



arago

THE SUM OF EXPERIENCE

ARAGO PARTNERSHIP MODELS

Brief Introduction

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INTRODUCTION

There is a vast number of partnership programs on the market. Most of them aim to either link the logos for image marketing purposes, or to create opportunistic profits for the technology vendor using the client relationships of the “partner”.

We at Arago have bigger ambitions:

What we are aiming for:

The aim of Arago’s Alliances and Partnership Program is scaling, based on a global eco system. We aim to establish the largest global/virtual sales and marketing network of expert communities to facilitate the application of standardized, AI-enabled enterprise solutions – ‘powered’ by HIRO™.

How we plan to achieve it:

Driving growth through scaling: building value by scaling existing, entering established, or creating new markets by the means of complementary business models and innovation.

Arago’s growth strategy aims for a two-digit market coverage of IT operations and the intelligent enterprise automation segment by 2020. Consequently, all participating business partners and enterprises would gain a dramatic advantage in their ability to prepare their organization for the next major market shift and allocate their budget to:

- improve operational efficiency,
- foster the creation, securing, distribution, and utilization of corporate knowledge,
- increase innovation levels, and
- explore new business models.

We rely on building a strong partner ecosystem to enable all parties involved to improve their profitability, strengthen their competitive position, establish new sales markets, generate new business potentials, and substantially strengthen their innovative power.

Arago’s Alliances and Partnership Program supports and rewards partners who provide value to customers and demonstrate their commitment to Arago’s general problem-solving artificial intelligence (AI) technology, HIRO™. As our partner, you will gain access to powerful solutions, business planning and development support, sales promotion programs, technical support, market information, and more.

If you are looking to aggressively conquer markets and expand your footprint with a long-term strategy for digitization in the established economy, you should definitely consider taking the first step to become an Arago Partner.

THE PARTNERSHIP LEVELS

The companies we hope to address with the Arago Alliances and Partnership Program are typically in the process of digitizing their (entire) business. We plan to help our partner into a position, where they can create a long-term reliable solution and make digitization work and functional.

That is, instead of kindling tiny sparks throughout an organization, we propose a structured and well-financed umbrella platform that allows for a strategic implementation of an AI into any area of the target organization. In that sense, we would like to keep our partner as the client's primary contact. Consequently, our partner remains the one advisor to the customer who not only completed the project(s) on time, with the assigned

budget and the desired results, but who also knows how to conquer the future of digitalization in a step-by-step manner.

Furthermore, once you, as our partner, have reached a certain level of mastery in our technology, you will also act as the primary advisor for the technological evaluation (i.e. the digitization process and predictive analytics), by applying your individualized HIRO™-based solution as well as the automatically maintained data pool that our platform gathers over time. This entails also many other opportunities related to taking an established company on a transformative journey from the industrial age to the digital age.

AND NOW, WE WOULD LIKE TO INTRODUCE YOU TO THE DIFFERENT PARTNERSHIP LEVELS IN-DEPTH:

1



SALES PARTNER AND/OR REFERRER:

This collaboration model, which is essentially based on an opportunistic business practice, enables business partners to focus on business initiation, business development, or networking from identifying potential business opportunities for Arago.

This model is useful when one party (i.e. a supplier of goods or services) wishes to engage as a referrer of suppliers and/or customers to generate more sales, and thereby increase Arago's customer base. The referrer will earn a fee in return for his/her efforts.

A referrer is different from a Value-Added Reseller (VAR), in the way that a referrer does not sell any of the other party's products or services him-/

herself. That is, as referrer, you steer a potential customer in our direction, either by introducing the customer to Arago's products and services, or by actively passing qualified contact information of the potential customers to us. Once the referral is completed, you assume an inactive role in the initiated sales process between Arago and the customer, but may still influence the decisions made throughout the process. The selling and supplying of the product remains the sole remit of Arago.

This model can also be used for an actual VAR relationship, if, for example, the customer should choose to get the software directly from the manufacturer – namely Arago. In this case, the VAR partner would focus on the

implementation and get commissioned for the sale of the HIRO™ software.

In short:

- As a Sales Partner, you will train at least one employee for proactively managing a successful business development, marketing, and sales process regarding our HIRO™ technology.
- You will further support and participate in a formal lead recognition and review process, based on which Arago decides which lead referrals to grant/deny access to the HIRO™ platform.
- You are invited to take part in our HIRO™ Community, social media marketing activities, and other Arago events.

2



IMPLEMENTATION PARTNER:

For Implementation Partners, the following applies:

- As an implementation partner, you should commit a minimum of five technical/consulting experts to be trained and certified on our AI platform, HIRO™. This core team learns how to sell, use, and implement the HIRO™ engine in the most efficient way.

- Arago will further introduce your core team to Arago's best practices, concerning our AI Projects.

