

# ZenX Incubator

## Introduction

Startup incubators are only starting to emerge in the blockchain and cryptocurrency industries. In this paper, we present the vision, organization, and technology of ZenX — a fully compliant crypto incubator with a unified liquidity pool to support token allocation.

The incubator is supported by Unizen — a Compliant Liquidity Provider that aggregates digital assets from Centralized and Decentralized exchanges.

ZenX is a **CeDeFi incubator** that supports decentralized projects, empowering their growth with technical expertise and growth management — as well as assuring its full compliance. On the decentralized side, there's autonomy, transparency, self-sovereignty, and connection. The centralized approach entails AML and KYC compliance that assures the positive impact of the project and access to time-tested networks for liquidity management.



## What's an incubator for the crypto market?

A business incubator is defined as an organization that helps startups and individuals to develop their businesses by providing capital support, product development.

**A decentralized incubator** is an organization that supports blockchain innovation from launch to release and is invested in its success by providing infrastructure, technical expertise, networking opportunities, and fundraising.

### The differences between a traditional and decentralized incubator

Present incubators in the crypto field differ from traditional virtual incubators in several ways. There's a gap between traditional and decentralized approaches to incubation.

	A traditional incubator	A decentralized incubator
Regulation and government support	Traditional business incubators and accelerators cooperate with national and international funds, associations, and are frequently supported by policymakers.	Decentralized incubation is still emerging, and no support has been endorsed by governments or institutions. Funding is typically done by individuals.  CeDeFi incubators would take the best from both worlds: from DeFi, the focus is on retail investment; there's no overreliance on venture capital. However, unlike currently available decentralized incubators, CeDeFi will cooperate with institutions, organizations, and comply with policies.
Operations	Traditional business incubators operate in three stages: <ul style="list-style-type: none"><li>● Pre-incubation (innovation assessment, business plan elaboration, business modeling, training)</li><li>● Incubation (access to finance, coaching, commercialization)</li><li>● Post-incubation: innovation diagnostics, internalization support, clustering).</li></ul>	<ul style="list-style-type: none"><li>● Decentralized incubators have the advantage of operating in a single market, which many traditional organizations do not possess. Ideally, a development team can count on working with experts of DeFi — with relevant tech expertise, network, community ties.</li><li>● In reality, many decentralized startups fail after launch due to</li></ul>

	<p>Although not ideal, the organizational framework for traditional startups is tested and approved on the institutional levels. The US and EU authorities released official guidance about launching an incubator, its legal and economic challenges, and responsibilities.</p>	<p>having no infrastructure to fall back on, few funds, poor focus on the project's development from the incubator. The activities of some unreliable incubators create concerns — for instance, that crypto incubation is just a way to get free tokens with no gains for the startup.</p> <p>The <b>CeDeFi approach</b> benefits from the experience gathered by traditional providers. We encourage close collaboration with institutions, governments, and participation in global initiatives. Most importantly, we don't discard an established approach to team management, financing, and compliance.</p>
<p>Security</p>	<p>Traditional incubators are focused on data security, preservation of business intelligence, trade secrets, patents, etc. The security of operations is another priority — particularly, on the pre-incubation stage, advisors, and monitoring experts make sure that the infrastructure and data architecture of the business are protected against the most common safety risks, particularly digital safety.</p>	<p>On decentralized platforms, many operations are irrevocable. Unlike in traditional fields, all participants take full responsibility for their own actions. So, the development team, their advisors, and end-users should be aware of security risks and measures. Since many crypto incubators launched as DAO, security has to be considered inherent to the technology that governs the operation.</p> <p>So, if in traditional fields, operations and security-oriented systems can step in to remedy inherent product failures, decentralized incubators and backed projects have to be secure by design.</p> <p>Our <b>CeDeFi incubator</b> is a DAO. The Centralized part only refers to increased availability of projects to accommodate interactions with centralized parties. It's the DeFi governance (DAO) that lies at</p>

