

REMOTE BUSINESS ANALYSIS OF CRYPTO PROJECTS

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The article is about the way of analyzing crypto projects remotely. The industry of crypto has grown extremely fast since 2015. Market capitalization of crypto projects has increased from \$6 billion to 1.8 trillion during the last 7 years (300 times). Being able to choose promising crypto projects among hundreds of thousands ones is a beneficial ability, which allows one to invest your money wisely or to get a forward-looking job.

Crypto project is a company which is built around developing a blockchain technology. Blockchain is decentralized digital database where data is structured into blocks. These blocks have certain capacity, so when a block is fulfilled with data, it closes and links to the previous filled uneditable blocks. In this way blocks make a chain. The whole structure is called a blockchain [1].

There are thousands of crypto projects in the world. Basically, they are used for the following purposes: economics and entertainment. Blockchain technology got the most massive implementation in the financial sector. It is used to make money transactions extremely fast, safe and free. Other companies create videogames and metaverses based on a blockchain technology. Every blockchain has its own unique currency which is used to make transactions among inner users. It is called cryptocurrency. Each cryptocurrency has its own price on market, which depends on its blockchain technology spread, functions and purpose [2].

Having enough information about a crypto project one can invest in it, become a developer in its team, speculate on its currency price. As market capitalization of cryptocurrencies has raised from \$6 billion to 1.8 trillion during the last 7 years. There appeared many scam projects, which do not provide users with any useful functions. They are made only to steal their money. Blockchain technology field is a cutting edge one, so trends there change very quickly. It means that one always need to have precise and relevant information [3].

To invest money wisely and not to join unreliable organization one needs to make a remote business analysis of the company. To analyze the company one should use at least 4 specific instruments.

The first instrument allows to consider 10 000 crypto projects sorted by their market capitalization from the largest to the lowest one [4]. Crypto project's market capitalization is the total value of all the project's coins that are in circulation right now. After choosing the project for analysis a great amount of information about the company can be provided by this instrument [4]. The most useful information here is circulating supply. Circulating supply is the total number of coins or tokens that are actively available for trade and are being used in the market. When a company creates a particular number of tokens, only a portion of them rather than the whole supply is available for circulation. One should analyze, whether a project's currency has inflation or deflation model. It is always better to work with deflation model, so that the currency do not devalue with time. Commonly, companies create deflation model currencies, but it is still important to be attentive. This instrument also can provide one with brief information about the purpose of the project and problems which are solved by the project. It is worth reading, because it facilitates reading of whitepaper. A whitepaper is a document released by developers that explains the technology and purpose of the project they are working on. It tells prospective investors how the cryptocurrency was conceived and highlights its purpose.

The next step is to visit the project's website. It can provide one with access to a whitepaper and a roadmap. Roadmap is a strategic plan that shows developers' plan for the following year. If one reads

carefully both documents, it will be not complicated to make a conclusion if the project really solves any problems and what perspectives of the future growth it has. Generally, if the project expands and its currency has deflation model, the price of currency and total value of the project increases. There is information about company's partners on its website. If the project is supported by large and well-known companies, it means it is much more likely to have great perspectives because large and well-known companies never establish unreliable partnerships. They protect their reputation, so they make deep and precise research. It means that big companies know more than any average person.

Every crypto project has its own account in social networks. The most popular platform is "Twitter". The more people follow developers in social networks, the more people know about their project. The more people know about the project, the more people use the product and want to buy its currency. The more people want to buy its currency, the higher the price is. It is important to find out who exactly follows the company's twitter account. If there are any reliable analysts or big companies among followers it is considered to be a good sign. When one completes audience analysis, it is necessary to check how often and what exactly developers publish there. Usually there is some information about new partnerships, upcoming updates and the latest news. If developers post quality content on regular basis, it means that the project is being developed and the team successfully participates in it. It increases a chance of scaling the project.

The next instrument to discover developers' engagement in project development is a source where developers can publish their code [5]. One can find a link to the company's page either on its website. This instrument allows one to see the algorithm of the project and dates of its last update [5]. If it is updated regularly it means developers still care about the project and contribute to its growth. So, people are certain to trust such companies more.

In addition, if one wants to dive deeper into company processes, it is a good idea to follow its twitter account and stay up to news. Because reliable developers regularly organize online conferences called "Ask me anything" where one can get answers to your questions directly from a team member. Usually there are records of previous conferences "Ask me anything" on company's YouTube channel. Companies publish the most relevant information about free vacancies in team in their twitter accounts. So, following a twitter account of the project one likes is a good idea.

After analyzing a crypto project with these 4 instruments one has quite enough information to make a decision if the project is worth your attention. If it does, one can keep researching with applying more specific instruments to decide whether one wants to invest money in it or join the team. Otherwise, one better pick up a new project for your research and repeat from the beginning. It is great idea to keep repeating until a brilliant project is found.

References:

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