

SIP-14 Increase and Delegate Roblox Development Budgets

Summary

In this proposal, we celebrate the DAO's past achievements in creating engaging Roblox games and propose fresh ideas and learnings for further refining the development processes.

We present rationale to increase:

1. Maximum development budget per idea **up to \$50,000**
2. Development studio revenue share per idea **up to 50%**

We propose that for each idea respectively, the final budget and revenue share (within these limits) be set by DAO working groups, whom will negotiate with development studios on behalf of the DAO to identify the best available structure.

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Proposal Type

Economic Proposal.

Community Incentive & Rationale

Celebrating success

To-date the DAO has greenlit over 10 games into development and succeeded in attracting over 3,000,000 players to its experiences in Roblox.

The majority of these games have funding budgets of up to \$15,000 as per the current economic parameters set by the DAO.

This \$15,000 budget was set as a pilot amount at the initiation of Slingshot DAO.

Challenging the precedent

As we all learn more about the Roblox ecosystem, we believe there is opportunity in increasing flexibility with these budgets and introducing a refreshed strategy.

For some genres \$15,000 represents a relatively small budget, limiting the DAO from developing more ambitious, and more rigorously playtested experiences.

At the same time, it's very important to understand when an experience in Roblox only requires a smaller budget to be successful.

The Roblox ecosystem can realize success from small, creative games, that iterate on well known gameplay mechanics and progression systems for smaller development cost.

A more flexible approach to budget

We propose that the current approach should be updated to be more dynamic and allow for greater flexibility in creating win-win situations.

This means we can better optimise the use of the treasury, to build games on smaller budgets when appropriate and consider builds with larger budgets when appropriate.

The DAO should set an upper limit, so that everyone knows how much the maximum budget per idea is, and then allow the DAOs working groups to negotiate with studios how much of the budget is available for the idea.

Letting developers share more of the risk

Currently the DAO also takes on nearly all of the financial risk of development. Studio revenue share is fixed at 20%, which has proven to be a point that studios would like to negotiate.

Many studios have notioned that (for a greater share of the revenue) they would be willing to invest and help fund some of the development costs themselves.

This would help diversify some of the risk that the DAO takes on and nicely aligns the incentives for studios, having more skin in the game themselves. Studios will harvest greater upside in the ongoing development of the game.

We believe that this would be a great option for the DAO, both helping to diversify the financial risk of development and working with studios who are better financially incentivised to build amazing games.

Again, the DAO can set an upper limit, so everyone knows what the maximum revenue share for studios can be.

The DAO working groups can then negotiate this figure with bidding developers and studios when they are applying to build a winning idea.

Maximum development budget

Many front page Roblox experiences are large in scope, developed by seasoned teams in the Roblox ecosystem.

Simply put, to compete with these experiences and achieve similar offering of gameplay and polish, \$15,000 is not enough.

We propose increasing the maximum budget for these big ideas **up to \$50,000**. Some ideas may require only a small fraction of this maximum budget to be successful.

In these cases the DAOs working groups can work with bidding studios and the DAOs network of game developers to optimise how much of the budget is appropriate.

Some of the expected benefits of an increased development budget:

- Greatly increased capacity for scripting
- Increased scope for gameplay mechanics.
- increased scope for reward systems.
- More time for testing and iteration on new player onboarding.
- Increased capacity for testing and quality assurance
- More time for player feedback and iteration cycles.
- Increased budget for bug hunting.
- Increased capacity for cross platform optimizations.
- Increased budget for performance optimizations.
- Dedicated budget for continuous development.

Maximum studio revenue share

The more that a development studio has skin in the development of an idea, the greatly reduced risk there is for the DAO of being exploited.

Therefore, it makes sense to consider a dramatic increase to the maximum amount of revenue share available to development studios (currently 20%), should they be willing to invest significant finances to the development also.

We propose that a maximum of **up to 50%** be allocated for developer studio revenue share.

Much like for the maximum budget, we propose the DAOs working groups can work with bidding studios to negotiate how much is appropriate for a given bid and their own investment.

Opportunities

- The DAO can build more complex games as per idea submissions by its members.
- Resources for testing and iterating is greatly increased, improving the consistency of game development quality by the DAO.
- The DAO can diversify financial risk of game development with studios who are willing to directly contribute to the development budget in return for more revenue share.

Risks

- Spending up to \$50,000 per idea decreases the treasury faster and increases timeline pressure for each game to be successful.
- Increasing studio revenue share could decrease profitability for the DAO treasury if not carefully negotiated.

Key Terms

Development Studio / Studios

Creators who sign up via the Slingshot dApp and submit bids to develop the ideas that win on the Slingshot DAO leaderboards.

Revenue Share

The percentage of revenue that a development studio receives when a winning idea from the Slingshot app that they produced is published and monetized (currently 20%).

Specifications

Proposed Change 1

Action:

Amend existing parameter

Summary:

Increase Roblox maximum budget to up to \$50,000.

Framework item number:

[9.3.2]

Parent item number:

[9.3]

Registry Entry:

[9.3.2.CEPR.7]

Current Parameters:

Description: This parameter governs the maximum amount of funding available to produce a winning idea within the Slingshot app per leaderboard respectively.

Parameter:

1. Roblox: up to \$15,000 USD

Delegated: No

Proposed Parameters:

Description: This parameter governs the maximum amount of funding available to produce a winning idea within the Slingshot app per leaderboard respectively.

Parameter:

1. Roblox: up to \$50,000 USD

Delegated: No

Proposed Change 2

Action:

Amend existing parameter

Summary:

Increase development studio maximum revenue share to up to 50% gross.

Framework item number:

[9.3.2]

Parent item number:

[9.3]

Registry Entry:

[9.3.2.CEPR.4]

Current Parameters:

Description: This parameter governs the percentage of revenue that a builder receives when a winning idea from the Slingshot app that they produced is published and monetized.

Parameter: 20% gross revenue.

Delegated: No

Proposed Parameters:

Description: This parameter governs the percentage of revenue that a builder receives when a winning idea from the Slingshot app that they produced is published and monetized.

Parameter: up to 50% gross revenue negotiated on a case by case basis.

Delegated: No