



THE CYBERNETIC ECONOMIC INTELLIGENCE FOUNDATION

A Case Study for

Daren's Journey to Economic Empowerment

Case Study: Part 1

The following case study demonstrates Daren's journey to economic empowerment by taking advantage of the CEIF's Autonomous Financing feature via Smart eBusinesses.

Autonomous Financing will be offered through partner lending facilities of the CEIF.

Transitioning to the Digital Economy

Daren is a skilled worker who has had a hard time transferring his skills to the digital economy.

Like many other Millennials his age, Daren aspires to start an online business but lacks the necessary capital and expertise to navigate the complexities of e-commerce.



Finding Capital

Finally, with a product in mind, Daren prepares a comprehensive business plan and applies for a \$15,000 loan.

This will allow him to launch his business and secure inventory from a supplier he has been negotiating with for weeks.



Confronting Barriers

Because of Daren's lack of business experience and limited collateral, every one of his loan applications get denied; leaving him clueless about how to continue pursuing his entrepreneurial ambitions.

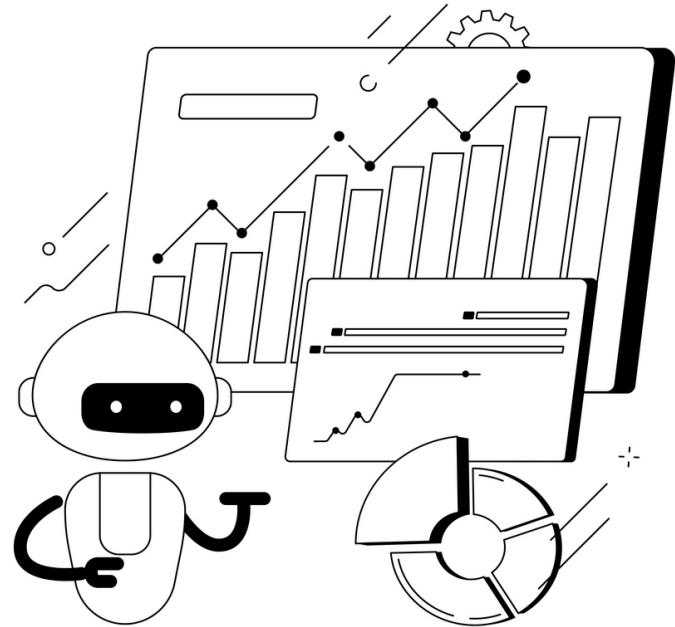
Until he learns about Autonomous Financing via Smart eBusinesses.



Smart eBusinesses

Smart eBusiness pay owners for their shopping data and then invest in ecommerce revenue streams on the CEIF's peer-to-peer commodity-based marketplace.

They're run by AI-powered e-commerce advisors that feed off of the networks data to sell consumer products on behalf of their owners.



Autonomous Financing

Autonomous financing is a Smart eBusiness application that fosters eCommerce success by enabling seamless funding for Daren's Smart eBusiness in 4 simple steps.

1. PRE-APPROVAL

The lending institution automatically offers John financing opportunities based on predefined conditions related to his business performance.

2. MONITORING

CEIS tools monitor the real-time performance of the business, allowing for flexible financing options. Loan amounts are tailored to the specific needs and growth potential of the business.

3. LOAN ACCEPTANCE

John has the option to review each loan offer or set automatic acceptance criteria, aligning loan offers with his growth strategies.

4. AUTONOMOUS FINANCING

Funds are disbursed to Daren's e-commerce account. The system monitors his e-business wallet and income to ensure manageable loan repayments and real-time working capital requirements.

Benefits of Autonomous Financing

EFFICIENCY AND SPEED

- Autonomous loan executions eliminates manual reviews and paperwork
- Faster loan approvals and disbursements
- Prompt access to working capital.
- Strategic monitoring and growth

EQUAL OPPORTUNITIES

- Autonomous loan executions promote equal opportunities by using objective criteria instead of personal relationships or subjective evaluations.
- They empower entrepreneurs in underserved communities to access working capital, reducing economic disparities and fostering inclusive economic growth.