		the core of ZenX operations.
Financing and fundraising	<p>Traditional incubators work with institutions, governments, venture capital firms, and private investors. They can also start a crowdfunding campaign, however, instead of token sales, they use traditional crowdfunding and investment platforms.</p> <p>US incubation programs usually start as local initiatives by economic development agencies. Following the initial preparations, federal agencies are approached. Federal funding is usually limited to preparation and construction costs, as well as research grants for client companies, and is then compounded with other local/private sources.</p>	<p>Rather than turning to traditional fundraising methods, crypto incubators help organize token sales and are a party of allocation.</p> <p>Allocation is an allotment of tokens that can be purchased by retail investors, VC firms, or other entities.</p> <p>Crypto startups need to establish the allocation on the white paper stage, and possibly divide the resources into different initiatives. Our <b>CeDeFi incubator</b> helps create a viable allocation strategy and create a token treasury for the team and community.</p> <p>Investors can also receive allocations in rounds of investments. For example, a team may sell allocations of a set “ticket size”, or maximum amount, to early investors in a private sale round.</p>
Infrastructure	<p>Traditional startups focus both on the physical and tech infrastructure of the business. They provide physical facilities, logistics, and technology with a goal of becoming a technological park, an innovation background for their startups.</p>	<p>The decentralized structure requires a heavy emphasis on technology. Some offer AWS access, office spaces, and hardware. Others deploy a custom blockchain platform for managing business operations (smart contracts), and provide startup teams with virtual spaces for innovation and collaboration.</p> <p>The <b>CeDeFi incubator</b> focuses on the technology-based approach. Physical facilities are not a priority, rather, the team is focused on creating a viable infrastructure for remote cooperation.</p>
Networking	<p>Traditional incubators connect startup owners to the authorities in the field, media, stakeholders. They have access</p>	<p>Networking activities are narrower and target precise crypto experts on calls, hands-on sessions, hackathons. From a</p>

	<p>to venture firms, angel investors, institutions. A lot of networking efforts are concentrated in clusters — sets of closely related and interconnected industries operating within a particular region (Silicon Valley and others).</p>	<p>business development side, decentralized incubators set teams up with advisors on finance, regulatory compliance, and business management.</p> <p>Our <b>CeDeFi incubator</b> focuses on merging the expertise of blockchain teams with experts of traditional sectors. In that sense, ZenX projects mirror the Unizen approach, where we invite top financial experts to bridge the gap between centralized and decentralized ways.</p>
Promotion	<p>Incubators use a versatile marketing mix and communication instruments to promote technologies. The innovation incubators focus on digital advertising (native and paid), PPC, targeted audiences. In the pre-incubation stage, teams may start gathering following around the founders of the projects, which is later extended to the business community (forums, chats, email newsletters, wish lists).</p>	<p>Crypto incubators use Telegram, promotion in specialized resources (CoinTelegraph, CoinDesk, and others), Youtube, Reddit, and forums. Unlike the centralized businesses that use traditional communication methods (from core to edges, from the central team to end clients), DApps derive the direction of their marketing activities by listening to adopters — who are usually owners of the project's stake.</p> <p>Given the speculative nature of many decentralized projects, the focus of our <b>CeDeFi incubator</b> is on maintaining high community satisfaction and encouraging active participation. The strategy can be summarized by the Exit, Voice, and Loyalty model.</p>
Governance	<p>In centralized incubators, governance is performed by a VC firm. Decisions are unclear and personally biased.</p>	<p>In decentralized incubators, governance can be handled with the help of DAOs and smart contracts — decentralized technology allows the participation of multiple stakeholders. They also provide full transparency of decision-making. Everyone can see contract conditions and monitor execution.</p>

		Our <b>CeDeFi incubator</b> uses the DAO model of governance. The values of self-governance, transparency and full decentralization apply to all ZenX operations.
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Comparing and assessing the state of the incubator niche in decentralized space is not an easy task. The efforts are fragmented and poorly documented. A lot of projects that went live in 2017 are not active anymore or have little information regarding current activities.

However, the second wave of crypto adoption shows that the demand for crypto startup incubation will likely grow — in 2021, the venture investment into crypto and blockchain startups hit [3 billion dollars](#). Along with the surge of opportunities, startup owners face challenges — like maintaining longevity in face of poor regulation, divided liquidity, the lack of educational resources, and knowledge gaps in the community.

DeFi struggles with the lack of tried-and-proven organization approaches and regulation even more so than centralized service providers do — this is particularly relevant to high-risk platforms, like exchanges and wallets. The market remains highly unstable, and it takes a lot of experience, expertise, and support to continue operations during the downward-trend period.

## DeFi incubation challenges addressed by CeDeFi

- **Mediocrity through committee design.** Innovative products aren't built by a democracy.
- **Protection against competing startups in a fluid, open market.** NDA's exist to protect IP and combat gaming (imagine if Facebook's news feed algorithm was entirely transparent).
- **Loyalty of talent.** While vesting and exclusivity may be a disadvantage to talent, they're a feature of centralized startups, incentivizing people to push through hard times.
- **Security flaws.** On-chain safety issues can easily lead to considerable losses and stall all the operations.
- **No access to high-quality management:** the decentralized market faces a dichotomy of knowledge distribution. Financial experts who worked in traditional institutions are well-versed in regulatory specifics, long-term economic implications, and business management — however, a lot of them lack a profound technical understanding of blockchain. Crypto experts, on the other hand, have strong computer science and engineering backgrounds, some possess notable scientific degrees — however, they are sometimes disconnected from market trends, policy updates,

institutional practices. Getting the best out of two expertise pools is a difficult challenge — experts are few and in-between, and they are highly sought after (and therefore, largely inaccessible).

