, judging a company on its social media presence is hardly the only metric that matters, but the point is hopefully still being made: even the largest TEM providers have failed to achieve Network Effects and therefore, the underlying, or market perceived value of these companies remains stubbornly low despite the value they bring to their clients. This means that consolidation of the TEM space is the dominant reality in terms of M&A activity.

2. The Opportunity

On the technology "spectrum," there are a host of trends, concepts, or realities that are clearly starting to play out:

- Retail / Consumer adoption of AI
- Corporate / Enterprise adoption of blockchain technology
- Institutional adoption of digital assets (e.g. recent Bitcoin "spot" ETF approval by the SEC)
- Retail / Consumer adoption of Artificial or Augmented Reality

That sliver of overlap

Virtual / Augmented Reality

Digital Assets

AI

Blockchain
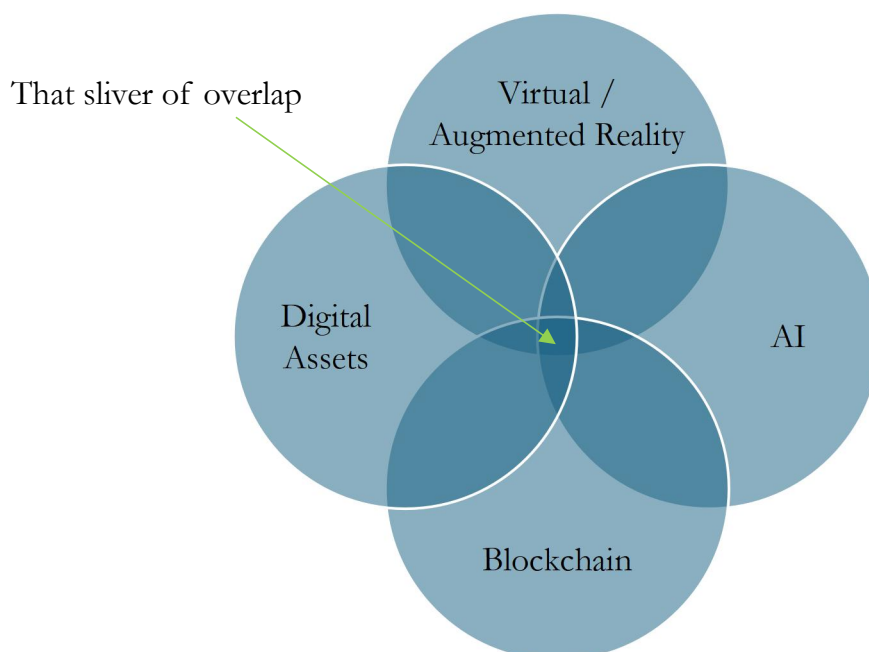
To be clear, for every genuinely positive aspect of these technologies, there is potentially a negative trade-off, be it moral, ethical, or social.

	Positive	Negative
Virtual / Augmented Reality	Athletes can simulate game situations in a VR or AR environment without the need for entire teams to be present.	Interactions with real humans will decrease, possibly leading to a breakdown in societal and cultural cohesion.
Artificial Intelligence	Agentive AI can be used to help confirm that our decisions are in line with our core beliefs.	Agentive AI can be used to "de-humanize" the value of employees by actively pursuing business models that eliminate the need for human interaction.
Blockchain	Can provide financial transparency via the concept of "immutable" ledgers.	Can be used to create "social credit scores" which live forever on a centralized, "immutable" ledger and serves the purpose of punishing or segmenting out of favor citizens or voters.
Digital Assets	Can be used to create powerful incentives within self-selected groups or teams.	Can be used to create centralized currencies that are programmable, and thus can be used as a means of population control and coercion.

If the premise above is true, that these technologies and trends can be used for both good or bad, then it becomes incumbent upon ethical people to at least try to push these advances in the direction that does the most good, for the most people, the most amount of times. In other words, this tech must become mainstream in a way that is good for people, today. It must be good for workers right now, not for some future workforce that doesn't currently exist.

