



Cogmento

Distributed Enterprise Applications

Whitepaper 1.1

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Cogmento

Distributed Enterprise Applications

Abstract

What is the benefit of DAPPs and how will they change the future? Today, Salesforce, the Ferrari of SaaS costs about \$125 per-user, per-month to \$375 for their flagship product. In contrast, a DAPP based CRM could cost 1% as much - \$1.25 or lower - \$0.125 as the economy of scale overtakes fixed costs. When Salesforce grows from 1 million users to 1 billion, will they pass the savings on and lower the price? Probably not. But in the world of DAPPs and distributed computing, everyone wins at scale. That's why there's Cogmento.

But it's not just about less expensive – it's about distributed, immutable, encrypted, and with extremely tight levels of access control, and consensus, and staking. The benefits of blockchain have a place in enterprise applications. It's Cogmento's mission to make this a reality and bring enterprise software to its next phase of revolutionary development.

History

Cogmento is the first next-gen CRM and other enterprise apps powered by blockchain. Since 2003, our team has offered FreeCRM.com and CRMPRO.com to over 500,000 companies worldwide. With 16 years of CRM experience in the cloud, we decided to take the next step and begin moving from the cloud to fully distributed, enterprise apps using blockchain. With today's high-security requirements including encryption of data at rest, immutability, and accountability, the future of fully distributed computing vs. monolithic centralized clouds necessitates the migration to hybrid-blockchain solutions and fully distributed decentralized infrastructure.

Business

CRM, or Customer Relationship Management software lets businesses track information as it relates to other entities. Primarily, CRM is used to follow sales leads and help salespeople organize and analyze their relationships and to help identify opportunities or steps that can be taken to make more sales. But CRM is more than that and can be

thought of like today's groupware throughout the business. Not only is CRM's used to power sales teams, but they are also used extensively in customer service desks as well as helping in internal workflows, like task management and project management. CRM's function as communications tools for marketing and promotion. CRM is a rich collection of functionalities that enables businesses to be more informed about all kinds of decisions that happen every day.

CRM software and COGS powered software is purchased in the cloud on a subscription basis, typically paid per month or annually. Today, there are relatively few CRM vendors who sell boxed, licensed or installed software. The bulk of the market is cloud-based solutions. Pricing ranges substantially in this area, with Salesforce.com at the top of the heap at \$375 per month per user (\$4,500 per user, paid annually) to as low as \$12 (Zoho CRM). Most CRM's are middle tier, such as Insightly (\$29-99) and most have various levels of features and pricing. Industry-specific solutions that cater to a particular market, such as automotive CRM, home financial CRM's and insurance CRM's tend to be on the higher side of pricing and are typical \$100-\$250 per month, per user.

Customers who use a CRM are effectively locked-in to a solution since all of their vital company information is contained in these systems. It's difficult to change and move to another one. Because of this, customers attrition for CRM is quite low; it's easier to switch email providers, hosting providers, or other services quickly. But due to the differences in databases, moving from one CRM to another is quite hard. It's not uncommon for customers to stick around a long time. We have some current customers over ten years.

From our history in the industry, we know customers tend to be long-term. Given no reason to switch to another comparable system, customer attrition can be very low. Additionally, we've learned a few things about why customers select one CRM over others, and what the pain points are and the value. Over the past 16 years, we have distilled this information to its essence, and that is the following: customers want something affordable, easy to use, and with excellent customer support. It's that simple. As a part of the Go-To-Market plan for Cogmento and Use of Funds, some of these guiding principles and critical learnings will be readily apparent.

Market

CRM – Customer Relationship Management software is now prevalent and ubiquitous in the cloud marketplace. The differentiation in the industry is around the user interface, pricing, and to some degree features.

Salesforce.com: the million-ton gorilla in the CRM space, their offering is very robust, very rich and overpriced for many. Requires annual payments in full at the beginning of the engagement. Valued at \$110 Billion USD, most of their profits feed growth, so pricing reflects their need to support sales with marketing. Their CEO, Mark Benioff, is a superstar and a great person.

HubSpot: Starting as an inbound marketing service, HubSpot has recently added a CRM component to keep customer attrition low. HubSpot's primary business is inbound marketing but has repositioned itself as a complete business tool that includes its own very basic CRM. Because HubSpot's primary business is not CRM, they have this feature baked into other offerings and also as a stand-alone. In general, very expensive as a total package, but very popular. USD 5.7 Billion market cap.

