

## 10 – The Community Component

**Question 10** *How do we bring privacy and authenticity to social media?*

**Answer 10** **The Community Component**

**Where are these online buildings built? Who owns them? Who pays for them? How do they connect to each other in a rational way? How does online real estate become profitable? We find our answers in the surprising intersection between the media industry and the urban planning profession.**

### **Some Revealing Stories about Place and Media**

In 1994 I had the opportunity to meet one-on-one with Rupert Murdoch and ask him how things were going with his recently acquired Delphi Internet Services Corporation, which I had founded in 1981. Delphi had been steadily profitable for quite a while when we sold it, and the price Murdoch had paid for the company was quite (too) reasonable. I expected to get a big “thank you” from the media mogul.

Instead, he treated me as though my colleagues and I had sold him a defective used car. Not long after that, his News America Corp. and its parent News Corp. effectively sold Delphi for parts.

What went wrong?

Well, nothing had gone wrong with Delphi. Delphi had carried on as before the sale, a very successful social networking company, providing valuable and useful online meeting places for a large variety of groups. Delphi was a large conference and expo center without the burdensome physical real estate part.

What then could have been so unsatisfactory to the CEO of News Corporation?

Very simply, an old media pattern had repeated itself. Another story will illustrate.

After a rough start in 1981 trying to make a business of the world’s first computerized encyclopedia, Delphi had found its sustenance in providing online meeting places for publishers of highly targeted magazines, mostly for computer hobbyists. Readers would share tips and experiences, download programs, and buy peripherals and accessories from a magazine’s advertisers in an area of Delphi that had been set aside for that audience.

The magazines tended to launch their Delphi partnership with a flourish of heavy promotion, but after a while it occurred to them that they were promoting something owned by us, not by them. The “what’s in it for me?” question would put a damper on things after a few issues.

We thought, “The publisher owns its magazine, why shouldn’t it own its online service?” By providing hosting and management services for its owner’s own branded on-

line service, Delphi would benefit from ongoing, cost-free promotion, even if it meant sharing more of the revenue.

Strangely, no magazines took us up on that offer. I thought that a separate enterprise to focus just on the private-label online service business would change that, so for that and other reasons in 1987 I yielded the CEO title at Delphi to start a new spinoff enterprise. I remained chairman of Delphi's board of directors as I launched Global Villages, Inc., whose purpose was to build online services for magazine publishers under their own brands, using software licensed from Delphi.

One of the new company's clients, William F. Buckley's National Review magazine, had me give a talk to its staff, explaining what their new National Review Town Hall online service was all about. I thought I had the perfect metaphor to allay their fears of publishing professionals who, like their peers at other magazines, were very nervous about online media.

"Your new online service is simply a conference and expo on your readers' and advertisers' desks," I reassured them, convinced that my metaphor had brilliantly cut through their apprehensions. After all, any magazine pro knows that a companion expo and conference can make good business sense for a periodical with a steady audience and regular advertisers. What difference should it make whether it takes place in an expo hall or on desktops, other than the fact that the latter is a whole lot less costly and more convenient for all?

Feeling smugly confident that I had once again slain the fearful online dragon for the print/broadcast folks, I asked National Review's CFO, Jim Kilbridge, how he thought it went.

"You know, Wes, everyone understands that a conference and expo can be good business for a magazine," he said. "Trouble is, magazine people just don't like the conference business."

I was too stunned to ask why. But after that incident I started noticing how removed the editorial and publishing staffs of magazines typically are from their conference operations. It makes sense that conference operations are usually completely outsourced, but one would expect more involvement from editorial staff.

In spite of that discomfort, National Review was pleased with our work in creating National Review Town Hall. It referred us to Jeffrey Dearth, publisher of the ideologically opposite but demographically identical New Republic magazine.

Over multiple calls he kept steering the conversation toward "content." I kept responding that the "content" would be his readers and advertisers, that the online conference and expo counterpart of his magazine would be about interaction rather than publishing; after all, that's what his print publication is for. This should be good news, I thought: you don't have to invest in content.

Finally, Mr. Dearth remarked, "Wes, it seems as though you're advocating having our readers communicate directly with each other."

“Well, yes.”

“I don’t think we want to do that.”

“Well then I don’t think there’s much we can offer.”