It is asserted that that the little sliver of overlap within the Venn Diagram above resides within the concept of "Community." At nearly any level, the trends above can benefit humanity most, when they are viewed as very specific community builders, providers of autonomy at the lowest possible level, or perhaps at times knowledge democratizers. In other words, we can either build systems and platforms that control people, or build systems and platforms that provide people with meaningful control over their own lives, creating what some have labeled "sovereign individuals."[2]

---

[2] Davidson, James Dale & Rees-Mogg, William. *The Sovereign Individual: Mastering the Transition*

These platforms represent an opportunity to centralize power, or to spread it out in truly meaningful ways. There will be massive incentives to centralize in this space, as technologies like AI demand massive amounts of data:

AI Data Collection	Old School Model	New School Model
	Long, legalistic language as part of a phone app that everyone simply clicks and "accepts."	Highly concise, clearly articulated agreements that phone app end user understands from the beginning.
	Free services in which the customer is unaware that they are in fact the product (Facebook)	Paid or shared models in which all parties understand the business model.
	Privacy as an afterthought.	Privacy by default.
	Data production as unknowingly provided by the end user.	Data production as freely offered by the end user.

The idea of "community" has sadly long been lost on those within the majority of the telecom industry. Historically, telecom providers have been at the bottom of customer service surveys, and the move into subscription and streaming services has barely helped. Those within the TEM space have been selling into this for decades, as it has always been part of the TEM playbook to move carriers when appropriate (savings, service, etc). Rare is the client who is so loyal to ATT that they won't move carriers to save some money.

Even ATT Twitter (X) implies a tone deaf nature to this idea of community. ATT's main Twitter account has nearly a million followers (typically for outage updates), and its banner reads: "We've Got The Best Customers." Really? Americans are not stupid. Even an actual ATT customer is compelled to ask, "what makes me better than a Verizon customer?" The answer is of course, "nothing," which makes the banner meaningless. We'll move carriers for a better deal, perceived better coverage, or convenience. The real problem with the banner is not that it's meaningless, it is that it points to the idea that there is truly no ATT "community" but ATT wishes there was. Is it unfair to pick on ATT? Perhaps, but there are large brands that have generated loyalty: Apple, YETI, and Peleton to name a few. Even airlines, not known for their soaring customer satisfaction scores have made great strides with loyalty point programs.

3. Crypto Quick Thoughts

While everyone has heard of Bitcoin, few outside of the crypto space understand what the real "invention" behind the digital currency is. Skeptics have rightly asked, "don't we already have digital money?" The answer is of course, "yes" because our accounts exist online and

---

to the Information Age. New York: Simon & Schuster, Inc; 1999.

we all use PayPal, Venmo, or Zelle. What is therefore special about Bitcoin and perhaps some other similar cryptocurrencies?

The real invention of Bitcoin is its "consensus" mechanism, the manner in which thousands of network nodes all over the world come to an agreement as to the current state of the Bitcoin ledger. The Bitcoin consensus mechanism is called "Proof of Work" and this concept means there is no need for a third party (bank) to act as the middleman between those who want to transact.

In America, this may not sound like a big deal, because our financial system has been slowly built out over time and seems to work, but there are a lot of inefficiencies that simply get covered up. For example, when you go to the gas station and pump your gas, the transaction is approved quite quickly, but if you go online and check your bank account, you'll notice the gas charge will be "pending" for a few days. In other words, the transaction does not get settled at the pump, though one does operate under the illusion that the transaction was processed almost immediately.

Bitcoin and other cryptocurrencies are settled much quicker, in fact, within minutes or seconds. The real world applications of this are only now being thought out, but at its most basic, this means that account reconciliation becomes part of the regular account activity. For example, in the old way, company accountants or controllers wait until the monthly bank statements are made available by their financial institution. They get these statements and then they proceed to "reconcile" their different accounts. This reconciliation process varies in degree of difficulty in accordance with the number of transactions that take place within the account. In a blockchain world, this reconciliation process happens "at the pump" or at the point of sale. There is no need for the controller to take hours reconciling the books, as the books are always reconciled because the consensus mechanism demands it. Fraud is eliminated almost immediately.

Because Bitcoin is truly decentralized (no CEO, no board of directors, no central point of contact), the SEC considers Bitcoin to be a commodity, and in fact, SEC Chairman Gary Gensler has made statements that indicate the centralized nature of most other cryptocurrencies imply that they should be registered as securities. Regardless of the accuracy of his assessment, any cryptocurrency that ignores the concept of "decentralization" is not actually a cryptocurrency. When the Federal Reserve / Treasury rolls out the CBDC, it will not be stepping into the cryptocurrency space. Rather, it will be introducing a "centralized" digital dollar that is simply programmable (expiration dates, interest rates, potential restrictions on where it might be spent, etc).