ACCESS TO CAPITAL

- Broadens access for aspiring entrepreneurs with limited skill or experience.
- Real-time data and objective criteria are leveraged for fair and transparent evaluation of loan applications.
- Increased accessibility to capital fosters entrepreneurship and supports business expansion.

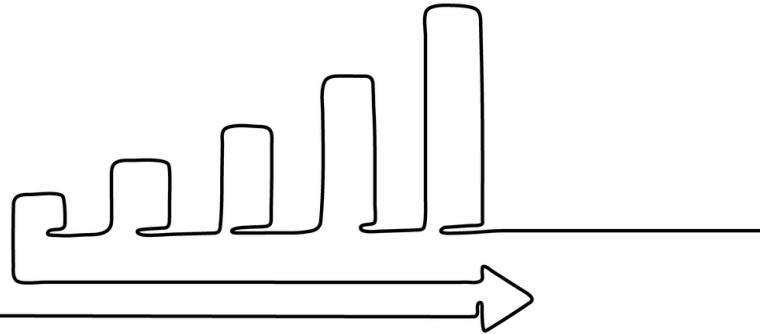
FOSTER INNOVATION

- Advanced technology, including artificial intelligence and data analytics, enhances risk assessment and decision-making in autonomous loan executions.
- The technology enables lenders to expand their customer base by providing a commercial financing feature that's compatible with anyone's background.

Business Growth Stage

With the infusion of additional capital, Daren's e-commerce advisor makes strategic investments in a diverse portfolio of consumer products spanning various categories.

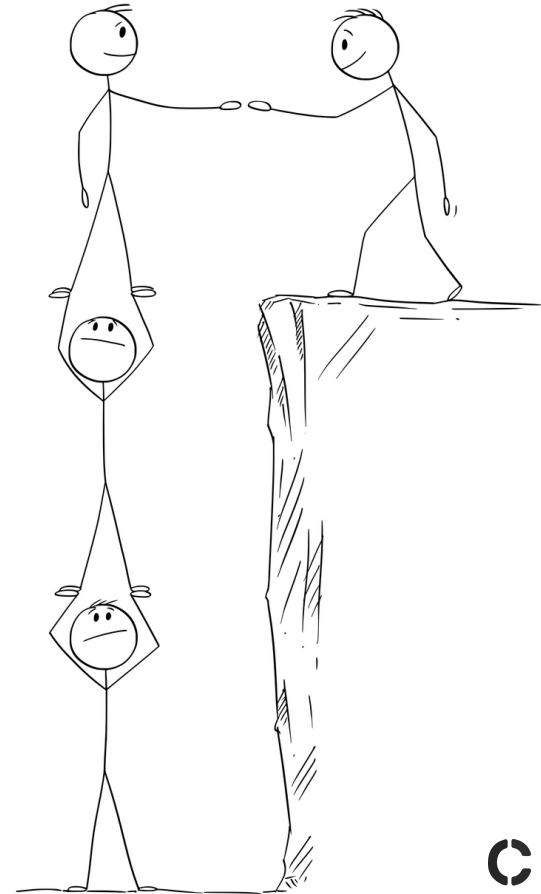
This strategic approach leads to a notable increase in Daren's monthly income.



Economic Impact

As Daren's Smart e-business prospers, he generates more income, expands his product inventory, and reduces reliance on his current wages.

The success of individuals like Daren promotes inclusivity, offering greater economic opportunities for low to mid-income individuals as well as workers from various backgrounds seeking to enter the digital economy.



Case Study: Part 2

Autonomous Financing & Smart eBusiness Management

John's Smart eBusiness generates an **average monthly revenue** of \$1,100, @ 10% growth month-to-month

Defining Autonomous Loan Parameters

The partner lending facility pre-approves an autonomous loan at an interest rate of 21%, subject to specific financial metrics.

1. LOAN-TO-VALUE RATIO (LTV)

of 50%, balancing the loan amount with the appraised value of the collateral.