If the conversation had taken place a few years later he would have asked for this newfangled thing called a Web site. And as I have noted, good business is providing what the customer asks for rather than what you think he needs.

But then, when the Web came along I knew that publishers would exclaim in unison “That’s it! That’s our ticket to online media!” And I knew also that they would learn the hard way that each of their advertisers could easily set up a site claiming to be information central to their audience, that what they thought was their newly discovered Northwest Passage to the riches of a new online media world was in fact nothing more than a fancy outdoor billboard, competing as billboards do for attention with all the other billboards on the highway.

### **Lessons Learned**

After purchasing Delphi, Rupert Murdoch’s News America Corp. brought some very bright and experienced people — but they were print and broadcast people. Their enthusiasm for this new publishing and broadcasting channel was palpable, until they discovered that online is not about publishing and broadcasting.

And even though Town Hall was meeting its goals, *National Review* became similarly unhappy with its meeting-place nature. It handed it off to the Heritage Foundation, which in turn reinvented the service many times in an attempt to get it to be more about content than interaction.

I had learned not to invoke comparisons with the conference and expo business, but then, how do you get across to eager publishers and broadcasters that this new medium is not about publishing and broadcasting?

Traditional media — print and broadcast — aggregate audiences by gathering, collating, editing and sending packaged information out in one direction. I write, you read. I talk, you listen. I act, you watch. Traditional media, unlike the conference business, is just not about meeting places.

### **Two Reasons Why Online Success Eludes the Owners of the Audience Assets**

Print and broadcast media, which should have owned online media, were inhibited by two things:

- An aversion to the conference business, that is, the business of gathering members of a special interest audience together with advertisers (exhibitors) for people-to-people interaction
- A belief that online technology, unlike print and broadcast technology, must be owned and operated by the technology priesthood, which also must own the brand under which online media is offered.

Observers often remark about the repeated inability of print and broadcast media to succeed in online media. This aversion to the meeting place business is one of two reasons for the problem. Journalism and communication schools attract people who want to be the voice of authority in an audience. Their graduates lack enthusiasm for a media business where members of the audience are the source of news and information.

The second reason for the inability of traditional media to succeed in the online business comes from a centuries-old wrong assumption about technology: that those who create a new technology are the best equipped guide and control its deployment. In fact they seldom are.

We noted this assumption earlier in the inept deployment of two sets of construction materials: reinforced concrete plus structural steel in the nineteenth century, and PKI in the twentieth century. In both cases the inventors, after coming up with their marvelous new creations, idly fiddled with them while those who were best prepared and equipped to take the new materials and run with them remained bewildered and cowed by them, waiting for the inventors to tell them what to do.

It should be obvious that the company that is best equipped to make money with an online meeting place is the company with audience and advertiser assets and skills. After all, traditional media know how to do the most essential part of the process, that is, how to build the essential asset of all media, which is audience.

And it's not a matter of lack of intent. For decades traditional media has shown that in spite of its apprehensions, it wants to get in on the online media action. Print and broadcast media bring the essential audience and advertiser assets to the party, and print and broadcast try relentlessly to build online properties.

If audience skills and audience assets are important to online, how is it that America Online, which owned no publications or broadcast properties was so successful that its market capitalization allowed it to purchase Time Warner, a company that knows all about audiences and audience aggregation and whose audience assets are extraordinarily valuable?

As many magazine people have heard me remind them, "AOL was built on the backs of publishers." There is absolutely nothing wrong with that, and I commend Steve Case and Bob Pittman and Ted Leonsis on their accomplishment. They struck good deals with publishers, and they applied the reader and advertiser assets they acquired from publishers to great effectiveness. They knew what they wanted and they went after it, fair and square. Good for them. After all, they negotiated with savvy media business people, not with naïve widows and orphans, for the use of those assets.

Magazine publishers typically do not own printing presses nor possess thorough knowledge of printing technology. But because print is not new technology and therefore not intimidating, they're able to command the resources of commercial printing companies to get their product out the door the way they want it, on the stock they want, with the colors they want, mailed the way they want. In the process, they never consider

letting the printing company own any reader or advertiser assets, much less give them any influence on cover design, trim size, advertising rates, subscription rates, or for that matter anything other than the process of putting ink on paper and getting the product out the door.