- **Hasty communication and promotion:** the complexity of technology and the speculative nature of the crypto market are just two of many barriers to decentralized markets. Often, startup teams need to shape an entire industry from scratch, being the first one in their niches. They have no playbooks to follow and mistakes to learn from. The lack of knowledge, marketing, advertising, media expertise, and inability to showcase the tangible value of the innovation get in the way of efficient long-term efforts.
- **Limited scalability:** these are sometimes caused by technology (the inefficiency of the smart contracts, consensus protocols, data processing algorithms) or by poor governance (community disagrees in which direction to take the project).
- **Poor regulation:** due to the lack of AML and KYC compliance, anonymity, and self-governance, DeFi startups risk violating multiple legislations in the markets that they chose to enter. Coupled with the lack of proper legal expertise, startup teams end up facing lawsuits — which obstruct the continuation of the project.

## Solution

ZenX is the first CeDeFi incubator that leverages the best decentralized and centralized practices to support blockchain projects from the genesis of innovation to the finality of market realization.

The goal of ZenX is to help each cohort get further faster with clarity of mission, positioning, product momentum and ecosystem empowerment.

### ZenX Offers:

- Concept Generation & Refinement
- Network Access to Partners & Syndicates
- Roadmap Strategic Mapping & Social Support
- Zen Exchange Platform Incubation & Acceleration Program
- Listing & Exchange Representation for all Major Exchanges
- Company Introductions in a Variety of Fields for Adoption

## Mission and Vision

The *mission of ZenX*

Is to connect decentralized innovations to the community of supporters who will contribute to mass adoption of DeFi in exchange for versatile rewards. At Unizen, the early access to seed sales and reward programs is not limited to VC firms — the primary focus is on retail investors.

Innovation, supported by ZenX, brings rewards not to a chosen few, but to the entire community of early adopters, a community that anyone can enter. It's a **cross-roots, meritocratic approach** to fundraising blockchain.

## The vision of ZenX

Is to take the best of the traditional (Ce) incubation approach and combine it with the benefits of decentralized technology (De) — DAO, smart contracts, multi-asset staking. We support DeFi teams from pre-launch to growth, which is what the centralized incubation entails, and power all decisions with blockchain technology — which lies at the core of a decentralized approach.

Startups get expert assistance from the initial stages — with legal support, product advisory, administrative and financial support — up to fundraising and scalability. However, whereas in centralized incubators, individuals are the ones to make decisions, **ZenX is governed by DAO and smart contracts**. Instead of VC funding, projects get financed by a decentralized community of crypto adopters with a custom **multi-asset staking protocol**.

Long-term returns are prioritized over fast capital movements. Innovative technology over speculation and bull trends. The goals are to 1) transcend sporadic market cycles and offer continuous tech value 2) create long-term positive contributions to crypto markets and global communities 3) support projects that disrupt their fields, offer great on-chain scalability, and clear business value.

## Areas of focus

### 1. Cryptocurrencies, tokens, and online payments

ZenX incubator helps startups who are building cryptocurrencies and online payment systems, seeking to offer tangible benefits to users — low fees, high security, better experience. Each project should have a clear unique use case and distinct tech features. This type of projects also includes protocol tokens, utility tokens, securities tokens (e.g., crypto equities and crypto bonds), natural asset tokens, cryptofiat currencies and stablecoins.



As a team behind the CeDeFi digital asset exchange, we have a lot of expertise and connections to offer — but most importantly, we share our experience of cooperating with centralized institutions and promote strict adherence to legislation.

## **2. Decentralized finance**

Financial instruments based on blockchain technology implemented through smart contracts. We support projects that establish trust in placing an increasing amount of funds into smart contracts that sustain the decentralized finance ecosystem, suggesting growing confidence in these new financial tools. This section is focused on DAO ecosystems, decentralized exchanges, wallets, lending platforms, etc.

We help DeFi projects to be fully compliant, as well as procure contacts with centralization decision makers. For wide adoption, it's essential to have a network in traditional finance, which is what ZenX knows from firsthand experience.

## **3. International trade**

In international trade, decentralization and smart contracts allow for automatic and timely issuance of customs invoices, permits, licenses, and certificates generated with highly reduced fees. ZenX backs innovation that clearly cuts back-office costs, consignment clearance time and eliminates the potential for corruption. Since Unizen's mission is in breaching the gap between decentralization and institutions, we are highly supportive of products that assist in bringing market players together.

## **4. Value chains**

Blockchain technology can improve transparency, traceability, and reliability throughout global value chains. Several successful proof-of-concept implementations suggest that blockchain technology will likely lead to disruptive transformations, ranging from cost savings and increased efficiencies to new operational models. The focus of Unizen, though, is not limited to these areas. Both our team and our partners are looking to support chains that bring value across many industries, benefiting markets, communities, and crypto adoption.

