

Hello, friends. Welcome to the second short story about Decentralized Autonomous Organizations (DAOs). This short story will become part of an anthology of short stories: a book. You can read the first short story [here](#) and [here](#). And the NFT is available [here](#). 🐼

By: Rika Goldberg

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Preface: The DAO Wei and MetaFactory DAO

So how do you change paradigms? Thomas Kuhn, who wrote the seminal book about the great paradigm shifts of science, has a lot to say about that. You keep pointing at the anomalies and failures in the old paradigm. You keep speaking and acting, loudly and with assurance, from the new one. **You insert people with the new paradigm in places of public visibility and power. You don't waste time with reactionaries; rather, you work with active change agents and with the vast middle ground of people who are open-minded.**

- Donella Meadows, *Thinking in Systems*

What is the DAO Wei?

The DAO Wei is a set of principles.

As principles do, these principles, too, are fundamental truths that guide members of a DAO to act in positive sum weis, in the best interest of the collective whole: the community. This does not mean that members sacrifice their individual interests. Rather, the DAO Wei provides guidelines for helping members find harmonious balance between their individual goals and the needs of the community. As the African proverb and MetaCartel motto goes, "If you want to go fast, go alone. If you want to go far, go together."

In crafting the DAO Wei, I was deeply inspired by Donella Meadows, a legendary systems thinker and teacher. Her book [Thinking in Systems](#) shaped many of my ideas. I was also inspired by MetaFactory – one of the DAOs in the MetaCartel family.

The DAO Wei stands on the shoulders of these three giants: Donella Meadows, MetaCartel, and MetaFactory. The DAO Wei would not be possible without them.

What is systems thinking?

Systems thinking is based on systems theory, an interdisciplinary study of how independent parts work together to form a whole that is greater than the sum of the parts.

Donella Meadows was a proponent of designing systems that are harmonious with the wei of nature. While working at MIT in the early 1970s, Donella brought a fresh perspective to a field dominated by computer models that attempted to predict the future. She warned about the consequences of over relying on these models and challenged her colleagues to think about systems more holistically, focusing on relationships and value flow.

Since DAOs are systems, consisting of many relationships bound together by coordination mechanisms that incentivize positive-sum behavior, **it is relevant and useful to use systems thinking to understand how DAOs work so we can become more effective contributors and make progress on our shared vision and values.**

What can you expect from this story?

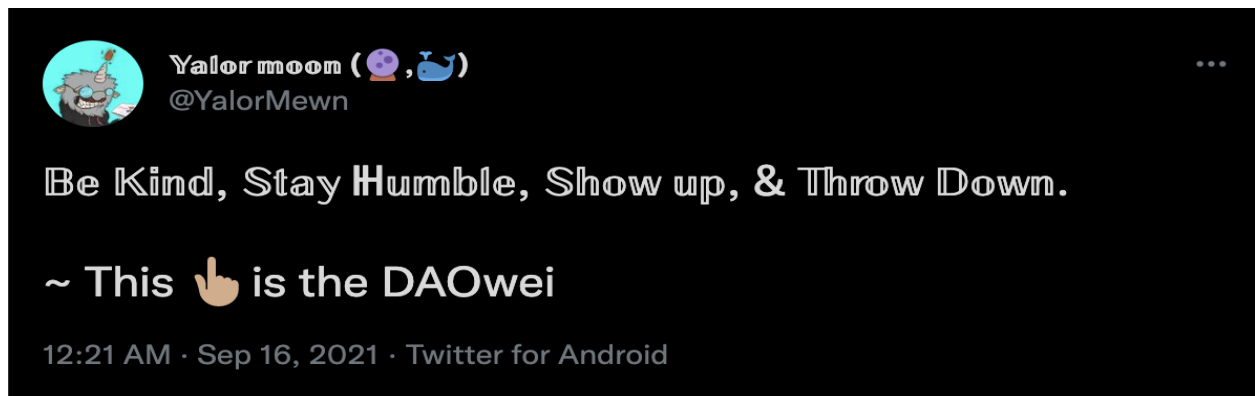
In the first part of the story, you can expect to learn about the principles of the DAO Wei. The principles will set the stage for the second part, where you will learn about MetaFactory DAO – an extremely successful DAO that is redefining culture through fashion and transcending paradigms for how we work.

