

THE NFG

(Non-Fungible Gauntlet)

THE ZERO BULLSH*T GUIDE TO
REFINING YOUR NFT PROJECT

By Caleb Nachtigall

Thanks for downloading the NFG! It's a labor of love born from my years in the tech industry and starting my own startups and side projects. Ideas are fun to come up with, and there's nothing more exhilarating than bringing a brand new endeavour to life. Unfortunately, it's also very easy to get carried away and forget that every project has to be grounded in reality.

My hope is that this guide will help you cast a critical eye on your NFT project and refine it into something you're not only proud of, but something that stands the test of time.

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And of course, none of the info contained herein is financial advice. Starting a business is risky, and doing one in the NFT space is even worse. Be smart and don't get in too deep with money you can't afford to lose.

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Special thanks to my wife, my parents, Nate, Ray, Justin and my brother Jacob, all of whom inspire me to do better in business and in life every day.

Also, a huge thank you to Erica for copy-editing the NFG!

If you're looking to build an NFT project for the long haul, the NFG is going to be your best friend. It will run you through all the most important questions to ask yourself to ensure you have a rock solid idea and plan, and the best possible foundation moving forward. If you're trying to build a quick cash grab or a hype-riding derivative project, don't bother using this guide. It won't help you.

These questions are meant to be answered with brutal honesty, and your responses should be made with conviction. The harder you are on yourself going through this, the better your project will be in the end.

The NFG consists of three rounds:

Round 1: If you don't pass, you should not be doing an NFT project

Round 2: If you don't pass, you need to redo the core of your project

Round 3: If you don't pass, you need to refine your execution

How do you pass? You answer every one of the questions in a way that would make a wealthy or influential individual eager to buy in. Answer clearly and thoroughly with strong conviction, and back up your answers with proof. Remember, pure art or pure business, you're essentially building an asset that will create value for you and for your holders. That value might be money, might be community, or even social good. Regardless, imagine a crypto whale is listening to your answers to determine if it's worth sinking a million dollars into your project. Could you prove to them that this is a solid investment? If your fundamentals are solid enough to convince a whale to buy in, it's enough to get your target market to buy too.

Depending on the kind of project you're doing, some of these questions may not apply. Don't necessarily skip them though... perhaps thinking through it will give you a different perspective on what you're creating.

If you can pass all three rounds, you will have proven you have a project that's a good long-term investment and worth building.

I would like to make something crystal clear here: The NFG isn't a guaranteed path to selling out. There have been many projects that have pulled in millions based on a very loose value proposition and little else. CryptoPunks, Loot, MFers... they were done for the heck of it, without much thought to utility and long-range plans. So why are they so valuable? In a word... luck. Some collections just hit the cultural zeitgeist perfectly, get a chance celebrity endorsement, happened to be first to the market with a particular idea, or manage to capture that lightning in a bottle and take off. The problem is, it's virtually impossible to intentionally create a viral project like that. That's why we're focusing on the fundamentals we can control. That said, it also turns out that a high-quality project is much more likely to get hit with said luck than a haphazard attempt.

There's also the consideration of staying power. Yes, a collection might pop off huge now, but what about in a year (or three) or during a severe market downturn? You want to build something that can stand the test of time and continue delivering value for years to come.

So, sit down with the NFG, pull up your favorite power music playlist, and start answering the questions. Go deep with your answers, grill yourself, and don't move to the next question until you feel 100% confident in your response. And with that said, let's go!

ROUND 1

If you don't pass, **you should not be doing an NFT project**

Four simple questions, but these will make or break your project. If you can't get past this first round, you need to go do something else. Proceeding anyway will lead to burnout, potentially damaging your reputation, building a worthless project, or failing after you've sunk a lot of time and money into the idea.

01. Why are you doing this project besides making yourself money?

Let's be perfectly honest: almost everyone in NFTs is here for the potential financial gain. However, there's a difference between being an artist looking to monetize your work and a crypto bro looking to fill your wallet using whatever crappy low-effort project you can manage to spam into existence. Money can be a big motivation, but your project has to bring some sort of real value to the holders and the space. If you are only here to cash out and not provide value, your reputation is gonna get eaten alive.