But for some reason, when it came to the online counterpart of the magazine they insisted on handing everything over to the provider of technology. I will never know what makes online technology so different from printing technology with respect to the substitutability of suppliers and solutions. Certainly there is a lot of technology involved in putting ink on paper, but that doesn't mean that the owner of the printing press has control over the magazine because of some power that is the result of specialized knowledge.

So here I was with my company, Global Villages Inc., with a message for publishers: You should be in control. You own the important assets, the audience and advertiser relationships. All we bring to the party is an ability to manage a conference business. We're at your service, in precisely the same way as the company that prints your magazine is at your service. Just because there is plenty of technology involved in printing and mailing a magazine doesn't mean that the printer and fulfillment house get to put their name on the cover and dictate pricing. You, the publisher, should own your own online service, branded with your name, implementing your business model. We'll just sit in the background running the servers and managing the desktop conference for you.

Meanwhile those whom we were asking to take control so resented the fact that we were in control that they avoided opportunities for us to tell them that they should be in control. When we made appointments to make a presentation showing how an online + print media partnership could work, we were treated rudely before we had a chance to start. They were so uptight that we were showing up to assert control that they couldn't hear the message that we wanted to yield control to them.

### **The Two Reasons Reveal an Opportunity**

In 2012, long after print and broadcast media had time to become familiar with the way online media works, the same factors are still at work. The two reasons continue to explain why the big successful Web services do not come from print and broadcast media.

But if we study those two reasons we can come away with an understanding of a tremendous new opportunity. If you have "place" skills and talents, that is, an understanding of how people gather and how to serve them with useful places in which to gather for work or play or for the multitude of reasons people get together, then there is an opportunity for you. The opportunity is at the intersection of media and the Internet, but it has little to do with either.

Surprise, it has to do with real estate.

### Computers and Construction Materials

Just as it was impossible for the inventors of structural steel and reinforced concrete to envision all of the environmental factors that would have to be accommodated before their construction materials could transform the urban landscape as they expected, so it was with the inventors of computing. You can't just put a few million transistors on a chip and wire it to a display and expect the result to be Twitter. The human mind is not remotely powerful enough to make it happen that way. Furthermore the earlier, much less ambitious chips had to make money to pay for the development of the bigger chips that would allow chips in general to take the big conceptual leap. The task had to be broken down into the smallest elements, taxonomized, aristotized.

### Aristotle vs. Reality

Aristotle would have approved of the original computers and would be aghast at the way they have developed. After all, the computer started out as the perfect metaphor for his world, a neat representation of everything in hierarchical and taxonomic terms.

God\airfireearthwater\earth\host\c:\accounting\payables\vendor\aprilinvoice. Everything belongs somewhere in the branches of the tree.

But that has all changed. We have consumed the IT diet. The food had its structure, but now it's digested. It's time to look past the meal and toward the living structures built with technology's protein. And that is exactly what we are doing when we put resources on desktops and link things all over the place in ways that have nothing to do with the hierarchy.

We have started treating our computers like the media appliances they ought to be. We don't care how the system organizes files and other resources, we just put them where we need them.

That's a lot like the way we design real estate. We don't organize our spaces for living and working according to the categories of construction materials and methods used to create them; rather, we put meeting rooms and reception areas and living rooms where we need them. When we open a file or applet or use an object without wading through a directory path to get to it, we are bypassing old "information technology" to take a step toward media.

Two ways of thinking about what used to be "information technology" have legs. They will work for years to come:

1. Media works. Mindshare. Audience.
2. Real estate works. Spaces within which people do things.

Defining spaces in terms that are native to computers — volumes (disks) and files and directory hierarchies and file structures — well, they just won't work anymore.

It's really media. And it's real estate. It's no longer computers, or for that matter information appliances or software or XML or SOAP or even PKI. To be sure, those

are essential building materials. But to build a useful building you need to (1) know the capabilities of the building materials and (2) look beyond the building materials to the people the building will serve and the function of the building that will serve them. That's what architecture is all about.

Think reception areas and meeting rooms and multi-tenant office buildings and auditoriums and staging areas and hotels and conference centers and shopping malls (not those websites calling themselves malls, but real malls.) Then think about the groups served by those people: product development teams, accounting departments, ad agencies, professional associations (staff, conference exhibitors, special interest subgroups, etc.)

Real media estate. It's the future. It works. Real media estate finally makes these information appliances do exactly what we want them to do. That includes keeping private things private, and giving us real control over who sees what. It means having the facilities and tools to decisively win the war against online fraud, theft, and predation.

