

Agloco Viewbar Member Distribution / Payout / Payment (Oct Update)

9th October 2007

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Hello everyone, this is Brian Greenwald. I have not posted on my own here for awhile but I thought I'd write one sharing my personal thoughts on the payment program discussed in the last post (there will be another post with answers to questions made in comments which should be out this week – and written by others).

It's been a little while since I moved away from the blog to work on some new revenue deals. I hope you are as pleased with Ask.com as we have been – they are far and away the best partner for AGLOCO at this time. I had some thoughts after seeing the reaction to our last post on Member Distributions. As was expected, some people liked what we had to say, recognizing that AGLOCO is slowly but surely building a sustainable business. Still, some thought the payouts were too low. And, if these were the payout values for every month going forward, I might agree. But, these values are only the beginning. As AGLOCO becomes more profitable, the value of future months' hours will grow and the time frame in which AGLOCO pays will shrink.

I like to keep in mind that we are trying to have AGLOCO do exactly what we said it would: create a fair system on the internet where Members get paid for what their activity is worth. The simple fact is that Members' activity in June, July, and August did not generate very much revenue for AGLOCO, and there is no free lunch. As Member surfing becomes more valuable (i.e. generates more revenue for AGLOCO), payouts will increase in turn. Actually, AGLOCO is doing MORE than what it promised. AGLOCO always said that it would pay Members when it become profitable. If AGLOCO was going strictly by this model, June, July, and August hours would be worth nothing. Still, we know that early Members spent time building the community and thought they should get something for their early surfing hours. So we devised a method to achieve that with the Residual Payments.

Part of this is AGLOCO's responsibility for at first having (frankly) mediocre revenue deals for Members to capitalize on. But that's where the Ask deal comes in. As promised, we are building our revenue sources so that Member activity can become more valuable. We're gaining momentum and coming much closer to profitability with every month that passes. As we've said in previous emails and posts, this will be a process that takes time. Soon, not only will we have revenue coming from search and from ads, but we will continue to build our revenue sources wherever money is made from your surfing all over the internet. And, we will build the functionality of the Viewbar and add tools to help the community grow. I wish this process would move faster, but in order for AGLOCO Members to get the lions share of the company's value, we had to (at least for now) give up on venture capitalists. This means we have been running on a very lean budget with limited resources (with a development team still working for free). Once we become profitable, we will have a much better ability to expand our investment in making these improvements.

It is very normal for startup companies to have months or years without profitability (we are still a young company - ask google or facebook how long it took them to have their first profitable month). Looking conservatively at our finances (and given the fact that we expect to earn more money as time goes on – if we don't, the company will go under), it turns out that the best way to provide Members with the most value at this point is to defer some of the value of their payment to a time in which our most conservative projections expect we will have the funds to pay it (personally, I found 10 years to be a bit too long, but I was outvoted by the folks who had just spent three straight days with the budget numbers). Also remember that the monthly payments in this payout system will stack over time. Combined with the fact that we expect the value of each hour to increase as time goes on, and the payouts can eventually get quite large.

Since I wrote many of them, I encourage you to go back and read what we wrote about Member distributions in the past (for example, [here](#) and [here](#)). We've been quite consistent in saying that AGLOCO will pay when it is profitable and that the process of building revenue is one that will take time (until which, payouts would start out modest and build).

Most importantly, we maintain that AGLOCO is NOT a "get rich quick" scheme. If you are looking for a scheme that pays something for nothing, then perhaps AGLOCO is not for you. We talk about AGLOCO's value proposition in several old posts. In order to pay real money to real people, that money has to come from somewhere.

Your surfing needs to earn money for the community. Your referrals' surfing needs to earn money for the community. It doesn't just materialize out of thin air. Those Members who are going to join AGLOCO in success are the ones who realize that it is just now laying the foundation, and that it will take time to build a sustainable revenue stream. And, as discussed, AGLOCO may be developing the ability for Members to trade hours. Then, Members who want the full value of their hours up front can trade them on the open marketplace to other Members who are willing to. We are still looking for more feedback on that issue.

Just another one-off thought. I read some comments that seemed to assume we would have a \$100 minimum payout. This is not the case. While we will specifically contact those Members who earned \$100 from June, July, and August hours (kudos to those of you in this category), I anticipate that the minimum payout will be between \$10-\$30, though AGLOCO has not set a firm value yet.

We'll write another post within the week addressing your questions from this blog, but I wanted to my thoughts on Member distributions. Until then, keep using that Viewbar and the Ask.com search function - the more you do, the more AGLOCO can make for you! Brian Greenwald

AGLOCO Development Team Interesting site of the day:

<http://agloco-blog.squarespace.com/agloco-success-mike-klingler/2007/10/3/thoughts-after-talking-with-brian-greenwald-today.html>

- Mike Klingler weighs in on the distributions announcement