By the end of the story, you should have some of your own ideas about how you can more effectively contribute to DAOs, whether that's MetaFactory or another DAO whose values are aligned with the DAO Wei.

Introduction: the DAOWei

Musings from the Town Square

I first heard about the DAO Wei from [Yalor](#) - an early member of MetaCartel DAO, a summoner of many DAOs, and a bridge builder. He may have been the first one to coin the term, but I'm not sure - the lore is fuzzy.



When I was preparing to write this story and thinking about how best to communicate the multitude of ideas that I was learning about MetaFactory, I remembered Yalor's tweet.

I couldn't stop thinking about the Tweet. I felt there was an idea there that needed to be explored. So I went back to the Tweet's source, Twitter, and used Advanced Search to find all of the other times people used the term "DAO Wei."

I was surprised to find only one additional result. It was from [Ven Gist](#), an early member of MetaCartel, a coordinator of DAOs, a design guru, and a MetaFactory contributor.



vengist.eth 🌶️ 🦇 🔊 (∞, ∞)
@Oxd2_eth

Replying to @nitegeist @spencernoon and @RaidGuild

+1 the seasonal/cohort approach to onboarding is a great one for DAOs because you get learn with others, the dao wei

2:46 PM · Aug 16, 2021 · Twitter for iPhone

I realized there was an opportunity to formalize the DAO Wei and think deeper about what principles would be helpful for DAO contributors, including myself - as I, like you, start to contribute to more DAOs and find my wei.

The more I researched MetaFactory, the more the principles of the DAO Wei started to unfold, and the easier it was to write.

The DAO Wei is not set in stone. Quite the opposite. **I hope that the principles of the DAO Wei will be used as a starting point to riff on, elaborate, and evolve the DAO Wei, together, as a community of believers.**

By the wei, the actual definition of “DAO Wei”, translated from Chinese, is [to get to the intended location](#).

[“Wei”](#) is also the smallest denomination of ether.

Principles: The DAO Wei

Principle #1: Start with the Assumption that you don't know the Wei and Allow Nature to be your Guide

We are all talented and diverse people – that is how we found our wei to DAOs.

Maybe you have experience running an Internet business or an online community. Maybe you worked outside of business and tech.

Regardless of your prior industry and role, you found your way to DAOs because you are dissatisfied with the status quo. Current organizational structures no longer float your boat. You desire to make an impact and create change.

This desire can make you feel like we already know your wei around a DAO and you can make the mistake of acting too soon.

My advice is: just don't do it. In the metaverse, just like in the real world, the desire to act too quickly will get you into trouble.

Let me demonstrate with a thought experiment. Imagine this:

You start a new job and, within the first week, you schedule a meeting with the CEO to tell her all the things that you would like to change and how you will go about changing them.

You say something like:

"Hey, I really think we should write a whitepaper and update the marketing plan and dust the cobwebs off of our GitHub documentation. What would you like me to get started on first?"

You may hear a response that sounds something like the one the Russian navy ship heard when, in March 2022, it asked Ukrainian soldiers to surrender: [go f*** yourself.](#)

On a similar token, when you enter a DAO, no matter how many DAOs you have previously contributed to, don't act like you know your way around, and don't immediately offer your help.

Instead, wait. Use the time to follow your curiosity: reach out individually to people whom you find interesting and learn about the DAO by watching how it works.

Your goal should be to understand the DAO's structure: the relationships between people and what the incentives are for value flow.

Allow nature to be your guide.

Animal Swarming: Ant Colonies

In any complex endeavor, you can rarely forecast ahead of time which of several shared foundations will be the optimal one: you need only something that is "good enough," and let emergence guide you from there.

[Google, Published Patterns, Self-organizing team](#)

Nature follows the system principle of self-organization. We see this principle at work in animal swarming, from how birds flock to how ants work in groups.

Let's look at how ants organize.



Ants organize and work together beautifully and harmoniously by reacting to stimuli in their environments, listening to their senses, and smelling their way around. Intuition is their guide.

Mother Nature designed ant colonies to be leaderless. The queen ant, the mother of all the ants, does not provide any guidance to her babies. Instead, she allows them to follow their instincts and trust their scent, in turn creating space for the wonder of [emergence](#).

An ant colony functions by specialization, where ants decide what task they will do based on personal preferences, interactions with other ants, and cues in the environment.