## **Potential impact of Unizen-backed technology on the achievement of:**

### **Market Growth Goals:**

- Bring centralized and decentralized providers together
- Creating robust infrastructure to increase the pace of institutional and governmental adoption
- Ensuring legality and compliance of decentralized applications, building viable blockchain ecosystems across different areas of the market

- Increasing regulatory clarity and security: Mutual regulatory reporting in accordance to FATF guidelines via cross-chain sharing of data.
- Increased transparency of fundraising, token allocation, and incubation of blockchain startups

### Technology Commercialization Goals

- **Using decentralized ledger technology to benefit traditional industries**, bringing transparency and self-governance to previously centralized operations
- **Furthering wide adoption of decentralized innovation** by building DeFi infrastructure, introducing DApps to various industries, and offering clear value behind the technology
- **Long-term scalability**: Unizen supports projects that aim at delivering practical, easy-to-understand value
- **Curating profitable business models**, business development strategies, and operations, ensuring that the value of the company spans beyond its innovative value
- **Identifying opportunities for decentralized growth** and executing them together with the selected decentralized teams; offering ideas and expertise from the Unizen advisor board and mentor community
- **Supporting knowledge and technology transfer**, creating an environment for cooperation and idea exchange
- **Creating a nurturing environment** in a decentralized industry that encourages the accumulation of human creativity, business acumen, scientific discovery, investment capital

### Benefits of joining Unizen

- **Access to public funding.** The community of the incubator platform will be the early adopters of the product. The team receives feedback from enthusiastic supporters and receives investments from crowdfunding.
- **Compliance.** The advisory board of Unizen ensures the full legal compliance of the decentralized startup (particularly with AML and KYC requirements), assesses and mitigates security risks, organizes and completes audits of the innovation.
- **Partnership.** One of the greatest benefits of ZenX incubator is the access it provides to a network of successful business partners — Launchpool, Quant, Alliance Block, LunarCrush, Sifchain, Binance
- **Mentorship.** Incubators offer members the opportunity to hear and learn from the personal experiences of successful mentors in their chosen industry. While making mistakes along the way to success is an expected part of the process, decentralized business mentors are there to help avoid making tech, operation, and compliance mistakes.

- **Support from incubator participants.** The opportunities and experiences you'll share with the other members provide teams with knowledge, inspiration, and collective experience. The community pushes itself to the new benchmarks of success.

## The fundamentals of project selection at ZenX

The selection of ZenX projects is guided by several considerations. First and foremost, the incubator is accountable to its decentralized community: users who stake ZCX should be able to invest in hand-picked, high-potential businesses. Secondly, Unizen has a very specific vision regarding its ecosystems, and the incubated innovation is expected to be compatible — not just technically, but philosophically. Thirdly, we are able to concentrate our resources only on the best DeFi projects — since these are the core building blocks of our DeFi components.

These and many other reasons led to an establishment of a rigorous selection process. Only a fraction of applicants are invited to coaching sessions, and even fewer are offered a long-term partnership.

So, before we establish what ZenX innovation entails, let's firstly take a look at *what it doesn't*.

- **ZenX will not take on multiple projects.** Of course, the quality-over-quantity approach has disadvantages — like access to fewer tokens and sales events. However, the long-term benefits like scalability, compliance, and solid use cases outweigh the drawbacks.
- **ZenX won't focus on profitability alone.** While short-term and long-term profitability is one of our main selection criteria, we also look for projects that will bring the crypto space forward and are in line with the key values of offering true innovation and decentralization.
- **ZenX doesn't offer an all-for-one approach for all incubated and accelerated projects.** This is why we didn't describe the incubation process step by step — although that would certainly make things clearer for adopters. There's simply no universal cookie-cutter algorithm; every project is assessed individually and incubated in accordance to a personalized framework.

## How we choose ZenX projects

ZenX assesses projects in many areas. Our primary focus is on technology, reputation, communication, efficiency, and viability.

- Technology

Our expert technical team conducts code reviews and thorough testing both on-chain and off-chain. We are looking at the bigger picture and small-scale details. On one hand, the team will assess the whole architecture of the project, its governing principles, and defining characteristics of the startup's particular blockchain.

We are looking for a **unique approach** — no copy-paste forks, security pitfalls, and data flow inconsistencies — just to name a few requirements.

- Reputation

Our business development team and compliance advisors perform a thorough background check on all project members. The results will be available to all system contributors. Team reports describe the previous background of all core members, provide an account of their legitimacy, describe roles and responsibilities.

- Viability

In the crypto space, there are projects that offer great technology, but struggle to find a proper use case for it. Others have a vision that is indeed capable of solving relevant problems, but it's incompatible with blockchain and decentralization. At ZenX, we make sure that incubated projects fall on neither side of the spectrum. During expert assessments, team calls, and MVP presentations, the selection team looks for projects that:

- offer unique feature sets (not a variation on existing technology)
- thrive from the use of blockchain
- tackle relevant and commercially successful use cases.