We have been taking slow steps toward making computers work for us the way we would like them to work. The next big step is real media estate. When that step is done, surprise: computers will disappear. Not the way the pundits have it, becoming physically invisible but still claiming a big piece of our awareness. With real media estate they literally disappear into the woodwork. Depend upon them as you would depend upon gravity and upon the office floor that acts against gravity. To use the office, you needn't think about either.

### **Be the Mayor of Your Community**

We hear a lot about online community. There's usually a lot of touchy-feely stuff in the discussion and very little about the economics of community, the revenue model, the way the managers of a community have to pay their bills.

That's a shame, because the business of community is as interesting as the human dynamics of community. A community needs to be managed. And while the audience aggregator's skills and audience assets are essential to online community, the community must be managed by someone with place skills rather than media skills. That includes urban planners, property developers, conference operators, hospitality professionals and others who understand what's involved in providing spaces where people can gather productively.

Wherever there is a viable physical conference there can be a viable online community. But the community cannot be positioned and presented as a conference. Picture a village or a city that exists only a few days a year, and you can see why online expos and conferences are often not very compelling. A physical conference exists for a few days every year or half year because it requires travel. By contrast a community is always there, always open, always providing an opportunity to mingle and schmooze and learn from your birds of a feather.



However, the *raison d'être* of the community is the same as that of a physical conference. Typically a conference serves members of a profession or industry or avocational group, and so it should be with an online community. It should include spaces that are zoned or at least designed for noncommercial activity as well as commercial districts. The whole community should be partnered with an association's magazine or newsletter or other highly targeted audience aggregator.

### **The Meaning of Controlled Circulation**

An essential part of a physical show and conference is the badge worn by attendees. It not only establishes the identity of the individual wearing it, but also attests to the fact that the individual belongs there – that is, the individual is a qualified member of the community. To commercial tenants, I mean exhibitors, it means that its bearer is likely to be a buyer of its products, or is likely to be in a position to influence those who do buy the products. To those who run the sessions, the badge means that its bearer is a qualified professional or qualified participant in an avocational community and is likely to be an informed contributor to discussions.

The badge underscores a big difference between a conference and a website. A professional conference is not a random bunch of people who happen to be in a hotel or gathered by the side of the highway in a website. Rather, it is a community – a real community, not the kind of thing that Web pundits like to call a community.

### **The Paywall That Actually Pays**

In 1981 I had Delphi join something called the Videotex Industry Association. There was no videotex industry, but we did have an industry association. It was populated largely with publishers and broadcasters. (Actually back then Delphi was called General Videotex Corporation (cringe).)

One of the big names in the videotex non-industry was Prestel, a service of British Telecom, which offered news, weather, sports, travel services, real estate listings – a veritable World Wide Web before its time. Prestel had an interesting page-oriented revenue model: from any page you could click a button on its dedicated terminal (few personal computers back then) to get to another page, whereupon the price you just paid to flip to that new page would appear at the top of the screen. The standing joke was that Prestel could solve its financial problems quickly by scattering some random pages costing a million pounds each throughout the database.

Today's notions of media paywalls are not much better than Prestel's pay-per-page. People want information products. People can accept that the information products they want will eventually cost them money. But people do not want to shell out money explicitly for particular information products.

Let's compare a particular information product to a particular producer of electric power. In some parts of the U.S. one can choose to purchase electricity from alternate



suppliers, although all power is delivered through the same mains. All the various producers dump their electrons onto the wire; you can't distinguish your supplier's electron from another's.

But suppose you could. Suppose that an electricity tried to get you to pay a certain premium price for its steady current, free of spikes, under voltages and other irregularities. How much time are you going to invest in studying and analyzing the benefits of one electricity supplier over another? The answer is that we don't want to shop for electrons, we just want the light to work when we plug it in.

Similarly, we all want a basket of information products: stock prices, news, weather, sports, blogs, editorials, stories, etc. But if we were told to shop for each one, filling a basket one-by-one with the best information products for the best price, the basket would remain empty, regardless of how good the best deals on the best products might be.