02. Is this a derivative project?

This answer really should be no. Unless you have an extremely compelling reason why this adds value to the original collection or narrative, you're just hijacking someone else's efforts and using it to build your brand. It communicates that you aren't creative enough to come up with your own brand, and it's relying on a passing fad to carry your narrative. Just don't do it.

03. Do you understand how crypto, NFTs and smart contracts work?

If you don't, go learn and come back later. You don't have to be a professional, but you need to know the basics of how everything functions before you start building in the space. Spend 40-50 hours researching, watching videos on YouTube, following people on Twitter in the NFT space, and maybe even buying an NFT or two yourself. That way you have some hands-on experience and will be able to make your project decisions from a place of knowledge.

04. Are you prepared to make this your life for the next year or two?

If you're looking to create something that truly has value, it's going to take time to build it. Don't expect to be in and out in 6 weeks. You're going to be building, leading a team, spending time marketing, connecting with the community, and many other steps to get to mint. Then you've got a project to carry after you raise your money. If you don't want to spend that kind of time and effort, don't jump in.

**SO, ARE YOU PREPARED TO BUILD
SOMETHING OF REAL VALUE?**

**WE STARTED EASY, SO BUCKLE UP. ROUND 2
SIGNIFICANTLY CRANKS UP THE HEAT.**

ROUND 2

If you don't pass, **you need to redo the core of your project**

A strong foundation is critical for building something that lasts. It's easy to gloss over some of these questions, but if the core of your idea is rotten, no amount of marketing and hype will make it sustainable.

01. What is your one-sentence pitch?

If you don't have this, you're dead in the water. You need to be able to articulate the heart of your idea in a single sentence, even if it doesn't cover every detail. And more than that, if it isn't interesting, your core idea probably isn't interesting and you need to go back to the drawing board. It's extremely helpful to spend some time writing it out and workshopping it to be as meaty and concise as possible.

02. What is your 2-3 sentence value proposition?

Is it short, punchy and compelling? Does it communicate the soul of your project with a clear value proposition? It should have people excited to get involved and wanting to learn more. If you can't fit it in a few sentences, you have too much going on in your project and you need to do some weeding. Again, writing it out and spending time wordsmithing is hugely valuable.

03. What is your utility?

Can you articulate it without it being all over the place? Could be access, art, community, p2e gaming, passive income, charity, etc. Not every project will have the same level of utility, but there has to be something compelling to get people to mint. A purely art project may be able to exist without a practical utility, but even in the case of something like a Fidenza (or other fine art collector's NFT), the utility is essentially a store of value and an object of beauty (like a real painting). Also, does your utility make sense for the kind of project you're doing?

04. Who is this for?

Know your target market. If you aren't trying to reach a specific group of people, your marketing and message will be uninspiring and ineffective. Create a persona of the kind of person (or people) who are going to mint and support your project, and tailor all of your messaging to them. Bonus points if you've actually gone out and talked to people who fit your persona, so you know what they like and want.

05. Does anyone actually want this?

You may know who your project is for, but do they want it? Are you solving a real, tangible problem, or creating a solution that's looking for a problem? And is your audience willing and ready to pay you to solve that problem? They might want beautiful art, but is yours considered attractive by the right people? They might want an outdoors community, but will hikers and campers buy an NFT to join it? If there isn't an obvious, immediate and clear need for your project (backed up by research), you should be talking to your target audience to find out if they even want what you're offering. Don't

create a solution for a problem that doesn't exist.

06. How does minting this bring someone value?

Are your buyers getting the equivalent benefit out of what they spent? 1 ETH to play the equivalent of a basic browser game probably isn't worth it, nor are voting rights in a DAO that votes on what kind of bread the pigeons in the park get fed (although, who knows... maybe that one would fly with the right audience). Profits from flipping can be considered value, but you're nearing the scammy end of the value spectrum if that's the only reason someone would buy into your project. Similar to your utility, you have to make sure the money they're spending gives them a comparable or greater return.