## The potential to build a community

At Unizen, we've been lucky to see first-hand the benefits of having an amazing community. The project can succeed if it unites the right people — first and foremost, educators instead of a shield of sponsored influencers. The community is people who care about the vision and values of the product, and are ready to advocate for them.

Success in crypto is about gathering and retaining active followers who will stand behind the project long-term. In our research of dozens of successful crypto innovations, this pattern emerged clearly: community members are nearly always the ones who put projects on their market cap.

Through the ups and downs of the crypto market, they don't let the narrative drop and give voices to the ideas behind the project.

To define if a project has the potential to nurture an active community, we assess several driving forces.

- **The global vision behind the project:** adopters tend to follow visionaries, which is why we prioritize projects that have clearly defined ambition for progress.
- **Genuine value:** the project should benefit each individual participant. Having global values is important, but it's best if the innovation also caters to individual use cases.
- **A unique perspective:** an ideal ZenX project is one that is driven both by technical innovation and thought leadership. Ideas behind the projects have very tangible value: they are the primary drivers of technological leaps.
- **Accessibility:** ideally, the project should cater to global audiences and be relevant regardless of specific demographic and behavioral parameters. Contributing to wider adoption has always been our major focus, which is why we look for projects that have the potential to benefit many adopters.

## An overview of the selection process

All ZenX projects are different, and their incubation requires custom workflows. Once the participant is announced to the community, all members will also have access to a plan of incubation activities, updated roadmaps, and documentation. Still, if we are to define the main pillars of ZenX growth flow, it's possible to distinguish **three stages**.

### 1. Screening

Our team is always looking for promising incubation candidates and reviews applications. The process of screening new participants is never-ending.

- **Assessment.** Once the team was preliminarily chosen for collaboration, we start the assessment. It takes from a week to a month, during which the team has several calls with the founding members, core team, and project advisors. In sessions with leading ZenX experts, we want to understand the project from a 360-degree angle, but also, connect with the team on a personal level.
- **Confirmation.** Our team recommends the projects for the selection, but it's up to the decentralized community to vote on the final participation. From our end, we give a full account of the project's tech, reputation, business potential, etc.

## 2. Developing a business model

ZenX usually partners projects that already have a well-defined vision for growth. Still, the initial vision is rarely perfect. To bring the business model to completion, our advisors always take a deep second look and suggest experience-driven adjustments.

- **Expanding or narrowing use cases for the projects.** Sometimes, even great teams struggle with defining applications for their innovation. Armed with the knowledge of the decentralized market, advisors help define the scope of the project and assure that use cases are compatible with the infrastructure.
- **Building out token models.** Most ZenX projects have their tokens. Our blockchain and financial experts build tokenomics for the project with long-term projections.
- **Establishing the foundational layer.** Surviving in the crypto market is difficult. Our advisors provide expertise on legislation, economics, market trends, communication — to make sure teams avoid common and not-so-common errors of decentralization.

## 3. Building a long-term strategy

Before starting any growth activity, each team receives an assembly of advisors who are experts in specific fields and are in line with the project's vision. Together with the core team and with the community's insights, they refine the long-term strategy for growth.

- **Team building and community building.** ZenX participants define the values behind their projects and devise communication workflows that will bring the ideas to relevant users.
- **Planning fundraising.** We'll delve into details of our financial approach in the next sections, but here, it's worth mentioning that teams usually have a very clear idea of investment strategies very early on in the project. All activities are approved by experienced advisors.
- **Assuring eligibility for multi-asset staking.** It goes almost without saying that if a project managed to clear all the selection stages, it's supposed to be suited for the multi-asset staking program. However, we want to be fully confident that we offer the most value to stakeholders — which is why, prior to enrollment, all projects get several revisions of tech, token models, and business processes. It's the last stage of the selection process — if a project is approved to participate in multi-asset staking, ZenX experts gave it a definite green light.

The selection process is only a small part of ZenX workflows, but it's arguably the most important one. Users of the ecosystem trust in the Unizen approach and vision, which is why we feel responsible for onboarding only the projects with coherent values.

The dedication, experience, expertise, and network that went into Unizen, will be extended to each ZenX project — to enhance the crypto market, Unizen infrastructure, and benefit our community. It's a win-win-win situation — for Unizen, emerging projects, and the entire crypto market.

## The process of building decentralized innovation at Unizen

After the project is fully approved by ZenX experts, it enters the stage of growth. The incubator offers personalized services, aligned with the project's niche, vision, and development phase.