While Bitcoin has emphasized security, other blockchains like Ethereum and Solana have emphasized scalability. These blockchains allow for "smart contracts," something like "if this, then that" statements to be executed. This opens up a range of possibilities, and in fact, this is where "communities" have begun emerging in all manner of different forms: fan tokens built around one's favorite football team, spare computer processing power being shared like an Uber, and NFTs being created to authenticate one's presence at an event.

4. Roadmap

All of the above has led to a question Peter Thiel has previously asked of his Stanford business students:

"What valuable company is nobody building?"[3]

My answer to this question is based on the following points:

Point 1: Globalization is dead. This will catch some by surprise, and it's not to mean that some interior designer in Omaha won't be able to buy some very unique fabric from a small Parisian artisan. Rather, it just means that economic efficiencies over the next few decades are going to come from technology, not from cheap Chinese goods, cheap immigrant labor, or by developing countries simply copying and pasting what their developed counterparts have done in the past. Globalization was largely about "copying" one's way to prosperity. That is what is dead. Even if US economic policy abroad were to suddenly change, this would still be the reality.

Point 2: Because of Point 2 above, one's "tribe" will matter more than ever, but unlike in the past, individuals will have an enormous amount of choice regarding their chosen tribe(s). Most individuals will end up as part of multiple tribes, but there will be some level of congruence amongst all of them.

Point 3: Corporate activism is dying, and in fact only now exists because a few monopolies exist. Big tech has for years equated to big profits, making the mere discussion of profits seem very pedestrian. As profits became assured, these companies could focus elsewhere. As consumers become more aware of how their use of a certain platform or product pushes a cause they disagree with, they will look for alternative options.

Point 4: As asserted by Atlanta based entrepreneur Frank Hanna, "Money increases the interdependence of humans."[4] Until now though, this interdependence was relegated to the reality that a rich "white collar guy" depended on a not so rich "blue collar guy" to build his house, wash his car, or navigate his yacht. Now, with the Internet, and decentralized monetary systems, this interdependence can actually be a source of wealth for the blue collar

---

[3] Thiel, Peter & Masters, Blake. *Zero to One: Notes on Startups, or How to Build the Future*; New York: Currency (an imprint of Random Rouse); 2014.

[4] Hanna, Frank J. *What Your Money Means: And How to Use it Well.* New York: the Crossroad Publishing Company; 2008.

guy as well. In other words, money is no longer simply a medium of exchange, but rather, a medium of expression: the kind of money you use says something about you, not just the kind of things you buy with your money. This concept is what communications theorist Marshall McLuhan pointed out when he claimed, "the medium is the message."

Answer to Thiel's Question:

What nobody is building today is a "community based trust machine" at the enterprise level, because until now, it was nearly impossible to build a community that could truly be based on trust, these new technologies change that.

Years ago, there were "friends and family" plans being promoted by carriers, but that was more about marketing than meaning. Today, those same large carriers do have large customer bases, but in reality, these companies simply represent the infrastructure upon which modern communication systems operate. Stock prices of ATT and Verizon clearly show that these companies are hardly "tech" stocks. They're certainly not dead, but they continue to travel the road of commoditization, destined to be necessary to the modern economy, but hardly loved or highly valued.

Old Model	New Model
ATT is deemed a monopoly and broken up; the "Baby Bells" that are created simply copy what ATT has done in the past.	Amazon, Microsoft, or Google probably are monopolies, but breaking them up will not be the real point because no one actually wants to copy them, they simply want to ride on their infrastructure rails while creating something far more interesting.
Centralized platforms (Facebook, Twitter, etc) collected vast amounts of user data and sold that to 3rd parties.	Users become increasingly aware of how valuable their data and online presence is and so they begin "monetizing" themselves in creative ways that are in line with their beliefs, wants, and needs.
Nation-states issue their own native "fiat" currencies and that currency is then promoted, manipulated, regulated, and defended by bureaucrats and politicians. The most important "thing" in a private citizen's economic system is therefore a political instrument subject to all manner of potential mismanagement.	Network states and smaller entities create their own currencies that are decentralized and structured with incentives that are in line with the belief structure of that particular group.