07. Are you delivering value to your holders from day 1 or earlier?

Long-term vision is super important, but you can't operate your project with the mindset that you'll build the value after you mint out and have the money. Can you bring benefits from day one, or even before the NFT part launches at all? Making free content, helping other people in the NFT space and/or your target market, providing resources and expert knowledge in the same arena as your project, connecting with people on Twitter and Discord in other communities, creating an interactive demo or sample of what you're building... all these things let you prove that you A) care about the problem you're solving, and B) aren't just here to make money and run. Offer so much value right from the start that anyone that comes across what you're building feels foolish for not minting and getting involved.

08. Do you care about the problem you're solving or the market you're engaging?

If you don't have the passion and drive to keep building in your chosen market space for several years to come, pick something else. Solve problems you want to solve on a personal level, otherwise your brand voice will sound hollow and you won't put in the work needed to drive real value. Plus, you'll end up burned out and discouraged if you don't love what you're doing. And just because there's money to be made in the market doesn't mean it will keep you engaged.

Remember, your mint day is the true Day 1 of your project, not the finish line.

09. Do you understand the problem you're solving?

It might sound like a slam-dunk to do a project around educating orphans in Namibia or building a trading platform for advanced NFT traders, but if you don't understand the African education system or high-risk finance strategies, you'll fail. Understanding the domain/market also helps you hone in on the problem you're solving and avoid common pitfalls and mistakes. Either know your chosen domain yourself inside and out, or surround yourself with people that do.

10. Do you know how to do the things required for your project, or are you capable of organizing a team to execute?

Are you equipped to realize your vision? Just having a "million-dollar idea" and assuming you'll be able to pull it off yourself or assemble a team out of thin air to make it happen is probably unrealistic. You need to know how to find the people you need and get them sold on being part of the project right at the start, or you need to be rather multi-talented to do it solo (and even then, an NFT project has a lot of moving parts and it is unlikely that you'll be able to handle it all yourself). Don't bite off more than you can chew, and get good at networking.

11. Can you actually do what you want to do with the resources you have?

What's required for success in terms of team and money... and can you get that? Verbal commitments and assumptions are nice, but things don't always go as planned when the rubber meets the road. Hiring costs money, as does infrastructure, art, development, marketing, and so on. You'll need cash or network connections up front to get the project off the ground, and if you require an extensive video marketing campaign or advisers from a specific industry, make sure you can actually get those before you commit to moving forward.

12. Is the project sustainable?

If ETH bottoms out, volume dries up, you encounter heavy FUD, or your built-in token goes to zero, is the project sustainable? If not, what's your contingency plan? This is especially important for projects that require tokenomics to function. Be harsh and run the numbers in a worse-case scenario. If you require a constant influx of new members, heavy sales volume or a huge liquidity pool to survive, you're going to have a hard time keeping the project going.

13. Do you have a revenue plan?

And for the love of Doge don't say "ROYALTIES, DUH". Royalties depend on secondary market volume, and unless you have immense demand with constant buying and selling, that's going to dry up faster than a puddle on a hot day in Arizona. How are you going to keep money coming in to fund operations? Things like stacking the mint profits in a treasury wallet and running operations extremely lean, additional NFT drops or creating a token help ensure you can continue paying your team and keep things going for years to come. Better yet, can you turn the project into a self-sustaining business with diversified income outside the NFTs themselves? Whether through subscriptions, merch, services, monetizing your community or platform, selling the byproducts of your project, or something else, is it possible to create extra streams of income from the thing you've built? Just make sure that the plan is grounded in reality and that it's not based on wishful thinking or overly-optimistic future targets.

14. Can you build a meaningful community around it?

Everyone wants to be part of something bigger. While it is possible to get by without having a community, you will find a much stronger following if you give everyone a common identity to unite under and a place to gather. Make sure your project can attract and maintain a devoted group of followers that are there for more than just whitelist spots or a quick mint-and-flip. Have you considered how you are going to foster the kind of interaction you want? Building a strong community requires intentionality and effort, and unless your whole project team and mod group are on the same page, things will revert to the lowest common denominator... which let me tell you, ain't pretty.

HEY, YOU'RE DONE WITH ROUND 2!

FANTASTIC JOB.

**BETTER GRAB A DRINK AND PREPARE
YOURSELF... ROUND THREE IS QUITE THE
CRUCIBLE.**

ROUND 3

If you don't pass, **you need to refine your execution**

Ideas are great, but basically worthless. The thing that really matters is execution over time. You don't have to have everything perfectly figured out right at the start, but you do need to think through the details and be prepared.