### Product advisory

- **Functionality**

Our team helps startups to refine their on-chain and off-chain functionality. We provide expert guidance on building smart contracts, consensus mechanisms, token distribution, data storage. Experts in UI/UX design, development, and testing make sure the user flow is intuitive, fast, and efficient. Finally, ZenX advisors help the startup team achieve full compatibility with the Unizen Liquidity Provider. The end technology is scalable, secure, and ready to enter the multi-asset staking program.

- **Business models and values**

The transparency of a decentralized technology presents opportunities and challenges to startups. Mainly, proving the product's value and gathering adopters takes more than technology. Chains can be easily forked, technology is published open-source, and innovations can be easily tracked. When that's the case, how should a technology startup stand out? The answer lies in the values and community behind them.

Our advisors directly share their experience of differentiating the values of the project and establishing trust in the community. ZenX advisors help refine market positioning, figure out the vision of the project, and build the communication accordingly.

- **Governance**

Decentralized businesses can't be governed horizontally or hierarchically. The top-to-bottom approach doesn't align with the core values of technology of self-governance and transparency. The roles in the decentralized business are fluid, and many participants remain anonymous. Decentralized algorithms and smart contracts hold more weight than personal decisions.

ZenX advisors are experts in designing and managing decentralized systems. Teams get expertise on how to structure processes, release updates, offer proposals, and build innovation. It's often said that decentralization hurts innovation — when that indeed happens, it's usually due to a lack

of expertise in decentralized governance. With a reliable decision-making system, teams build innovation faster, solve issues efficiently, and communicate clearly.

## 2. Legal advisory

ZenX projects get access to leading legal advisory providers that provide guidance on regulatory, reputational, financial challenges. Teams directly communicate with law experts who worked specifically in blockchain and crypto markets, with a profound understanding of current policies, gray areas, legal challenges, and potential risks. The priority of ZenX is to provide startups with a solid compliance foundation.

## 3. Administrative and financial support, tokenomics guidance

One of the reasons why many incubators and investor-backed teams fail is the lack of understanding of token-driven ecosystems. Companies strive to move capital quickly and direct their activities towards rapid growth and token sales. The attention of decentralized providers heavily shifts to the initial distribution of tokens, mainly via airdrops, token faucets, and generation events. However, the market has shown this approach to be misleading — teams either failed to leverage the explosive growth pace or sold out an unnecessarily large amount of tokens, losing control over the ecosystem.

The goal of ZenX is to prepare startups for long-term operations, focusing on sustainable growth and tangible value. Many know how to sell tokens — but few understand how not to. The goal of ZenX is to provide the carefully assembled community of users and committed partners with a manageable number of tokens. Quality over quantity, sustainable scalability over explosive metrics.

- A long-term strategy for token distribution and management
- A cross-root, egalitarian approach to fundraising and communities
- The right people at the right place — those who see the value of the project and an infrastructure that encourages their contributions

At ZenX, tokenomics models are embedded in a sustainable financial strategy where the ways of releasing, inflating, or deflating tokens are designed according to the business model and user needs.

## 4. Networking services

ZenX stands for gathering the right people driven by matching values, with an aligned vision for the future. It's a rigorous, continuous selection. The network starts with the team of Unizen core members and



advisors — and expands much further, to the narrow-niche experts in the target field. ZenX advisors connect teams with experts in their fields and assess potential partners.

- One-on-one sessions with the experts of target fields, exclusive meetings, and consults
- Direct access to selected advisors who are committed to the long-term support of the team
- Participation in leading conferences, forums, discussions, product demos
- Communication with incubator participants: ZenX projects are a part of the same network, technically and professionally. The incubator accumulates compound expertise and experience, bringing the best blockchain teams together to thrive.

## 5. Marketing

ZenX team connects incubated teams to the leading experts of blockchain marketing, among which are Blockunify, MarketAcross, and others. Experts help with establishing connections with media, leading blogs, forums, social media communities. Marketing, as any ZenX effort, is focused on long-term sustainability — getting just the right publicity at the right time. The momentum increases gradually, together with project's value and community involvement. A distinct marketing stage corresponds to each point of the roadmap — so that marketing teams publish relevant services and benefits.

## 6. Skill building and training

Education is a pillar of decentralized innovation. ZenX experts provide teams with feedback: rather than evaluating past activities, advisors assess current strategies and efforts. This is why 24/7 connection to the advisor team is so important to the ZenX approach: with markets as dynamic as crypto, feedback in the past tense is often irrelevant. So, our team is ready to jump right into action and help incubated projects **in the process** of building innovation.

- **Technical support and training:** the projects are supported by Unizen's leading technical experts and advisors. We help incubated teams cover gaps in skills and organization, allow them to see the behind-the-scenes of well-streamlined technology workflows at our own infrastructure.
- **Research and development:** Unizen's technology leaders and advisors share their vision on innovation and scalable growth. They are able to detect the weak spots of the infrastructure and come up with elegant solutions.