- Over time, your implementation/consulting projects will become more predictable. Once the training schedule is agreed upon and the members of the core team are trained and ready, Arago will start assigning your core team to AI

Projects – at least 80% of the time after a 6-month ramp-up period.

- Your core team will also participate in project reviews and evaluation processes for all projects they were part of.

3



VALUE-ADDED RESELLER (VAR):

The term "added value" is by no means new. It has, however, recently been reclaimed by pure resellers, referrers, and sales partners. Therefore, if a Sales Partner or Referrer wishes to become our Value-Added Reseller (VAR), a coordinated development plan needs to be implemented, enabling the VAR to carry out an entire sales and implementation process on its own.

What is the real value added in this case, and where do you, as a VAR Partner, get the support needed to achieve your goal(s)?

Without Arago services, such as market development funding and ongoing business advice, VAR partners are in a weaker position to provide end-users with value, and meet their needs effectively. Prior experience has shown us that, without proper development funding and business advice, some products have received a bad reputation just because there was not enough trained staff to successfully position the products on the market, install them properly at the client's worksite, and provide professional support.

It will remain one of the VAR's tasks to predict long-term market opportunities and technological development

tendencies. And, by researching the market demand and then offering his/her best solutions for the detected demand, the VAR will be able to offer his/her own end-users an increase in product value.

The VAR chooses to work with Arago and promotes HIRO™ due to its unique qualities which offer an outstanding competitive advantage, leading to higher profit margins and more extensive options for the end-customer, thanks to the integration and implementation of HIRO™-based solution technologies. Hence, instead of offering isolated and individual components of a solution, you are enabled to provide your end-user(s) the comprehensive and complete solution the user is ultimately looking for. In short, this means:

- As a VAR Partner, you remain in complete control of the client relationship by managing the interaction with our HIRO™ platform.

- You will be part of our marketing activities on social media and other events, and you will have exclusive access to our speaking and training engagements.

- You will receive the rights to enable your clients' access to our HIRO™ platform.

- By re-selling our solution, you commercially benefit from an incentive model depending on the achieved annual license turnover that is paid by the Sales Partner to Arago.

- You can either train a reasonable amount of sales staff on our AI platform, HIRO™, as well as an adequate amount of technical staff to complete your projects by yourself, or collaborate with a trained team from one of our implementation partners to complete projects.

- Resource Requirement (Sales & Services) need to be negotiated per agreed service line, business line, region, and industry.

- The ability to deliver on the agreed upon services and solutions is of utmost importance.

- You see to that only staff members who are properly trained and certified by Arago, are assigned to HIRO™ implementation projects.

- As a VAR Partner, you will participate in project reviews and evaluation processes for all projects you were part of.

- And finally, we will have yearly business planning sessions to review what was, and plan ahead.

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ORIGINAL EQUIPMENT MANAGEMENT (OEM) PARTNER:

In the case of a more segmented customer and market structure, an Original Equipment Management (OEM) model is also a promising way to sell licenses without having significant prior-influence on "untouched" market segments.

In the OEM business, a manufacturer can apply a pull-marketing approach in addition to the prevailing push-marketing approach. INTEL, for example, has succeeded in establishing a strong brand awareness among customers of computer manufacturers with the slogan "intel inside". We would

like to achieve something similar with our OEM Partners and HIRO™.

Traditionally, OEM licensed materials are priced lower than their retail counterparts, but the software being used remains the same for both. Therefore, we typically propose volume licensing deals to interested parties that qualify as direct OEM manufacturer and system builder. Hence, as an OEM Partner, you have access to the outstanding HIRO™ technology – at a significant discount. And you can thereby promote your business operations and strengthen your market

position by integrating HIRO™ into your own product(s), solution(s), and/or services. The key value of an OEM Partnership is its potential scaling impact, which relates directly to the ability to reduce production costs by implementing tailor-made solutions. And finally, by selecting an OEM-approach, the buying company also obtains the much needed know-how in developing existing solutions.

Arago's partnership strategy establishes precise commissioning models, aligned with the individual business practices of the partner.

INTRODUCTION

The application process for our Alliances and Partnership Program comprises of the following steps:

- **Create an Arago ID** (<https://id.arago.co/>) for yourself and all the colleagues and employees involved in the partnership process.
- Make use of the created Arago ID and get started with our **Online Training** (<https://hiro.arago.co/>)
- Complete our partnership assessment and application process in cooperation with Arago's Alliances and Partnership Team.

THIS ENTAILS:

- Defining the Cooperation Model,
- Agreeing on the Go-To-Market Strategy,
- Defining the Joint Business Plan, and
- Signing and starting with the On-Boarding and Enablement process

WE ARE LOOKING FORWARD TO HEARING FROM YOU!

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