

# **Kyield Enterprise**

## **Investment Guide**

### **Products and Pricing**

**May 1, 2014**

Kyield Enterprise is a distributed operating system designed to optimize organizational and individual performance through science-based technology and analytics. The architecture provides new value with adaptive data management combined with advanced analytics tailored to each entity, which also enables consolidation of select legacy IT value across the enterprise. The patented AI system exploits low cost commodity hardware, open source software, and industry data standards to deliver advanced analytics embedded across the workflow through modules that interact with humans to act as the brain centers for the enterprise neural network.

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**<http://kyield.com>**

## Kyield Enterprise Price List

Product Or System	Entity Type	License Fees \$	Training & Certification \$	Minimum Or Prerequisite	Maximum KWs
<b>CKO Engine</b>	Organization	25000	12000	1 unit	50000
<b>BU Module</b>	Business Unit	10000	3000	1 unit	25000
<b>KW Module - 1</b>	Individual	475 PP	N/A	500 KWs	2500
<b>KW Module - 2</b>	Individual	380 PP	N/A	2500 KWs	5000
<b>KW Module - 3</b>	Individual	310 PP	N/A	5000 KWs	7500
<b>KW Module - 4</b>	Individual	260 PP	N/A	7500 KWs	10000
<b>Baseline Predictive</b>	CKO + Any	+25% each	CKO + 3000	CKO + KW	SA CKO
<b>Knowledge Currency</b>	CKO + Any	+13% each	CKO + 3000	CKO + KW	SA CKO
<b>Kyield DC Security</b>	CKO + Any	+17% each	CKO + 3000	CKO + KW	SA CKO

### Price List Notes:

- Prices are annual USD as of 5/01/2014 for on premises or private cloud (public is planned).
- Initial install is typically a carefully planned pilot and expansion plan with two-year minimum.
- Prices are limited to only those Kyield licenses, products, and services listed. Other essentials include but are not limited to: database/productivity/communications software, hardware, hosting, bandwidth, and system integration, which can only be estimated with an analysis of the specific enterprise.
- Estimates for services related to enterprise-wide systems generally range from 200 to 1000% of the software license and/or product cost. Kyield Enterprise generally falls within 2<sup>nd</sup> quartile.
- Incentives are provided to extend Kyield Enterprise to entire work force due to extensive evidence-based research revealing multiple critical values for customer.
  - Four examples of the scale incentives are provided (KW Module 1-4) for the purpose of consideration and planning (for any single customer: corp., assoc., gov't, NGO, or network).
  - The scale incentives reflect Kyield's organic growth model focused on mid to large size organizations that can realize the most value from the system. A small business version of the product is in planning stages.

## Kyield Enterprise Benefits

Functional Benefits & ROI Priorities	KW Module	BU Module	CKO Engine	Kyield Currency	Baseline Predictive	Kyield DC Security
<b>Risk Mgmt./Crises Prevention</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Accelerated Discovery/Innovation</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Auto/Semi-Auto Data Mgmt.</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
<b>KW &amp; Enterprise Productivity</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>IT TCO Consolidation/Reduction</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			

### Benefits Note:

- Actual cost of enterprise-wide systems is dependent upon many issues, often collectively referred to as total cost of ownership (TCO). Costs represent one side of the investment equation. While Kyield Enterprise offers both cost consolidation and increased benefits, the benefits are much greater in most cases, yet are more challenging to forecast. Kyield therefore employs deeply tailored use case scenarios for informed decisions.
- A recent analysis of a large-scale project estimated that Kyield's adaptive data management would reduce integration costs by approximately 50%, or about \$200 million within first 5 years in the subject case (in addition to more valuable benefits).

## Definitions and Descriptions

**CKO Engine:** 'Chief Knowledge Officer' Engine, which represents the original goal of Kyield to design and develop the ideal system to achieve the goals of a hypothetical 'super CKO', or mission of the organization, on a continual real-time basis. The CKO Engine achieves adaptive data management for all of the entities in the organization within regulatory and corporate parameters, and also sets permissions for additional engines and modules, security and privacy settings, algorithms, and all other enterprise-wide functionality relative to data management and analytics.

- Multiple CKO Engines are required for the largest organizations to achieve optimal scale efficiency.
  - Scale maximum levels vary depending on the type of organization, data complexity, volume, bandwidth, hardware, database, regulatory requirements, and other factors.
  - A ratio of one CKO Engine per 50,000 employees with average data requirements is a good starting point for planning.
- The CKO Engine is currently the only function that requires extensive training and certification due to the governance, regulatory, and operational issues involved across the entire organization.

**BU Module:** 'Business Unit' Module, which is a slimmed down version of the CKO Engine with slightly different functionality focused on specific needs of business units, whether for regional regulatory and cultural requirements, functional expertise, operations, marketing, or combination thereof. The adaptive data management tailored to the profile allows for semi-automated and automated customization to the single digit data granular level, meaning almost any need reflected by data can be accommodated.

**KW Module:** 'Knowledge Worker' Module, with intent and incentives to include as much of the human workforce as possible, including those not normally considered knowledge workers. Case history reveals clear benefits in data analytics to include all employees in the organization with increasing need to integrate sensors, video, and robotics in fully automated mode. While the KW Module for each individual need not be a member of a business unit, in practice most are. All modules in the system are interactive on a continuous basis with simple semi-automated settings for functionality that falls within the regulatory and governance parameters set with the CKO Engine.

**Knowledge Currency:** 'Knowledge' Currency, which is Kyield's proprietary digital currency, is specifically designed to optimize the value and output of individual and organizational knowledge and intellectual assets. The currency is formulated from a large number of data points in the system that can be tailored to each organization, business unit, and individual, depending on the mission and goals of the parties. One of several options is to formally integrate into compensation and trade for internal and external purposes and convert to national currencies.

**Baseline Predictive:** A continual algorithmic process across the data workflow in Kyield Enterprise that can be semi-automatically adjusted to a limited degree through the engines and modules to look for specific issues, such as prevention of crises, potential fraud or other criminal activity, accelerated R&D discovery, or growth potential.

**Kyield DC Security:** A particular type of Data-Centric security that provides an extra layer of security for the organization either from internal access or in the event data is lost or hacked. Kyield's security includes both encryption and algorithmic techniques.

**SA CKO:** 'Same As' CKO Engine. As with most deeply structured analytics, efficiency of processing queries tends to decrease as data volume and complexity increases. The actual number of knowledge workers that can be included in each system varies considerably depending on the data structure, applications, bandwidth, and underlying stack of technology, including hardware, database system and other software.