This type of organizational structure creates a superorganism. Ants, together, can accomplish extraordinary feats, like converting resources into more ants, hunting, and protecting the colony. These feats would be impossible for a solitary ant.

MetaFactory Case Study

The MetaFactory DAO is like a colony of ants. Members effectively organize to become a superorganism and, together, accomplish great feats.

MetaFactory realized that traditional monolithic organizational structures, with hierarchies and bosses that scale up horizontally, are neither effective nor dynamic. A DAO's organizational structure needs to be resilient to stress and quickly adaptable to change.

The problem with monolithic structures is that the needle moves slowly. This hinders innovation and frustrates workers at all levels of the hierarchy. To remedy this, MetaFactory is structured in a way that is more harmonious with nature. MetaFactory is experimenting with a [subDAOs](#) structure.

MetaFactory is building a digi-physical world. Digitally, members self-organize into working groups, small independent teams with their own objectives. [iRobot DAO](#) is one of these sub DAOs. Nested under MetaFactory, iRobot is its own unique DAO, focusing on all things ROBOT (MetaFactory's native token) like governance, liquidity, distribution, and analysis.

Physically, goods are produced in [microfactories](#), in-house facilities that are organized like subDAOs. [One microfactory](#) is running in Berlin and [another in NYC](#). The focus is on zero waste design and bridging the gap between legacy talent and Web3 by sharing resources and tacit knowledge like the DAO Wei.

Principle #2: *Become a Student of the Wei to Master the Wei*

[Alfred] Adler distinguished between striving for power and striving for mastery and overcoming obstacles. He argued that both offer ways of satisfying our “striving for perfection” but **that the mastery drive is more about overcoming one’s personal challenges than wielding power over others.**

- Scott Barry Kaufman; *Transcend: The New Science of Actualization*

DAOs will often invent their own terminology because the term to describe what they’re doing doesn’t yet exist in our lexicon. Remember, DAOs are building new systems, so they’re also shaping language. To understand their language, means you need to do some deciphering and I have a technique that works well.

The technique is simple, but hard in practice. It requires us to cultivate a beginner’s mind. We do this by breaking down complex ideas into their component parts. We lay out the foundation, like a total beginner, and then keep asking ourselves “why” and “what” questions.

How do you know when to stop asking yourself “why” and “what” questions?

[Infinite regress](#) is the principle that beliefs are layered on one another. Once you uncover one belief, you discover another belief that justifies the first belief, and so and so forth. Beliefs are like turtles stacked on top of each other. You can go on till infinity like this, but with enough practice, you develop an intuition and know when it’s sufficient to stop.



This principle is a practice, not a solution. Practice enough times and, one day, you will become a master.

MetaFactory Case Study

We can practice infinite regress, asking ourselves “why” and “what” questions, to understand MetaFactory’s mission.

MetaFactory’s mission is to become a decentralized brand.

What is a decentralized brand?

Surprisingly, there is no page for ‘decentralized brand’ on Wikipedia.

The term is brand new.

So let's build it up from its foundation, using a reductionist approach to define each of the words, separately, and then put them back together to form a holistic definition of a decentralized brand.

Define **brand**:

[According to Wikipedia](#), "a brand is a name, term, design, or symbol, that distinguishes one seller's goods or services from those of other sellers."

Define **decentralized**:

[According to Wikipedia](#), decentralization is "the process by which the activities of an organization, particularly those regarding planning and decision making, are distributed or delegated away from a central, authoritative location or group."

Put the two terms together: a decentralized brand is a unique name, term, design, or symbol that is neither planned by a central authoritative group, nor are decisions made by a central authoritative group.

This is a good start.

Why is a brand valuable?

Look at the history.

[According to Wikipedia](#), the practice of branding has roots that go all the way back to the Egyptians in 2,700 BCE.

"The practice of branding - in the original literal sense of marking by burning - is thought to have begun with the ancient Egyptians, who were known to have engaged in livestock branding as early as 2,700 BCE. Branding was used to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot branding iron."

What are buyers doing?

[High fashion aficionados](#) are willing to pay upwards of ten thousand dollars for a Birkin bag. The value of the bag goes up over time, so it's not only an accessory, but also an investment.

[Gen Z, Gen X, and Gen Alpha](#) are willing to shell out thousands of dollars for limited edition streetwear like t-shirts and sneakers.