Insightly: Venture-backed, 190 employees, Insightly has been around since 2009 and raised some rounds totaling over USD 78 million. Their product development over the years has been slow, but they have excelled in providing a clean user interface. Only recently has their customer support been competitive.

SugarCRM: We remember when John Roberts launched Sugar back in 2004, and we helped Clint and the team with some early database work. The first Sugar was open source, and parts of it still are. Raised well over \$100 million USD.

Pipedrive: The newest, biggest kid on the block, Pipedrive's Kanban-style sales pipeline is their namesake and so good that every CRM has one now. With over 350 employees and 50,000 customers. Having closed 9 funding rounds, Pipedrive has raised over \$91 million USD with a USD 60 million Series C completed in 2018. The product was recently updated and is clean and responsive and very well-liked by users.

FreshWorks: Exemplifying the breadth of CRM features, Freshworks delivers component-based, or modular packages in sales, call center, chat, service desk, and team management. One of the most complex solutions for customers, their pricing is very competitive on a per-component basis at \$12-\$80 per month per user. Great interface and a focus on customer service, Freshworks has raised over USD 249 million and was valued over USD 1.5 Billion.

Team

In 2003, Eric Stone and Harel Malka launched FreeCRM.com and CRMPRO.com, growing to over 500,000 companies using the product worldwide. In 2017 Eric and Harel began modernizing the CRM system using cutting edge technology from Facebook – React – and started to build our first Android and iOS apps. During this development it became apparent that particular features of blockchain would be extremely valuable to CRM systems – encrypted and secure data with tight access controls, immutability of data, and the ability to predict or stake outcomes and workflows.

Eric Stone, the CEO, has also been working in blockchain since 2013 and has built some popular mobile wallet applications. With 39 years of programming and 23 years of executive startup experience and 16 years running a CRM company, Eric brings broad expertise in operations and management, financing, and technology. Eric has lead operations at the biggest companies in the world such as Wells Fargo, Toyota, and Kaiser Permanente. Eric has also delivered solutions to the US Army and Navy, the Chicago Mercantile Exchange, and Network Solutions among others. Programming since 1980, Eric is at home in just about any programming language and holds a master's degree in biotechnology and dual bachelor's degrees in biochemistry & molecular biology, all from Boston University.

Harel Malka, CTO of Cogmento has been the CTO of FreeCRM.com and CRMPRO.com since 2003. As our technical lead, Harel brings over 20 years of engineering experience for large scaled apps in advertising as CTO of Glow Media as well as leadership architecture positions at BBC Worldwide. As a senior architect and lead developer, Harel is an adept full-stack engineer and excels in many programming languages but prefers Python. <https://www.linkedin.com/in/harelmalka/>

Oscar Aguilar is Cogmento's Senior Full Stack Engineer and brings over six years of mobile and web development experience spanning a range of cutting-edge technologies both front-end and backend. Oscar has been active in the cryptocurrency space as well, having worked on a DEX, a distributed exchange as a technical lead. Oscar holds a Master's of Computer Applications from the National Autonomous University of Mexico. <https://www.linkedin.com/in/oscar-aguilar-279b44166/>

Objective

Just as software as a service revolutionized the enterprise software paradigm, DAPPs, distributed applications and architectures will embody the next-generation of decentralization, Cogmento will be the first to deliver with a suite of applications for businesses and consumers. COGS tokens are much like quarters in an arcade machine, but in this case, you put your tokens in applications and run them, like CRM, e-commerce, AI and BI analytics, or your custom application of choice. At scale, the cost of software should drop to a minimal cost.

Salesforce-style software delivered at Facebook scale could bring this technology to the masses for mere pennies. If the decentralized paradigm holds for enterprise software, then Salesforce at a billion customers should be 1/1000th the cost of one million customers, but of course, it is not. As more and more resources join in the Cogmento network and reach critical mass, a cost and efficiency are achieved in a decentralized and incentivized open system, and all participants will share massive cost savings.