5. A New Model

At some level, every TEM provides services in accordance with something like the table below. Each TEM will have a unique flavor, but it looks something like this:

Operations Management	Invoice Management	Asset Management	Contract Management

• MACDs • Initial installs and provisioning • Workflow creation and approval • Governance and compliance	• Real time or "point of entry" audits and approvals • Bill pay services • Cost allocations • Credit requests and follow up • Expense classification and optimization	• Network and Hardware Devices • Wireless Devices • HR • Cloud infrastructure	• Carriers • Various contractors and other service providers • SaaS Platforms and Licenses

Accounting for these TEM functions in a "self-service" model has seemingly been the goal of many of the larger providers over the past several years. This has met with varying degrees of success, as this concept does scale, but it hardly creates a legion of loyal customers, because meaningful data (EDI, wireless carrier uploads) still need to get into the system. The self-service model which leaves the end user dependent on the TEM platform could be upended by:

1. Smart Contracts
   a. TEM System to be Built on a Blockchain.
   b. Having been built on blockchain, there are no "silos" or buckets, but rather, a series of actions that get carried out and that then kick off a follow on action (automatically).
2. Low Code Solutions Across Existing Platforms
   a. This approach would involve integrating with existing systems, like Oracle, SAP, Bamboo, or SalesForce.
   b. An example: in order to manage wireless users and expenses, Company A will need to create connectivity between its HR platform (Bamboo) and its Accounting platform (Oracle). Once completed, both AP and HR personnel will be able to quickly discern users who are out of compliance. In this example, this activity would be considered one aspect of "Mobile Management Services."

Note: Both of these options could be pursued simultaneously.

Observation: in both of these options, it would appear "TEM" is being done, but that in time, the process improvement and alignment would eliminate the need for a an actual TEM provider. Is this correct?

"Sorta."

Follow On Question: If you envision the possible elimination of TEM as a paid service, why would any current TEM ever take these suggestions seriously?

"Because building a 'community based truth machine' is way more interesting, fun, and ultimately, valuable."

6. Obstacles

Why is nobody, especially TEM providers who have achieved an element of trust, or the carriers with large customer bases, building this type of company? The following are some of the reasons, at least from the vantage point of the TEMs:

1. Incrementalism: a tiny bit better every day, or every quarter, seems far more possible than a meaningful leap for something great.
2. Risk Aversion: simply not enough perceived upside for the potential amount of effort required.
3. Complacency: current owner / leadership team wealth has made the team too comfortable.
4. Homogenous nature of the market participants: perception that the world, or at least this particular market is largely homogenous, and therefore not likely to need meaningful differentiation.
5. No in-house expertise capable of driving the change.

7. Example Scenario

If you, or your organization are willing to work through the potential roadblocks, the following depicts how an existing company, with existing customers might make the leap from one of many companies that other organizations work with, to the only brand those organizations actually *want* to work with.

- You discern that the one, common concern amongst all of the IT departments you work with is cybersecurity. To date, you have consulted within this domain, and sold a few software solutions, but few clients look to you all as the experts.
- An in house review of the cybersecurity space has led you to explore it from a few different angles:
  - o Insurance
  - o Training
  - o Incident Response
- You discover that very few of your clients actually understand their cybersecurity insurance policies; no one is really sure of what they are actually covered against.
- You contact your insurance agent, and discover that you can lower your rate by showing that your company does in fact take cybersecurity seriously, and that you all conduct regular training via a reputable cybersecurity firm.

- You think that some of your clients are already doing this, but you'd like to incentivize the ones that are not. Additionally, you begin to realize that your clients represent something of a "buying group" or consortium, so you contact your agent again, asking about umbrella policies, aggregated rates, and discounts. His agency isn't prepared to validate what constitutes cybersecurity "Proof of Training" for all of your clients, so you decide to create a tokenized version of your clients' training, putting this information on a private blockchain that your company creates. You have now "tokenized" a Real World Asset (RWA).

- Having housed this information, you begin to realize that there is value in getting large swaths of people or companies to do valuable things, like taking cybersecurity seriously. You decide to create your own cryptocurrency that you will distribute to individuals when they do certain things, in this case, when individuals within your organization complete cyber training, they won't simply get a certificate, they will get paid in your new token that you name "RISE" which stands for Really Important Security Education. Does your RISE token have any value? Not really.

- Having seen the token become a viable incentive internally, you announce to your existing clients that they too can take part in this very important initiative aimed at improving their own cybersecurity posture. Skeptical, only a few clients jump on board.

- One of your clients has a cyber incident and calls your team to get some thoughts on how to proceed. You eventually realize that while incentivizing cyber training is good, cybersecurity is really a "team sport" whereby information gleaned from one entity can be meaningful to another. You re-think your token's "tokenomics" and are reminded of Bitcoin's "Proof of Work" consensus mechanism. You realize that your clients are something like cybersecurity "sentinels" and that if all of them cooperate within this domain, they all benefit due to the increased security posture of their organizations.