We accept that we must pay monthly for our utilities: electricity, gas, water, broadband. We may grumble about the amount, but we know that the payment for broadband covers a lot of things, almost like a tax. As we do pay taxes to have roads and police and fire and schools – that is, to live in a place with the amenities of civilization – so we pay another tax for the bit tube that brings phone and entertainment and information. The quality of the entertainment and information varies a lot, but at least it's all there so I can pick and choose what I think is worthwhile at the time I choose to consume it. That is acceptable. Sorry, but paying a few dollars specifically for your online newspaper is not.

I know that somewhere in the mix of things that I pay my taxes and utility bills for, I will get value. Part of the value will be information. The value may be from your newspaper; it may be from another newspaper or newswire or blog or whatever. The point is that I will pay an aggregate sum for all possibilities and then pick and choose when the time comes to make use of whatever I make use of.

The per-information-product paywall will not work.

However, people do expect certain information products that are so essential to any online environment as to be considered infrastructure. Search, weather, maps, newswires, stock quotes, airline schedules, dictionaries, thesauruses, image libraries, etc. have all become part of peoples' expectations of an online environment. We pay for those products in two ways: with our monthly invoice for the physical delivery of them by broadband connections, and by letting the providers of the information products aggregate information about ourselves. Unlike the former, we never actually agreed to the latter; the providers simply took our personal information assets and put them on their balance sheets.

The producers of those information products use a variety of methods in an attempt to get paid for their work. The main business model was initially inspired by television, a medium where the identity of the viewer is knowable only on a broad demographic

basis. It's a thin-margin business model. The simplest is the "eyeballs" method, where qualified or unqualified viewers of a page serve to attract paying advertisers.

Generally speaking, the more the information product owner knows about its viewers, the more it can charge for advertising opportunities. The least information comes from the category known as "outdoor" advertising, the online equivalent of billboards, taxi-tops and lighted signage. In the advertising world, "outdoor" means "I really can't tell you anything for certain about my viewers." At the other end of the scale, the owner of the holy grail of audience builders, is the shop owner – either the local bookstore or Amazon – that truly knows its customer individually. The merchant with an individual relationship knows what sort of things you have purchased or are looking for, either as an individual or as a contributor to an organizational purchase decision. And so every participant in online commerce tries to get to where the local bookstore or Amazon finds itself.

Now, the local bookstore and Amazon tend to know what they know because you openly and voluntarily shared that information with them. Since the others don't have that kind of relationship with you, they tend to use a different technique to obtain information about you. The technical term for that technique is "larceny."

Besides being immoral and illegal, larceny presents other problems. For example, we all find ourselves on mail lists and controlled-access Web sites for groups where we don't really belong. When you try to glean a person's role in life from little snippets of their behavior, you come to some really silly – and costly – conclusions. I once found and purchased a back brace for my wife on an equestrian site. Now I get fancy, glossy, expensive-to-produce-and-mail horsey catalogs even though I have never owned a horse and have no intention of getting one. Everyone has stories like that.

The eyeballs or mass media mindset was never appropriate for the online medium. This is a controlled circulation medium. If you serve a targeted audience with a publication, you can be the one who brings the benefits of indoor space to your residents (readers) and tenants (advertisers.) We have seen the problems encountered by your users – problems that are a direct consequence of the openness – the lack of boundaries – of the Internet.

Controlled circulation databases are not built from stolen goods. Controlled circulation databases consist of personal information, that is, personal intellectual property, that was effectively licensed by those who populate the database.

That is the way it must work. Either obtain personal intellectual property by licensing it from its owner or accept the consequences that come with being a thief.

### **The Economics of Community**

Let's take a look at an online community we'll call Ophthalmology Village. It is only accessible to individuals who have a measurably reliable identity that is bound to an attested certification of their connection to eye doctoring.

Ophthalmology Village Inc., an Authenticity Enterprise licensed by The Authenticity Institute, is owned by you, the Mayor of Ophthalmology Village, together with the publisher of *Ophthalmology Today*.

Together with your co-owners you approach the business development chief at Megamedia Cable Corp. with a business proposal: allow us to provide an exclusive gateway that connects our members' cable modems and routers. The gateway enables a new revenue model: In any month when one of our members accesses the Net only through Ophthalmology Village, the management of the Village will pay his or her cable bill plus a little premium.

Our member has access to the entire outdoor Web and everything else the outdoor information highway has to offer. But he or she gets there through Ophthalmology Village, where Main Street presents all the products and services an eye doctor might want in pursuing his or her practice.