Why are buyers paying a lot of money for a brand?

As MetaFactory writes, [people are eager to spend bookoo money on brands primarily to show that they are part of a subculture](#). Birkin bags are not available on demand at stores. If you want to buy a Birkin bag, you need to know *how*. And legit streetwear brands aren't just available at the store, either. You need to know how to acquire them, via a drop on a website, a physical store, or a resale platform.

People who are willing to pay the money also have an eye for quality. As Avery Booker, the CEO of Enflux, a data-tech company that helps companies predict trends and consumer behavior, [says about the drop culture](#):

“The younger customer is already well tuned into it. They have a unique eye, they know what they can resell, and they know many brands. I think they are very discerning customers in a way, which is fascinating.”

Brands are not only fashion statements, but also investments, and entry points to a subculture.

My research took me to two more key terms: **brand community and brand economy**.

Brand community is, [according to Dialogue](#) (a company that helps brands craft their strategy) is a group of like-minded people who form an attachment to a brand or product.

[Brand economy](#), which we have not yet touched on a marketplace where a brand's assets can be bought and sold.

Finally, with all of the key terms defined, and answers to a few "why" questions, I have a **definition for decentralized brand** (*remember, MetaFactory's mission is to become a decentralized brand*):

A decentralized brand is a marketplace that sells dope products deeply valued by a community of loyal followers. The community makes decisions about which products are sold and the direction of the marketplace, without managerial oversight or a central approval authority.

MetaFactory is already making moves to decentralize with an initiative called The Curation Game.

[The Curation Game](#) will give members decision making power over which designs go into production. Members will act like curators, staking Robot on the designs they want to see produced, and then get rewarded based on a proportional amount of the design's sales.

Principle #3: *Remix your Wei*

Cognitive exploration - which can be defined as a general curiosity about information and a tendency toward complexity and flexibility in information processing - **enables us to be curious about confusing situations, increasing the likelihood that we will find new meaning in the seemingly incomprehensible.**

- Scott Barry Kaufman; *Transcend: The New Science of Actualization*

The possibilities for a DJ to create a remix are endless. There are as many possible variations of a song as there are humans in the world. If you have ever used a music production software, you know that there are thousands of ways to morph and shape a sound. It's all very confusing as a beginner.

So how does a DJ do it?

The answer lies in nature. Remember the ants from Principle #1? They know what to do by relying on their intuition. Unlike humans, they never question their intuition. And when a DJ makes a song, she also must trust her intuition. This takes practice, of course, to develop a sense of personal taste and style. But once a DJ has done so, songs start to click, and then it's banger after banger.

When you first join a DAO, the confusion is real. Tons of Discord channels, forums, and one-off conversations. It seems like chaos. But don't quit. You can find a wei to make meaning in the complexity by practicing curiosity.

You can do the "why" exercise from Principle #2 and you can also use the chaos as a shaping ground for your own unique ideas.

How do you do this?

You get curious. You listen to what types of conversations draw you in and what topics make your ears perk. Is it community? Is it governance? Is it crypto economics? Is it systems design? Something else? Whatever it is, listen to your curiosity.

Eventually, you will find the **cross section between your interests and skills and what the DAO needs.**

MetaFactory Case Study

The principle of "remix your wei" can best be demonstrated by MetaFactory's origin story.

MetaFactory first started as Swag DAO, an apparel platform for crypto swag. [Drew Harding](#) had the idea during Devcon, an Ethereum conference, in Osaka, Japan. SwagDAO was the first attempt at transforming crypto culture with fashion.

TL;DR; Drew wanted to spice up swag that companies gave away at crypto conferences. He envisioned an auction system where two t-shirt designs would be auctioned at the same time, but only one design would win. Bidders who bid on the winning design, only pay Cost of Goods Sold, subsidizing the losing bidders who must pay full price, MSRP, for the shirts. The auction would be live for 30 days, with the swag price dropping over time in line with a continuous token bonding curve (note: [a continuous token bonding curve](#) is a smart contract that creates its own market for tokens without relying on exchanges).

I know this sounds complicated, and it is, but if anyone could pull it off, it's definitely Drew.

Why?

Because Drew was a student of the wei.

As a founding member of MetaCartel, he carefully observed emerging governance structures and community approaches, figuring out how to best use his skills to build something that people needed.