- You hold a user's conference where you announce that all clients willing to serve as cyber "sentinels" will be paid for the efforts in RISE tokens. This version of "Proof of Work" will demand client IT staffs do certain things (post penetration test results and possible vulnerabilities for example). This PoW will be rewarded with the token. Does this token have any value now? Perhaps.

- Some of your clients are more enthusiastic about this program than others. Some are racking up tokens. One IT Director jokingly asks you if he can pay next month's TEM fee in this token. You laugh. But then you think about it. Up until this point, you simply wanted people to take cybersecurity more seriously, and the token was just an incentive to do that. You rethink the concept of "tokenomics," realizing that if your token is to ever have any real value, the idea of "scarcity" needs consideration.

- While the token has been your priority for the past several months, your TEM developers have been debating several improvement initiatives. You decide that you want more customer feedback to focus the development effort. Your team agrees that token

holders will be allowed to vote on potential upgrades, and that "one token, one vote" will be the rule. The more tokens you hold, the more votes you get.

- The voting process is a success and your software gets updated in accordance with voter sentiment. One of your oldest clients is upset however, as the development votes didn't go his way. He asks if he can "pay" for some particular upgrades with the RISE tokens he has earned. You consult your team, you all agree to accept RISE tokens for the upgrades, but with a request of your own: you want to try out something called "micro" or "trickle" payments. Your client agrees to a smart contract update that will facilitate his paying into the RISE treasury 1 RISE token every day at 5:00 EST for 30 days. Because this is done via a smart contract, he doesn't actually talk to his accounting department.

- After this voting process was completed, it hits you: the software has up to this point been a "centralized" asset that your company has owned and updated over a decade. What if users took some ownership of the platform? What if everyone had some roll to play in the maintenance and improvement of the platform?

- It is decided to turn the platform into a "decentralized" system whereby different functions are "hosted" by different entities with hosting and development costs being distributed. This is done in a fashion that does create a cost for your customers, but you offset that cost by issuing them RISE tokens for their efforts. Some of the skeptics on your team ask you what this "decentralization" achieved. You reply that:
  - The system no longer has a single point of failure; in fact, the computing power behind your system makes it the most secure TEM system in the world.
  - Clients have turned into advocates, partners, and in fact ambassadors.
  - In concrete terms, you have also just downgraded the company's own cyber policy, because you are no longer carrying the sole responsibility of the system.

- You get a call from a TEM consultant who is doing an RFP for one of the largest health care providers in the country. You're informed that security of the system will be the number one differentiator. In addition, the IT and AP teams want:
  - A regular voice in the manner in which the system is improved.
  - A mechanism for facilitating cross border payments when necessary.
  - An SLA compliance mechanism that allows certain vendors to be paid "incrementally" over time for services rendered (you know this as a trickle payment plan).
  - Recommendations from existing users.

- Does your RISE token have any value? It does now.

8. Viability

The viability of creating one's own cryptocurrency is certainly worth more discussion, especially as any coin creation truly demands a detailed discussion of its "tokenomics" from the outset. While this term varies amongst some users, it should take into account how a coin comes into existence, how it will get distributed over time, what utility it will provide to holders, what incentives will be employed to drive acceptance, and other important

considerations outside the scope of this paper. In many ways, a token is part money, part rewards program, part platform, and part stock certificate. A great deal of thought must be given to its creation if the intent is to have it actually "do" something.

One of the easiest examples of token creation today comes from the Chiliz platform (CHZ). Chiliz is in the "fan token" space, and many European soccer teams go to Chiliz when they want to create a team token. FC Barcelona currently has the largest fan token market capitalization at roughly $27M. The token currently trades at around $2.00 and is listed as "BAR."

BAR token holders currently get certain VIP perks, a role in team decision making (e.g. gameday music), along with an ever evolving role in team governance. At present, the Texas Rangers are the only US based professional team using Chiliz, but presumably many others are exploring options, most notably, the New England Patriots.

9. Conclusion

In an AI / VR / AR / Blockchain / Crypto World, trust sells. So does meaningful community. Start building.

References

Davidson, James Dale & Rees-Mogg, William. *The Sovereign Individual: Mastering the Transition to the Information Age.* New York: Simon & Schuster, Inc; 1999.

Hanna, Frank J. *What Your Money Means: And How to Use it Well.* New York: the Crossroad Publishing Company; 2008.

Thiel, Peter & Masters, Blake. *Zero to One: Notes on Startups, or How to Build the Future*; New York: Currency (an imprint of Random Rouse); 2014.