Operational and management applications are areas in which significant value can be realized with COGS and blockchain such as enterprise resource planning software, which can include other sub-modules such as accounting, HR, procurement, logistics, warehousing, manufacturing, sales, distribution, quality management, and Project Management. Distributed and immutable provide a lot of value, and Cogmento adds a further application layer of governance and management based on incentivizing the workforce with blockchain, providing not only the applications themselves but real monetary reasons for employees to adapt quickly.

Cogmento's platform is powered by consuming the COGS token as a metered application service based on the network resources for a particular application and other factors, thus providing the distributed application as a service – scale, customization, and other features. Cogmento tokens, COGS, are thus consumed as applications access, update, and delete data, or as workflows are completed, reports executed, or alerts pushed. COGS are therefore the representation of the cost and currency of the distributed software service itself, its economy and scale designed to support both small applications and Fortune 500 needs. Cogmento's APIs and DAPPs will deliver enterprise software functionality eventually covering ERP and SCM systems, HRIS and more.

By interconnecting many businesses via the Cogmento platform, a holistic ecosystem of product and service providers is created, which can extend collaboration across the

system in as a marketplace or clearinghouse across the entire value chain. Cogmento hopes to achieve interoperability of its operations and functions as building blocks to be developed for widely-used Enterprise Resource Planning (ERP) software and Customer Relationship Management (CRM) systems and other business applications.

Blockchain

Cogmento requires a robust, distributed, consensus-based network, and will utilize a high-throughput blockchain solution. As a pure execution strategy, Cogmento is focused on speed and security rather than a virtual-machine or smart-contract based functionality, complexity, and cost. The Cogmento suite of applications, and specifically, the MVP will be focused on the basic token economy and application delivery. COGS are thus initially consumed or destroyed during application execution much like putting quarters in a vending machine.

Cogmento COGS are distributed first as ERC-20 tokens based on the Ethereum blockchain; however, the production system for Cogmento does not necessarily rely on the Ethereum blockchain. Cogmento DAPPs need only consume COGS as they run and are in balance with the application economy as a whole and are not dependent nor exposed to security issues or other limitations of DAPPs that are more closely coupled with smart-contract functionality.

Cogmento consists of 3 layers: 1) core data backend and blockchain 2) API middleware service layer and 3) application layer systems. Cogmento's backend systems are blockchain and an AI-powered by the resulting big data driving analytics. Core data on blockchain and data storage is immutable & decentralized via the underlying technologies. The application layers will stake functions via COGS based on the underlying supporting architecture & cost as supported by the economy.

Highly performant, shared blockchains will be utilized by Cogmento in our initial release; however, Cogmento has a timeline to accommodate this decision and the initial build-out of our fully distributed platform. Cogmento will focus initially on user value in the application economy – paying for apps using cryptocurrency, workforce incentivization & gamification of applications using staked COGS, user adoption and other soft application features will be the focus while higher-level functions are developed using a deepening blockchain data interdependence.

Cogmento will develop a microkernel architecture on top of a blockchain virtual machine design with routing and controlled execution environments like Augur,

Aragon, and others as a part of Phase 2 – and will roll out a full suite of enterprise DAPPs and other solutions. From an infrastructure perspective, Cogmento's blockchain deployment criteria necessitate high TPS and low cost per transaction in a proven, stable architecture.

Ethereum, Zilliqa, Holochain, EOS, Hadera, and Cosmos are considered potential solutions; however, shared resources and micropayments exist today and that will be Cogmento's first approach, to launch a DAPP based on the pure economic utility of an application such as CRM. By starting with the basics, paying for services with cryptocurrency, and metering based on a micro-payments architecture on the blockchain, our product timeline, and we will focus our higher-level blockchain development efforts accordingly.

Cogmento is primarily focused on delivering enterprise, cloud software in a fair, global, and distributed system to pay for and meter services using COGS tokens. The simple use case of downloading and using apps in an app store should be a similar experience for small and large enterprises everywhere consuming cloud-based, distributed enterprise software in bite-sized pieces. COGS can thus be utilized for network resources in a truly on-demand fashion and a fair and market-driven organic enterprise software economy.