01. What is your roadmap?

Your roadmap should be clear, realistic, and fit thematically. Ask yourself if you actually need everything in it. Less is always better at the beginning, and you can always add more as time goes on. Under-promise, and over-deliver. And speaking from experience, absolutely do not promise the moon and just assume you can deliver it once the money comes in. Be realistic in what you can deliver and how long it will take.

02. Is your roadmap full of hot air and gimmicks?

ETH lotteries and giveaways, generic airdrops, DAOs and voting / community wallet, 3D collection immediately following the 2D release, alpha channels, charitable giving, metaverse integrations and land purchases... Some of these things can be good in very specific situations, but more often than not people mindlessly cram these into their roadmap and it ends up being nothing but buzzwords, marketing hype and fluff. Cut the fat and only include things that make sense and add lasting value.

03. What is your mint strategy?

A combination of price, collection size and gating access, you have to match the value of your project to the mint process that makes sense. Too expensive, and it looks cash grabby. Too cheap, and you devalue your offering. Whitelist is good, but would a fully public sale make more sense? Will a Dutch auction actually let you find a good price, or will it piss off your fans? Pick a system that accomplishes your goals and not just whatever is hot at the moment. And when it comes to your collection size, pick something that makes sense for your market. Often times, a smaller collection means better value per NFT and more connection with your audience. Conversely, if you're running a gaming project that engages a large userbase, doing a 30k collection might make sense. Make an informed choice and don't just pick an arbitrary number.

04. Is your timeline to mint realistic?

Push things too quick and you'll end up taking shortcuts that hurt you in the end. Give yourself enough time to build a real following and make your value proposition clear to the community. You also need to make sure the artwork is done and checked over, smart contract is fully audited, and your team is ready to deal with the chaos of the mint. Assume that whatever time you estimate things to take, double it and then add 20%. That's slightly closer to the realistic time-frame, but it'll probably still be short.

05. Do you have enough money to get to your mint?

There are startup costs for the contract deployment, marketing, website, artist, mods,

developers, and so on. Minimum is usually around \$10k, and while there's a lot you can do yourself, it's safer to budget for something closer to \$30k if you want it done well. Sharing a percentage of the mint with key members of your team (dev, art, marketing) is a great way to cut down on up-front costs, but be aware some people will want to only be paid up-front. Also consider that you get what you pay for... an artist charging \$2k typically won't be delivering as good of work as one who's quoting you \$12k, and the quality of your web3 developer will be the difference between a smooth mint and an absolute disaster.

06. How much money do you need to raise?

The more you raise, the higher the expectations are on you and your ability to deliver. Be realistic in what you need, but also make sure you're raising enough. Yes, we all want to walk away with those sweet crypto gainz, but do you really need \$15m for an art PFP collection with a "vibes only" roadmap? Add up your projected costs and figure out how much money is required to get to self-sufficiency or the end of the project life. Add whatever you need to account for taxes and the founding team withdraw, and that gives you your target.

07. How much money are you taking for yourself/ your team?

Pull too much out of a project and you'll kill it. If you're an individual doing a purely art-for-art's-sake project, cool... probably makes sense to take everything that you make. But if you're building something like a game or providing long-term value through utility, you should plan on leaving a majority of the total mint income in the project treasury. In fact, ideally, the founding team shouldn't take more than 20% TOTAL from the mint if the point is to build something useful. You want to leave plenty for project growth. And expecting royalties alone to fund everything is shortsighted and most likely won't leave enough cash to accomplish your goals long-term. Certainly take enough to repay your time and effort, but don't get greedy.

08. Is your team fully doxxed?

Hint: the answer should be yes. Unless there is a particularly compelling reason to hide the identity of yourself and your team, fully doxxed is the way to go. It builds trust and lends a ton of legitimacy to the project. Being anonymous makes it far easier to rug, and as the number of scam projects increase, putting your reputation on the line is invaluable. Give them a name and a face to connect with, and your project will be stronger for it.