## 7. Programs for founders and CEOs, mentorship

Running a decentralized business requires knowledge of finance, economics, law, technology, politics. Often, founders and top managers lack skills in at least one of these areas. ZenX advisors spot these

knowledge gaps and conduct workshops, consults, and one-on-one sessions, empowering founders for working in versatile environments.

## 8. Business management

To be successful, decentralized businesses should transcend market cycles and create long-term, valuable offers. From a business strategy to the execution, the ZenX network helps leverage the potential of your technology without relying on bull runs. Technology commercialization experts help set up industry-industry and startup-institution relationships, gather market intelligence, and assemble teams for successful implementation.

## Technology Behind The Incubator

- **Smart contracts**

As a decentralized incubator, all operations at ZenX are governed by smart contracts. Startup teams and adopters have insurance that operations will certainly be executed once the contract conditions are met. Unlike a centralized incubator, ZenX clearly defines a step-by-step process of startup growth with clear milestones. All participants can see the point where a given decentralized project is at and know what rewards to expect.

For startups, smart contract governance is the definition of predictable (in a good way) cooperation. By design of the incubator, personal biases of stakeholders can't influence the selection process or fund allocation. Decision-making is transparent, fast, and executed with no delays.

- **DAO**

The ZenX incubator is a DAO — a decentralized autonomous organization, governed by smart contracts and a decentralized member committee. To receive voting rights in DAO, participants need to hold a certain amount of ZCX token. The voting power is proportional to the amount of the token — members who contribute to the network most get to place heavier votes on decisions.

Decisions at ZenX include the selection of startups, participation in incubator governance, stake-holder voting on ZenX-backed projects. The core team doesn't choose the projects, advisors merely have permission to guide projects towards meeting the requirements of the selection. However, DAO voters are the ones to decide if the project enters the incubator.

- **Multi-asset staking**

Multi-asset staking is a possibility to get multiple different rewards for staking the token of the ecosystem, \$ZCX. Rewards will include established currencies, like BTC and ETH, as well as tokens of ZenX projects.

Rewards are distributed randomly, but users can choose to claim an additional amount of token for allocation — if they believe in a project, backed by ZenX.

Multi-staking is the core of the ZenX incubator, since it brings multiple benefits both to decentralized teams and ZCX stakeholders.

Benefits for stakeholders	Benefits for teams
<ul style="list-style-type: none"> <li>● <b>Automated portfolio diversification</b></li> </ul> <p>Users get both new coins and established currencies/tokens. Provided that stakeholders agree with the governance and project selection, they will be looking for opportunities to buy tokens at the early seed stage, at their lowest prices. With one multi-staking program, adopters can invest in dozens of promising startups. No need to switch between different interfaces or stake multiple currencies.</p>	<ul style="list-style-type: none"> <li>● <b>Strengthen the project by bringing in holder-wallets</b></li> </ul> <p>The self-governing nature of crypto has a flipside — since DeFi projects don't report to authorities, they get to establish their own success metrics. A lot of those can be fabricated — like the number of followers, partners, name mentions, etc. This is why exchanges and trust wallets request a much more reliable growth benchmark — and that's the number of wallets that hold the token. Since all transactions are recorded in the distributed ledger, the number of token holders is available to everyone in real-time.</p>
<ul style="list-style-type: none"> <li>● <b>No lockup periods or cooldowns</b></li> </ul> <p>Users can add or withdraw any amount of \$ZCX at any given time. Stakeholders face no risks of losing funds, moreover, they are free to increase or reduce their contribution to the network in a flexible way.</p>	<p>The more wallets hold the token, the higher is the reputation of the DeFi project often is. This leads to better offers — listings on top exchanges, integration to trust wallets, etc. Multi-staking allows teams to spread their tokens across the network of multiple reliable long-term partners. Compare this to the traditional strategy of selling thousands of tokens to one VC firm or a centralized incubator. ZenX approach offers unique benefits — just to name a few:</p> <ul style="list-style-type: none"> <li>● higher decentralization of the network</li> <li>● distribution of control instead of</li> </ul>