Staking Workflows

COGS are the currency for our DAPPS and likewise can be staked to incentivize behavior and to drive enterprise workflows. Users of COGS powered DAPPS can earn additional COGS as bonuses for completing specific tasks along a workflow, such as entering the proposal phase on a big deal, converting a lead to a customer, or completing tasks and follow-ups in the CRM. COGS will be used to stake these workflows with a predetermined number of COGS, an amount that can change dynamically based on many factors including time, all of which will be driven by blockchain smart-contracts. Incentivizing behaviors by staking workflows with COGS is a way to gamify any enterprise application, driving more user adoption & making business applications more interesting with embedded rewards and prizes upon workflow milestone completion.

COGS Economy

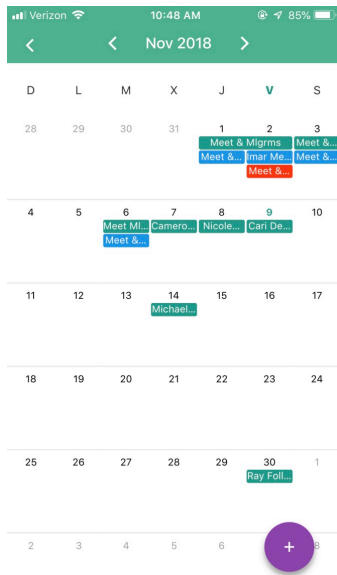
The COGS economy will be determined algorithmically by DAPP user demand regarding resource availability. For example, entering numerous leads in a CRM system consumes data storage but requires very little computational power compared to large-scale voting applications or supply chain management. The consistency requirement of this data is high compared with RFID-coding pharmaceutical pills when they roll out of the manufacturing line – tablets are not consumed immediately after serializing.

Achieving the operational economy of scale at critical mass is the ideal state for large distributed systems and Cogmento is no different in ambition on a global scale. Making low cost distributed application services while providing a stimulating application economy enables businesses which add to the network value and participate in the COGS blockchain economy. As demands for tracking and more granular data becomes demanding, such as in IOT or SCM, COGS are ready for massive scale across multiple organizations.

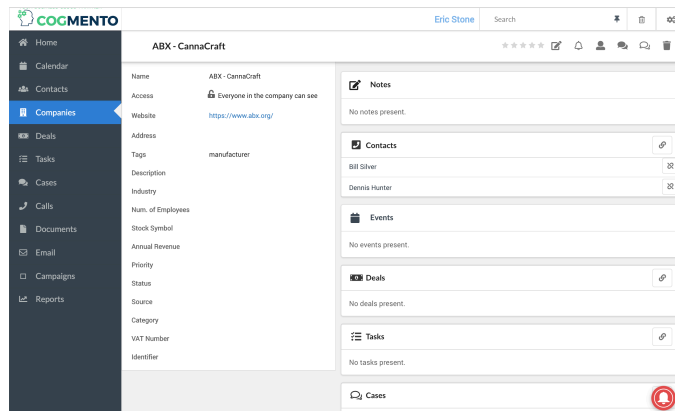
When using a cryptocurrency and a blockchain together, with shared network resources in a distributed application environment, a dynamic economy can result. Current live blockchains that trade in computer commodities to run their networks, such as storage, CPU, or RAM, and later sharding and scaling permission systems will also have to adapt to changing economies to provide nonvolatile pricing for businesses. Cogmento hopes to achieve some equilibrium within the system initially by being the only purveyor of COGS powered DAPPS and the COGS blockchain, but to ensure that when the realization of a fully distributed architecture is reached that the economy is elastic enough to provide predictive pricing for services on the platform.

Cogmento DAPPs

Cogmento will launch a suite of enterprise DAPPs focused on globally appealing horizontal applications such as CRM, HR, procurement, e-commerce, ERP and SCM. Initially, Cogmento will launch a comprehensive CRM DAPP and price and meter services using simple cryptocurrency as a medium of value. As more applications come online and more customers start using the platform, more dynamic pricing models will emerge as the applications and blockchain system grows.



Mobile CRM DAPP



Web CRM DAPP

COGS ERC-20 Token

Cogmento has created 1 billion COGS tokens to be utilized on our platform. Even though this is an Ethereum based token, we are not limited to using the Ethereum blockchain for our future production environment. Cogmento will utilize the ERC-20 token as long as it suffices and may easily convert to any native chain that we wish to implement in the future.