09. What is your brand and brand voice?

Your brand is going to make or break your project. It's the public face to everything you do and the DNA of your marketing. It's your project name, logo, colors and fonts, art style, social media style, etc. Does your project name fit your vibe and goals? Is it memorable? Do you have a clear logo that works as a social media profile image? Do you have a brand guide to keep your visual style consistent? What is your brand voice? Does your tone match your brand? These are all hugely important things to consider and why it is best to at least consult with (if not actually hire) a graphic designer for your project. People's first impression of your project will stick with them, and if you fail that with a shoddy brand, you might not get a second chance to catch their interest.

10. Who is on your team and how are you assembling it?

Unless you're doing an individual-artist-type project, you're going to need a founder/ project manager, developer, marketer, community manager + mods, artist, and legal council at minimum. Some of those can be contractors or hired services, and it's possible to have one individual cover multiple roles, but how are you going to find them? How are you going to compensate them? Do you

only need them pre-mint, or is it an ongoing engagement? Finding quality people is hard, so it's good to start networking early and often.

11. How are you getting your art done?

Are you going with a contract artist from Fiverr or hiring someone independent? Is the artist skilled? Good artists often don't want to touch the NFT space, and bad ones will leave you with a sub-par end product. Do they have an existing following you can leverage moving forward? Do you know how to communicate what you want to your artist? Have you been clear with them that it is for an NFT project and decided how the IP licensing works? How are you paying for the art? Can you credit them by name, or do they want to remain anonymous?

12. Is your art high quality?

Art matters. A lot. It's an integral part of your brand, and that's why you don't want to cheap out here. Does your art match your project theme? If your project is about saving the trees, but your art is hyper-realistic 3D alien businessmen, that dissonance will turn people off. Is the art good? While amateur-style art sometimes work (VeeFriends, MFers), for those projects, it fits the brand. High quality art is always preferred because it subconsciously signals quality. Hiring the cheapest artist you can find on Fiverr will usually get you a fraction of the quality you'd get dropping \$8k on having an independent artist do it. Does your art have a distinctive style? Is it consistent? Does it have a harmonious color palette? Are the traits or theme just a rehash of the current meta? If you truly want your project to stand out, do something unique. Your art should never be an afterthought.

13. How does rarity play into your collection?

Rarity is important if collectibility is part of your core concept. Have you worked out your rarity tables? Are they balanced? Are the common traits and basic versions still attractive? Your whole collection should look good, with the legendary ones looking several notches better than the rest. 1/1 art pieces are awesome to drive hype and interest, but remember to budget for them as it will take your artist more time to do those. If rarity doesn't matter, consider how that might affect your mint strategy (instant reveal, no need for a listing on rarity.tools, etc).

14. What is your marketing plan?

Your project lives and dies by attention. How are you going to drive interest? Giveaways, whitelisting, influencer marketing, paid ad spend, they're all fairly easy to execute but your results will probably be inconsistent and that arena is rife with scams and botted accounts. Purely organic and word-of-mouth are going to net you higher quality results, but it takes far more time and dedication. Finding that balance is up to you. Is your marketing aligned with your project message and brand values? Consistency across your whole brand is important. Do you have enough budget to cover your marketing? Whether influencers, paid ads or a marketing director, make sure you have enough money set aside to get good results. And if your budget is small or non-existent, do you have a creative plan for pushing your message? Are you listing your project on things like rarity.tools or one of the many NFT launch calendars? Do you have a social media calendar set up to keep your posting consistent? Have you decided what platforms you're promoting on? Do you have a list of collaborators and influencers you can or want to work with?

15. How are you engaging and structuring your community?

Setting up a Discord is easy, but then what? Is it closed or public? How do you handle security? What channels are you going to have? For instance, don't have an alpha channel or a meme channel if it doesn't fit with the kind of community you want to build. NFT holder vs. non-holder privileges...

what does that look like? Do you know what bots and tools you need to manage the community? Do you have a mod team ready to go? And more important than that, are you personally able and prepared to engage with your community? You need to be ready to talk and connect with people, both on social media and in the Discord. You can't rely on a mod team to be the sole voice of your brand. Are you willing to get on a Twitter Space or your Discord voice chat and talk with people regularly? Are you prepared to deal with FUD and negativity with grace and respect?