Isn't that the way the world works? We wake up in our bounded homes, and after breakfast we drive through our outdoor but still rather bounded community, out to the open highway and to our indoor place of work.

The shopkeepers on Main Street in Ophthalmology Village are for the most part the advertisers in *Ophthalmology Today*. Their shops might also appear out on the outdoor Web, but in Ophthalmology Village their owners know that whoever walks through the door has a reason to be there; and when they chat or otherwise communicate with a visitor to their shop, they know whom they are communicating with. Will the shopkeeper be willing to pay more for their buildings than they now pay for their site out on the open highway? It's a pretty good bet.

What about members of an Ophthalmologist's household? Should they get to the Net through Ophthalmology Village too? Yes, but in a "families" district that is separate from the eye doctor stuff on Main Street, unless they're also involved in the practice. If their role in the practice is administrative they'll enter through the Ophthalmology Administrators District, where the vendors of administrative tools and software will have their shops. Smart vendors of healthcare products know how important the people at the desk are when it comes to purchase decisions. The rent for the best locations in this district won't be cheap..

### **Media, Technology, and Real Estate**

One of IT's famous paradigm shifts is trying to get noticed. This one will separate those who want to hold onto the notion of IT as an industry from those who understand that IT is disappearing as an industry. The permanent industry that replaces it will provide a reliable source of income to those who are willing to migrate to it, bringing their IT skills with them.

The new industry is like combination of media and real estate. We'll call it Real Media Estate.

Media will merge with real estate. Non-physical real estate that is.

Software professionals: join us in this paradigm shift that will make those of the personal computer and the Internet seem like warm-up acts.

### **How to Build and Own the Next Generation Facebook from Your Den in 10 Easy Steps**

The Authenticity Institute offers a business modeling service called The Authenticity Economy, which is designed to facilitate the building and management of a Village® social network.

Let's take a look at the business of building and managing a Village® social network.

#### **What Is a Village®?**

You know what a village is. It's a community of people with a particular terrestrial location whose size and other attributes engender accountability, that is, where people tend to know each other well enough to cause them to act in an accountable manner toward each other.

You've also heard the term "global village" refer to the entire earthly population of interconnected human beings. The term was actually coined by James Burnham well over 100 years ago and well before the appearance of a new type of "telegraph" machines (i.e., personal computers) that were not necessarily bound to an accountable person at a knowable location. Today's "global village" is really a global mob or a dense global urban slum. Sadly, it's about human nature in the absence of accountability.

A Village® community is a village without the unimportant terrestrial part, but with the important accountability part. You behave differently in a village, including a Village® type of village, than you would out on the anonymous highway.

After reading about the other parts of the InDoors Infrastructure portion of the Quiet Enjoyment Infrastructure, one might conclude that a Village® is a set of InDoor facilities. Well yes, but there are outdoor spaces as well. On the outskirts of the Village® are spaces that don't even require a reliable identity, that is, an ID with an IDQA score. The outskirts of a Village® are a truly outdoor space, as outdoors as the information highway.

As you enter the Village® you're still in an outdoor space, although it's an authenticated outdoor space, a walled garden if you will. The space isn't "owned" in the sense that a particular building facility is owned; rather, it is owned by the residents of the community.

So combine some accountable-outdoor spaces with some InDoor spaces and you have a village. Besides those common attributes, of accountability and outdoor and indoor spaces, every village, including every Village®, is different.

#### **Village® Also Refers to...**

A trademark should try to be a proper adjective, which requirement fits well the full legal identity of the other instance where we use the term Village®. For you IP lawyers

out there, Village® identifies the product of the Authenticity Alliance enterprise Global Villages, Inc: the Village® Authenticated Social Media Platform. You build a Village® with Global Villages Inc.'s Village® Authenticity-Enabled Social Media Platform.

## City Planning, Governance, and Municipal Economics

### 1. Village® Outskirts

**Authentication: none**

**Location: outdoors**

**Price of access: free**

A Village® may or may not be visible from the Web. If it is visible, its outskirts are simply a single site or a group of sites to serve visitors to the Village®. Buildings may be built in the outskirts to serve the marketing and other purposes of the owners of the Village®, but those buildings will not normally receive the controlled circulation benefits that are available to property owners and tenants inside the Village® limits.