Drew also has an insatiable curiosity to design systems, using crypto as a backdrop for experimenting with game theory.

And, he had a ton of experience, more than a decade, actually, building legacy mobile and web development products. [He ran two successful digital agencies.](#)

Of course, Drew could not build Swag DAO alone. He would need a lot of support, so to find 'the others', he designed a [branding competition](#) and this meme:

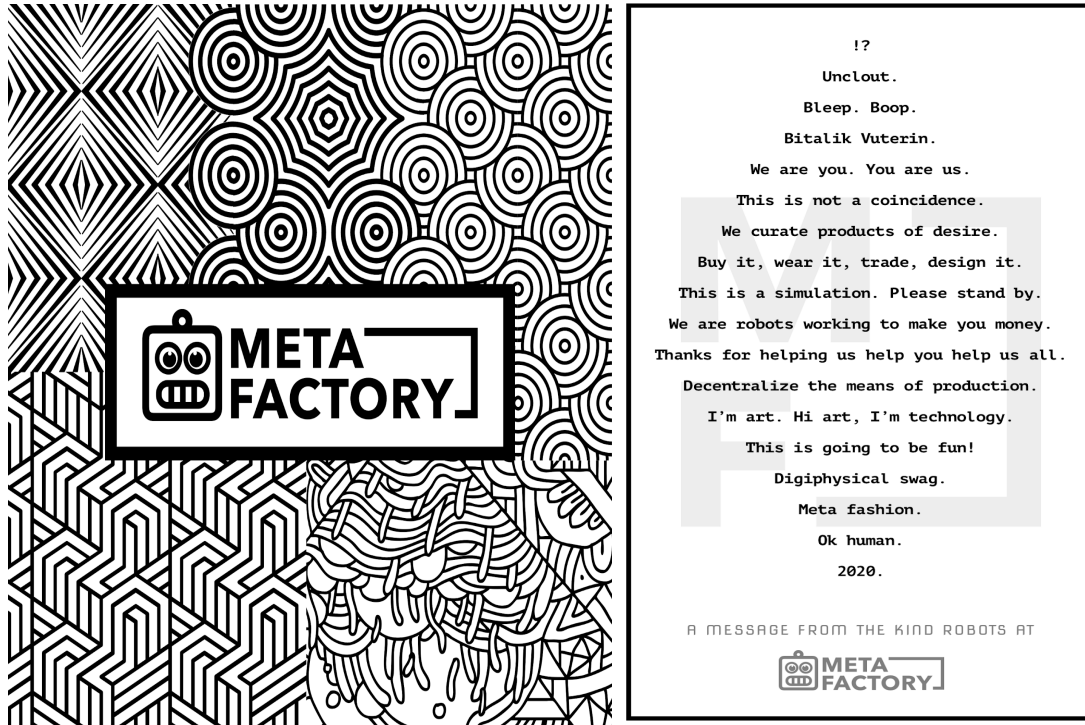


Drew was looking for people who were curious about game theory and cryptoeconomics, knew a thing or two about apparel and marketing, and had good design skills.

The winner of the competition was Hammad Jutt a.k.a. MetaDreamer.

Hammad studied Computer Engineering at the University of Alberta, mined bitcoin in the early days, built successful Internet businesses [for a fashion audience](#), and was researching game theory and cryptoeconomics.

Hammad's submission was clever and fun. He also proposed changing the brand name from Swag DAO to MetaFactory.



Note how the first image looks like a page from a coloring book, foreshadowing an idea that MetaFactory would turn into reality by producing a *choose your own adventure* sweatshirt [ready to decorate with markers](#).

You'll find a lot of radical and weird ideas in DAOs that have been remixed from culture - books, music, and movies. The best way to learn is by choosing your own adventure.

Here are some ideas to learn more:

- If you're interested in lottery games, learn about FOMO3D [here](#).
- If you're interested in curation mechanisms, like the curation game, you should go back to its origins, token curated lists, [here](#)
- If you're interested in fashion and subculture, you should know about [geeks, mopheads, and sociopaths](#).

- If you're interested in the Metaverse, you should read cyberpunk like [Snow Crash](#) and [Neuromancer](#) and then read Solarpunk like [The Dispossessed](#).

Principle #4: *Laugh all the Wei*

A cynic is a (wo)man who knows the price of everything, and the value of nothing.