2. DEBT SERVICE COVERAGE RATIO (DSCR)

of 1.25 ensures the borrower's projected cash flow is adequate to cover debt obligations.

3. WORKING CAPITAL RATIO

of 2:1 to ensure sufficient liquidity for operational and financial stability.

Smart eBusiness Working Capital Management

Daren's Smart eBusiness optimizes financial resources and aims to maximize profitability while maintaining a healthy balance between reinvestment and personal income.

1. RE-INVESTMENTS

Re-investments are calculated by combining the previous month's retained earnings with the current month's loan amount. This ensures funds are available for business growth and development.

2. RETAINED EARNINGS

75% of the profits are set aside as retained earnings. These funds contribute to the business's financial stability and can be used for future investments or unforeseen expenses.

3. DISPOSABLE INCOME

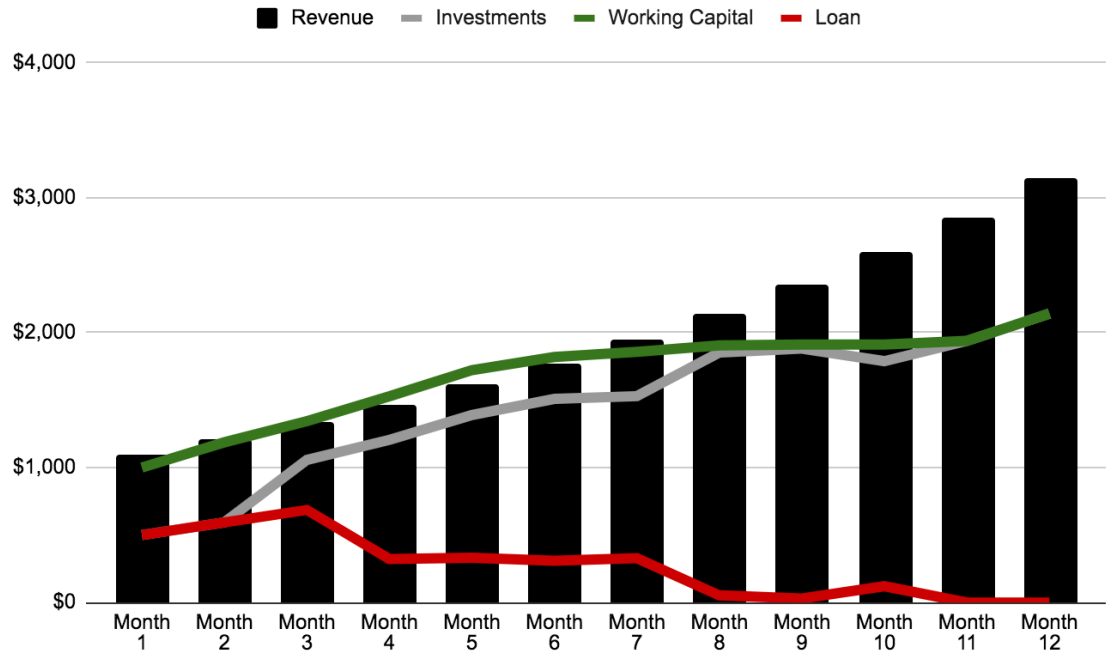
25% of the profits are designated as disposable income. This portion allows for flexibility in managing personal expenses or additional investments outside of the business.

Smart eBusiness Working Capital Management

Revenue:	10% growth on previous month's investments
Investments:	Previous month's retained earnings + current month's loan amount
Working Capital:	2:1 ratio , initially set to match loan amount
Loan:	Remaining amount required to 2:1 ratio standard
Loan Interest:	Loan amount * 1.75%
Loan Repayment:	Loan amount * 1.75%
Profits:	Revenue - Loan Repayment
Retained Earnings:	75% of Profits
Disposable Income:	25% of Profits

12 Month Business Growth

After 12 months, Daren's Smart eBusiness experiences significant growth as the accumulated loan releases and subsequent investments fuel its continuous expansion.



12 Month Business Growth

Simultaneously, automatic repayments guarantee profitable loan obligations for CDFIs, ensuring timely and successful repayment.