	<p>its concentration</p> <ul style="list-style-type: none"> <li>● better offers from exchanges and wallets</li> <li>● wider adoption</li> <li>● increased security due to having many network contributors</li> </ul>
<ul style="list-style-type: none"> <li>● <b>Access to exclusive seed sales and Initial DEX Offerings</b></li> </ul> <p>ZCX stakers have access to seed sales and IDOs that are held exclusively for ZenX community. The share of token allocation depends on the Total Value Locked of the ZCX. The TVL defines the vesting settings for the sale.</p>	<ul style="list-style-type: none"> <li>● <b>Monitoring of Total Value Locked and stakeholder numbers</b></li> </ul> <p>At ZenX, DeFi teams have access to an elaborate infrastructure, dedicated to managing tokens and reward pools. The on-chain and off-chain functionality allow specifying conditions for token sales, monitor participation, control allocation in real-time. Teams make sure their growth is sustainable and corresponds to tokenomics.</p>
<ul style="list-style-type: none"> <li>● <b>A decentralized crypto portfolio</b></li> </ul> <p>All staking, claiming, and purchasing is decentralized and governed by smart contracts. There's no need to trust in a single authority.</p>	
<ul style="list-style-type: none"> <li>● <b>Data-driven predictions of estimated returns</b></li> </ul> <p>A stakeholder can view the real-time statistics of pool share and revenue, estimated according to the TVL.</p>	
<ul style="list-style-type: none"> <li>● <b>Accelerated growth of the Unizen ecosystem</b></li> </ul> <p>All ZCX holders are also stakeholders in the Unizen network. When the ecosystem grows, so do the returns of the token holders. The multi-staking program allows diversifying the use cases for Unizen by partnering the best emerging crypto projects, increase the number of operations in the system (and with that, the profitability of staking), and drive wider adoption.</p>	

## ZenX is officially started

This paper outlines the principles by which the team has been already preparing the initiatives and talking to development teams. We are excited about sharing our framework, but there's something else that the entire team is thrilled to introduce.

### Meet the first ZenX project, Cirus.

Cirus is a blockchain ecosystem of IoT devices, blockchain wallets, and data exchange marketplaces that allows users to take ownership of their data, turning it into a Non-Fungible-Token. Blockchain has been the driving force behind monetizing unique ownership rights for artistic digital assets, and Cirus leverages its potential further — to the unique ownership right to personal data.

### The motivation

By 2025, the number of connected devices is estimated to reach 38 billion, each of those will generate large amounts of data. As the oil of the 21st century, data represents incredible value to corporations, institutions, and governments.

If we don't take measures, centralized actors will find ways to obtain it, as they already do.

### The solution

Cirus allows users to decide what data they want to disclose to advertisers and set a price tag on it. For each byte transferred to advertising providers, lead capturers, institutions, users receive fair compensation. Transactions are paid in the Cirus token, which then can be exchanged for other digital assets or fiat currency.

### *The Cirus device: a secure, decentralized replacement to a home router*

The Cirus device is a new-generation internet router that also serves as an IoT hub, blockchain validator node, and data collection tool. There's no need for a user to actively interact with the device: after initial plug-in and setup, the Cirus device automatically sends data to secure the Confluence Network and Cirus Core platform.

### *Cirus Core Platform: where data ownership takes place*

The Cirus device is connected to a decentralized ledger that safely stores personal information and permits users to sell their data. To increase its value and by extension, user profits, Cirus uses AI and Machine Learning to derive patterns, behavioral trends, and build smart insights — this full data package is sold to data purchasers.

## **Benefits of Cirus**

- Full user ownership of data
- A direct gateway for managing and selling data for self-approved compensation
- Plug-and-use system that automatically aggregates and secures data across an IoT network
- Increased data quality: users get higher compensation for selling data that has been already processed by the Cirus ecosystem
- Transparent smart contracts that compensate for each data byte in a custom token
- An additional source of income in rewards for validating Cirus transactions, available to each Cirus user, because each node is a blockchain validator

## **Why did ZenX select Cirus**

Cirus is the perfect project to open the journey of ZenX. Our partnership reflects all values and goals of a CeDeFi incubator:

- 1) to offer tangible value that potentially benefits millions, if not billions, of people;
- 2) to present cutting-edge technology with nevertheless high accessibility;
- 3) to assure full compliance with regulatory practices;
- 4) to establish an entirely new niche for blockchain applications, and pave the way for other innovations.

## **How does Cirus benefit from ZenX?**

ZenX provides growth-oriented support to the project: from the whitepaper stage to the full-scale adoption. Our advisors gather the dedicated community around the project, establish the core team and advisory board, and connect Cirus to regulatory authorities. ZenX brings in partnerships that recognize the core value of the project and share the same drive. Our financial experts help establish the tokenomics and data trading flows for the Cirus Core Platform.

ZenX's goal is to make sure the Cirus technology is accessible, legally compliant, well-marketed, partnered by leading field experts, and supported by a loyal community.

## Establishing the foundation for widely adopted decentralization

ZenX is more than just a way to connect innovative teams with advisors, and early-stage adopters. It's a fully-compliant, scalable, and accessible take on supporting decentralized innovation: from technology ideation to its wide adoption.

The decentralized nature of the incubator allows us to share the excitement of participation in this process with the community. ZenX adopters are the key decision-makers — and also, the main drivers of innovation. Together, we are shaping the landscape of decentralization and CeDeFi technology, with a goal to positively contribute to large and diverse communities — both within the decentralized community and far outside of its reach.