- **Oscar Wilde, Irish poet and playwright**

A cynic's complaint about MetaFactory may come in a flavor like this:

"MetaFactory's products are way overpriced! Sneakers and t-shirts for \$200, get out of here...it's so not worth the price.."

To us - the optimists - it is clear that the cynic is focusing exclusively on price and is not asking *why* (See *Principle #2 for a refresher on asking why questions*).

Cynics, pessimists, and haters (refer to negative people as you wish) are easy to find in the world. Crypto has become yet another easy target for them.

But, we, optimists, DAO believers who are building a [Solarpunk](#) future, can't let the cynics get to us. They're just a distraction from reaching our goals.

Pessimists never changed the world; optimists have changed the world. And optimists are the ones who come up with radical ideas that initially may seem weird.

Why is MetaFactory's apparel so expensive?

The reason that MetaFactory's apparel is so expensive is because MetaFactory produces quality apparel, with a hyper focus on sustainability and strict supplier and partner quality standards.

Suppliers who don't meet these standards, or who are not aligned with MetaFactory's mission and values, get [booted](#).

Let's do a thought experiment and laugh a little.

Devil Wears Prada

In the iconic film, *The Devil Wears Prada*, Meryl Streep's character is a ruthless woman who runs Prada's fashion house. She's mean, bossy, and cut-throat.

Here is Meryl Streep, alongside a pair of devil pitchfork heels, the film's logo:



If you have never seen what Drew and Hammad look like, you're probably wondering...what do they look like? And if you have seen what they look like, you're probably wondering...what the heck is going on right now?

Lol. Things are going to get a little weird. Bear with me.

Let's imagine that Meryl Streep isn't a diva. What if she is warm and approachable? What if instead of stiletto heels, she repped shoes that looked like this:



[Shoes](#) that were designed by an up-and-coming streetwear artist, printed to say "dORG", and would soon come with a NFT wearable.

If all of the above were true, she would be a...

Handsome, trendsetting, crypto economic wizard fashionista! Like Drew and Hammad (pictured below, respectively).



Okay, and, finally, let's have one last laugh to demonstrate the principle of *laugh all the wei*.

I want to show you Prada's ownership structure, as found in [Prada's 2020 annual report](#).

(a) Long positions in shares and underlying shares of the Company

Name of Director	Number of Shares	Nature of Interest	Approximate percentage of Issued Capital
Ms. Miuccia Prada Bianchi	2,046,470,760 (Notes 1 and 2)	Interest of Controlled corporation	80%
Mr. Patrizio Bertelli	2,046,470,760 (Notes 1 and 3)	Interest of Controlled corporation	80%

Prada is 80% owned and controlled by only two individuals, Miuccia Prada - Mario Prada's granddaughter; and Patrizio Bertelli - a Tuscan entrepreneur who partnered with Miuccia in the 1970s to take Prada international.

It's crazy, and maybe even surprising, definitely humorous, that so much power and wealth is concentrated in the hands of two people.

Another fun, and maybe also surprising move, is that luxury brands like [Prada](#), [Balenciaga](#), [Gucci](#), and [Louis Vuitton](#) have all recently entered the metaverse.

Pragmatically, this makes sense.

Giant luxury brands have survived for over a century, some even for two centuries (in the case of Louis Vuitton), because of their tremendous foresight. They are always one step ahead of their competition.

There's a lesson to be learned here: luxury brands are entering the metaverse because they have foresight. **However, even though luxury brands are ahead of their peers, they are laggards compared to MetaFactory.**

MetaFactory has already, for several years, been building in the metaverse, using AR and VR to build new and fun realities.

MetaFactory is also committed to designing an organizational structure aligned with the DAO wei - to be resilient to stress, adaptable to change, and emergent.

Most importantly, MetaFactory members have fun working.

As NFL Quarterback Drew Brees said, “you can’t compete with someone having fun.”

Principle #5: *Dance with the Wei of the System*

There are no cheap tickets mastery. You have to work hard at it, whether that means rigorously analyzing a system or rigorously casting off your own paradigms and throwing yourself into the humility of not-knowing. **In the end, it seems that mastery has less to do with pushing leverage points than it does with strategically, profoundly, madly, letting go and dancing with the system.**

- Donella Meadows; *Thinking in Systems*



Everything that you have learned is just the beginning, a stepping stone to more and more learning. Kind of like the idea of turtles all the way down from Principle #2.