The COGS smart contract is located here:

`0x8efC4b144Da218886201A77e2F94c17b3A5B779A`

on the Ethereum blockchain and represents the ERC-20 COGS tokens that will be utilized on our distributed enterprise application platform.

10,000,000 COGS – Airdrop

`0xbf15c3f6961a060a087b12b3413741ec5a4eae644c4d57d69b4f906fe0630ecf`

60,000,000 COGS – Advisory

`0x71982427084681ed54fff936d84e57a895a198e8af0b32df0f8c3817be9e73af`

150,000,000 COGS – Employees

`0x02c681d34862527b4c3be4ed28b1aa7f5f504fd44714ab99c613ad5b3c947a5e`

300,000,000 COGS – Reserved / Offline

`0x9c14be678a4cedafe8e32a040ff2cf62f246985d39ed9fc0f6196dc9a515d102`

Cogmento Timeline

2019

Feb 1	Bounty Open Presale Open MVP Beta Launch
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March 1- July 31	Main Sale
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2020

January	Marketing
March	e-Commerce
May	Project Management
July	ERP / SCM
September	App Marketplace
December	2.0 Platform Release

Cogmento will release a series of applications that support COGS, all of which will take advantage of the blockchain's immutable ledger to track changes and transactions throughout the application infrastructure. The MVP approach is one of economy and utility at a basic level, paying for services based on local currency or cryptocurrency or COGS, and the corresponding gamification use cases that can be added into traditional Enterprise SaaS solutions, such as CRM.

Marketing modules will include advanced features such as custom landing pages and inbound marketing management such as ads, blogging, CMS / SEO and analytics.

eCommerce modules include integration with the top shopping carts and e-commerce systems.

Project Management modules include advanced features such as milestones subtasks, Gantt charts, collaboration tools, and time tracking and more.

ERP, Enterprise Resource Planning, and SCM, Supply Chain Management modules include enterprise software solutions for distribution, inventory, and manufacturing.

Cogmento will release a platform for third party modules, or apps, in our App Marketplace release.

Token Distribution & Sale

1%	Bounties/Airdrop		
6%	Advisors		
15%	Employees		
30%	Reserved / Offline		
8%	Presale - 20% Bonus	Soft Cap	\$ 1MM USD
40%	Sale	Hard Cap	\$ 40MM USD

Bounties

As a promotion and to engage our community, Cogmento will conduct Bounties (Airdrops) consisting of 1% of all tokens, or 10,000,000 COGS.

Advisory

Cogmento's advisors are key industry partners and experienced, strategic collaborators from a wide range of disciplines in business and technology. 60MM COGS for strategic advisors & partnerships.

Presale & Sale

Cogmento will raise funds thru a simple coin sale in Bitcoin, Litecoin, Bitcoin Cash, Ethereum, Ripple, EOS, and others. The general sale of 400MM will follow the 20% bonus / presale of 80MM COGS.

Employees

As a part of attraction & retention of talent, Cogmento will utilize a proportion of COGS for long-term HR needs.

Reserved

COGS totaling 30% will remain out of circulation and will remain offline.

Unsold

COGS that remain unsold will be added to the offline reserve.

Use of Proceeds

Cogmento is in a very competitive space, and the larger the war chest we have, the better the outcome of our business. Please review the above Competitive Market to see how well capitalized our competitors are – the market has been an escalation.

To achieve competitiveness on a global scale, we have to have a superior product, better customer service, better marketing and sales, and better economies of scale. Blockchain will help us to achieve some of these goals; however, this business is capitally intensive on a few fronts.

First, we are committed to a massive cycle of blockchain R&D for the next few years. To achieve the goal of a distributed CRM, we need to perform at least 3,000 TPS on a public blockchain. Currently, we have many candidate systems, and our R&D efforts will focus around the few that are viable in the short term. We estimate that we will need approximately \$12 MM over four years to focus on our blockchain CRM and bring it fully to market.

Second, we want to expand and support a global ecosystem, and we want to be hyper-competitive locally on pricing and customer service. For example, we want to launch in multiple countries, in various languages, with the best customer support that we can muster. We also want to respect local economic realities and price accordingly. Global operations for four years are budgeted at \$16 MM.

Third, we want to grow and market our business and drive more subscriptions. We will spend the additional \$12 MM in marketing to achieve growth.