16. What's your plan for your smart contract?

Web3 developers are in extremely high demand right now, so have a plan for how you're getting your smart contract done up. If you have some programming experience, you might be able to do it yourself and have someone who knows blockchain security do an audit before publishing. Do you have enough money budgeted to hire your developer? You want to hire someone good, or you'll regret it. An unskilled programmer can easily make a mistake that leaves you open to exploits, tanks your mint and crashes your project. Do you know what you need your contract to do? A basic ERC721 contract is straightforward to create, but if you require a custom token, NFT staking, or on-chain game mechanics, that is much more involved. Communicate your needs clearly to your developer and listen to their feedback. Do you know how to find and vet a developer before hiring them? Do you need ongoing development support post-mint? Are you prepared to cover the cost to deploy and update your contract on your blockchain of choice?

17. What's your plan for the website?

Your website is the hub for your project. A source of information and the place to do the minting, don't cheap out on this step. Even if you're minting your project through Opensea or some other platform, you still want a well-built and beautiful website for promotion. Have you accounted for security and mint day traffic loads? Do you have a designer handling the visual side? Do you know how you're doing the web3 integrations for minting? Does the website look good on mobile as well as desktop?

18. Have you accounted for taxes and legal considerations?

An NFT mint isn't free money. There's taxes to pay, and in order to minimize those you want to have the project within a business entity before any crypto changes wallets. You need to pay your team, track expenses, and generally operate like a business if you want to avoid the ire of your friendly local tax authority. Do you know what business structure makes the most sense for you? How are you handling taxes and have you talked to a CPA? Do you have legal council to make sure your project doesn't run afoul of local and national financial regulations? In the USA, it's easy to inadvertently create a project that is an unregistered security or gambling system, and that comes with hefty fines if you're not in compliance. Have you considered copyright, intellectual property rights for NFT holders, contracts for artists and developers, NDAs if needed, partnership agreements, and so on?

Alright... there's just one more question to answer:

Are you prepared to commit to this?

This is perhaps the most important question. Doing an NFT project is a long-haul commitment. The money looks attractive, but what about when the crushing weight of expectation is on you, the art isn't working, the smart contract ends up being exploited on mint day, or you realize you're stuck providing utility for months if not years after the mint is complete? After the fun wears off, do you really want to be doing this for the next half a decade potentially? And are you prepared to shoulder the responsibility and nearly 24/7 commitment required to see it through?

You need to know what your values, goals and limits are before you start building, and pick a project that aligns with that. Don't get stuck doing something you'll hate in six months, and make sure you're prepared to sink a significant amount of time and money into your project to make it successful. Trust me... it's a decision you don't want to make lightly.

Consider too that it's far easier and often more financially lucrative to join someone else's project and help them build for a percentage of the mint rather than to get locked into your own project. There are so many opportunities to make money in this space and many of them require significantly less commitment than being a founder.

Know your values, and be sure that starting your own endeavour is going to be worth the cost.

AND WITH THAT, YOU MADE IT TO THE END.

How did you do? Remember, it's not a personal failure if you didn't make it past Round 2 or 3. Every idea needs refinement, and your first take will be wrong 98% of the time. On almost every project I've created, I go through at least 6 major revisions before I get something that feels close to right, and even then there's always further changes as things grow.

The key is to never get married to your ideas and remain as objective as possible while you refine everything. Get some distance and really tear your concept apart. It's better to completely invalidate your idea before you even start building than to be nearly complete and realize there's a fatal flaw.

Building an NFT project is a huge endeavour, painfully difficult at times, but oh so worth it if you can pull it off. Make sure you're connecting with other founders and communities in the space, taking time to stay sane, and pacing yourself. The space is moving fast, but building something of quality requires a marathon mindset. Stay strong, keep going, and you'll potentially have a life-changing mint ahead of you.

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If you found this guide valuable, please let me know over on [Twitter \(@calebnachtigall\)](https://twitter.com/calebnachtigall). I always welcome feedback and would love to hear if and how the NFG helped you. Give me a follow too if you want more content like this.

Thank you again for reading, and best of luck to you on your project!

- Caleb Nachtigall