DAOs are also always changing, so keep wandering.

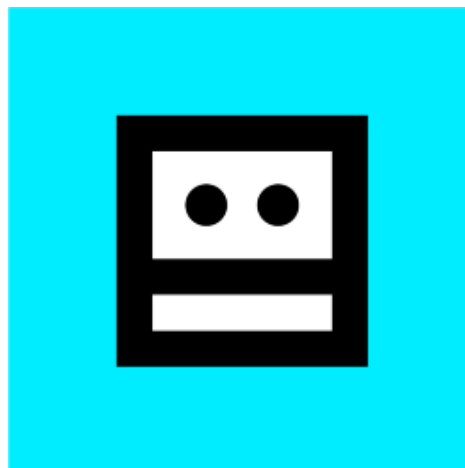
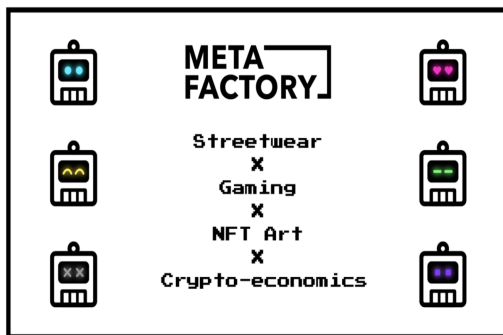
As astronomer Carl Sagan once said, **“exploration is in our nature. We began as wanderers, and we are wanderers still.”**

And, you know what, maybe, this is all just a simulation anyway. Maybe we are all just robots working for the metaverse matrix cyberspace overlord aliens.

Do we even have free will?

Who influenced me to write this book? Ah.h..h..hh...I seem to be losing my weeeiii...

ROBOTS..bup..bup...beeeep..



I'm blue. Da ba dee da ba di, da ba dee da ba di or is it I'm blue. If I was green I would die, if I was green I would die.

MetaFactory Accomplishments by the Numbers

Let's wrap up with a look at MetaFactory's 2021 [accomplishments by the numbers](#):

- ★ - 6,000+ Orders
- ★ - \$1.3MM in Product Sales
- ★ - 150 Products Created and Sold
- ★ - \$214.50 Average Order Size
- ★ - 300+ Creative Contributors
- ★ - 1,130 ROBOT token hodlers
- ★ - 3,400 Discord Member

Summary: DAO Wei and MetaFactory DAO

Let's also recap with a summary:

The DAO Wei is a useful framework for DAO contributors, leveraging principles from systems theory and self-organizing principles from nature.

MetaFactory is the perfect case study for the DAO Wei because the DAO's founding members were intentional and thoughtful about the system's design, focusing on the system's structure, relationships, and incentives, to encourage positive sum behavior.

1. **Principle #1: Start with the assumption that you don't know the wei and allow nature to be your guide.** Let go of our egos and assume that you don't know, even if you are an experienced entrepreneur.

2. **Principle #2: Become a student of the wei to master the wei.** Most probably, the DAO has created its own lingo and terminology. Some terms may even be brand new e.g, MetaFactory's mission is to become a **decentralized brand**.
3. **Principle #3: Remix your wei.** At this stage, you should have enough knowledge about the DAO to start creating value. Like a DJ, who creates a remix by combining elements from different songs, based on her taste, you want to remix different ideas together to form a new idea. MetaFactory was born as a remix of governance structures and community approaches learned by careful observation of MetaCartel.
4. **Principle #4: Laugh all the wei.** You will encounter some weird ideas as you dive deep into a DAO, but like the second principle of the DAO says, cultivate a beginner's mind to stay open minded and not become a cynic.
5. **Principle #5: Dance with the wei of the system.** Let go of our learnings, give our thinking mind a break, and just dance with the system, forever as wanderers.

Message from your master

<<<Talk to [DAOFren](#) to complete your mission. He's a writer and a kind corebot. Then, talk to [James Waugh](#). Ask him about iRobot DAO, the sub DAO that keeps all of us robots happy and productive. He'll give you your next mission.

Thanks to

[Drew Harding](#), [MetaDreamer](#), [Saskia Listle](#), [Beccy Lee](#), [Helmass](#), [Harry Goldberg](#), [Yalor Mewn](#) for reading and editing early drafts