Dragon DeFi Initiative (D2I) Milestone Guideline

Applications for the D2I Program must have milestones with KPIs that can be used to specify and evaluate the success of that milestone. This could be metrics such as user growth rate, transaction volume increase, TVL targets, or specific technical achievements.

All types of grants stated in the D2I Program are tied to the completion of milestones, with portions of the grant unlocked as each milestone is completed. Below is an example of how grants could be allocated to each milestone.

In the D2I Program, grant allocations are closely linked to the successful completion of project milestones, with specific portions of the grant becoming available as each milestone is acheived. By way of illustration, the following is an example of how grant funding could be allocated between milestones:

- Milestone 1: Launch Dapp on Mainnet - Development Grant: 20% of the total grant amount is allocated. Liquidity Provision receives the full 100% upon completion, and Liquidity Incentive is set at 10%.
- Milestone 2: Achieve $50M in Total Value Locked (TVL) - At this stage, an additional 20% of the Development Grant is released, along with 20% of the Liquidity Incentive.
- Milestone 3: Reach $5B in Trading Volume - This milestone unlocks 30% more of the Development Grant and 40% of the Liquidity Incentive, reflecting significant progress.
- Milestone 4: Achieve $1M in KLAY Burn - The final milestone releases the remaining 30% of the Development Grant and another 40% of the Liquidity Incentive, marking the project's substantial impact on the ecosystem.

This example provides a clearer understanding of how grant requests can be structured in alignment with key project milestones to ensure a systematic and goal-oriented approach to funding.

What are Milestones?

Milestones are significant checkpoints or events within a project timeline that signify the completion of a major phase or deliverable. They are often used to segment a project into more manageable parts and provide a clear indication of progress.

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In the context of Dapp development, a milestone could be the successful deployment of a smart contract(e.g. Product Launch, Feature Update, etc), commercial metrics(e.g. Target TVL, Target Trading Volume, Target KLAY Burn Amount, Target KLAY Staking Amount, etc).

Milestones should be:
- Quantitative: They are measured in numbers, percentages, or other quantifiable units.
- Binary: They are typically marked as "complete" or "incomplete."
- Strategic Points: They help in tracking progress towards the project's ultimate goal.

What are KPIs?

KPIs are quantifiable measures used to evaluate the success of an organization, employee, or project in meeting objectives for performance. They are more granular and continuous in nature, providing ongoing monitoring of different aspects of performance.

In the context of DApp development, KPIs serve as the vital metrics that continuously monitor and evaluate the performance and success of the DApp against its strategic objectives. While milestones mark significant achievements or stages in the development process, KPIs provide the ongoing, quantifiable data that informs us of the efficiency, effectiveness, and impact of those milestones.

KPIs should be:
- Quantitative: They are measured in numbers, percentages, or other quantifiable units.
- Continuous: They can be tracked over time to monitor performance trends.
- Multi-dimensional: Multiple KPIs can be associated with each milestone to assess performance from different angles.

Relationship between Milestones and KPIs

The relationship between milestones and KPIs is complementary. While milestones help in marking significant achievements within the project, KPIs provide the data and metrics to evaluate the performance and impact of those achievements. For a single milestone, you might indeed track several KPIs to fully understand its success.

For example, consider the milestone of achieving $100M in Cumulative Trading Volume. To comprehensively evaluate progress towards this milestone, several KPIs would be instrumental:
- Trading Volume Over Time: Monitoring trading volume on a daily, weekly, and monthly basis offers insights into growth trends, market responsiveness, and the impact of strategic initiatives on trading activity.
- Active Wallets: The count of unique wallets engaging in transactions reflects user adoption and platform activity levels. An upward trend in active wallets is a strong indicator of a growing user base contributing to the trading volume.

- Liquidity Metrics: Indicators such as TVL shed light on the platform's liquidity and the efficiency of the market. High TVL suggests robust liquidity, facilitating larger trades.
- Capital Efficiency (Volume/TVL Ratio): This ratio evaluates how effectively the platform's liquidity is being utilized to generate trading activity. A higher ratio indicates that the platform is not only attracting significant liquidity but is also successful in mobilizing this capital to foster trading, driving towards the $100M trading volume milestone.

In summary, while milestones are about achieving significant points in the project, KPIs are about measuring the performance and results associated with those points. Both are critical to effective project management and the achievement of strategic goals.