### 2. Inside Village® Limits

**Authentication: Osmio Provisional Certificate or better**

**Location: outdoors**

**Price of access: free**

This is still an outdoor space, although authentication is required for entry. This space may be separated into neighborhoods and districts, each of which may have zoning ordinances that affect the types of building that may be erected in them.

### 3. Village® Center

**Authentication: Osmio Provisional Certificate or better**

**Location: outdoors**

**Price of access: free**

This is still an outdoor space, although authentication is required for entry. Municipal buildings are located in this space. Building lots are at a premium in this space.

### 4. InDoor™ spaces in a Village®

**Authentication: Property owner specifies minimum IDQA™ score**

**Location: InDoors**

**Price of access: free**

Entry into municipal buildings requires a minimum IDQA™ score that is set by the Access Governance Board of a public Village® or by its owner in the case of an owned Village®. Entry into privately-owned buildings requires a minimum IDQA™ score and other access control requirements that are specified by the property owner.

Entry into office suites and other facilities within a building requires a minimum IDQA™ score and other access control requirements that are specified by the tenant.

Additionally, municipal building codes may impose minimum IDQA™ scores and other access control requirements on property owners and tenants. For example, a building code may require that a facility that houses children subject to COPA laws (i.e., under age 13) have a minimum IDQA™ Enrollment Practices score of 5.

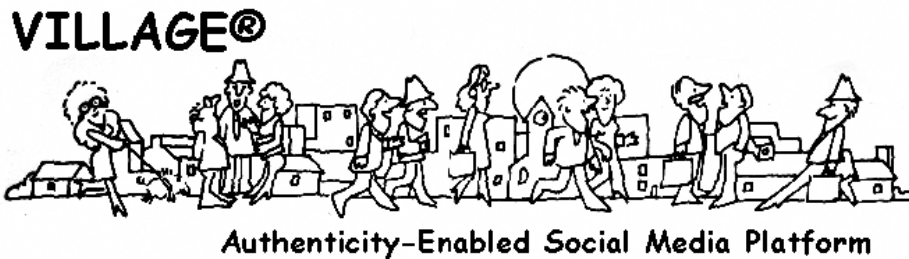
## 5. Governance of a Village®

The owner of a privately-owned Village® may appoint municipal officers and board members. However, the more the residents are involved in governance, the faster the Village® will grow.

A Village® may also be owned by its residents. In that case the recommended form of organization is a Delaware non-stock corporation.

A Village® is bound to adhere to the ordinances of its administrative capital, the City of Osmio. In instances where the laws of a terrestrial jurisdiction must be invoked, the laws of the Republic and Canton of Geneva shall prevail.

## 6. Village® Platform Technology



The Village® Authenticity-Enabled Social Media Platform is built upon the Elgg social media platform plus the SimpleSamlPHP authentication system and other services. The whole system runs on the VIVOS® host system. The VIVOS® host system is built upon OpenBSD, FreeBSD, or Dragonfly BSD, and other services.

## 7. Village® Economics

Our business model is called Real Life. Real Life is not media. The InDoors Infrastructure is about places rather than the stuff that occupies those places.

One thing for sure: if you want to keep the only two assets that your controlled circulation media partner owns, reader relationships and advertiser relationships, then the community has to stand on its own. You can't make a go of it as a tenant in America Online any more than you can with an outdoor website.

The owner of an InDoor facility has his/her/its own business model. As long as they pay their taxes, the owner of the community has nothing to do with their revenue model, as long as they're not violating ordinances.

Revenue to the Village® itself comes from resale of services provided by Osmio, mostly its Vital Records Department (Osmio VRD), and from “impost fees” (which sounds nicer and less controversial than “taxes” but means the same thing).

In Real Life, people don't pay to enter a town and they don't pay to enter its buildings. Revenue to the town comes from the use of the buildings (e.g. sales tax) and the taxes paid by the owners of the buildings. There is no “subscription model” in Real Life.

The Real Life business model works the way, well, real life works. Property owners build buildings and lease them out or occupy them, or both. Architects and contractors and the city are paid for their services in constructing those buildings. Those who occupy the buildings do so because they enable meetings and other forms of communication, or they enable the sale of goods or services.

*To see the current state of development of*

## ***The Community Component***

*...and to learn how your*

***experience in commercial real estate,  
social media, and urban planning***

*might be put to use in its development, please go to the Community  
Component Development Office at [osmio.ch](http://osmio.ch)*