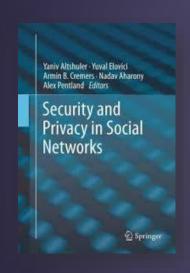
# Addressing the Data Conundrum: Artificial Intelligence on Blockchain

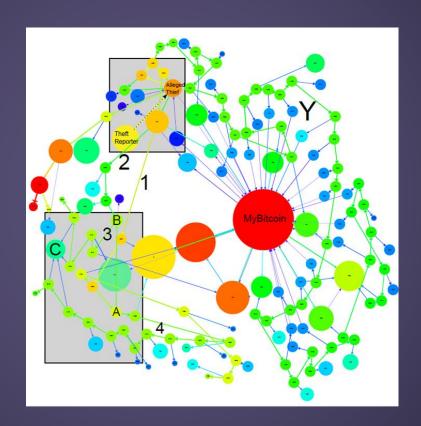
Mihaela Ulieru, PhD
Chief Alchemist @ Endor.com



#### Blockchain Data??



(Altshuler et. Al, 2012)

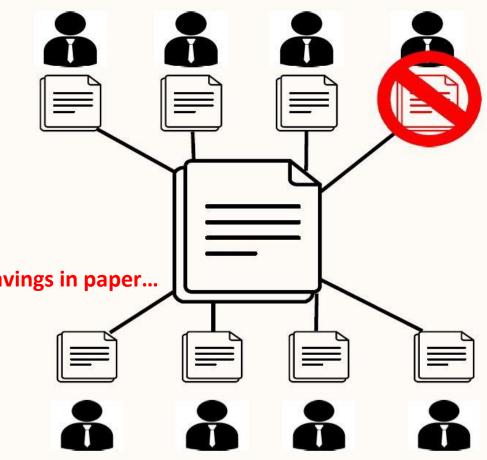


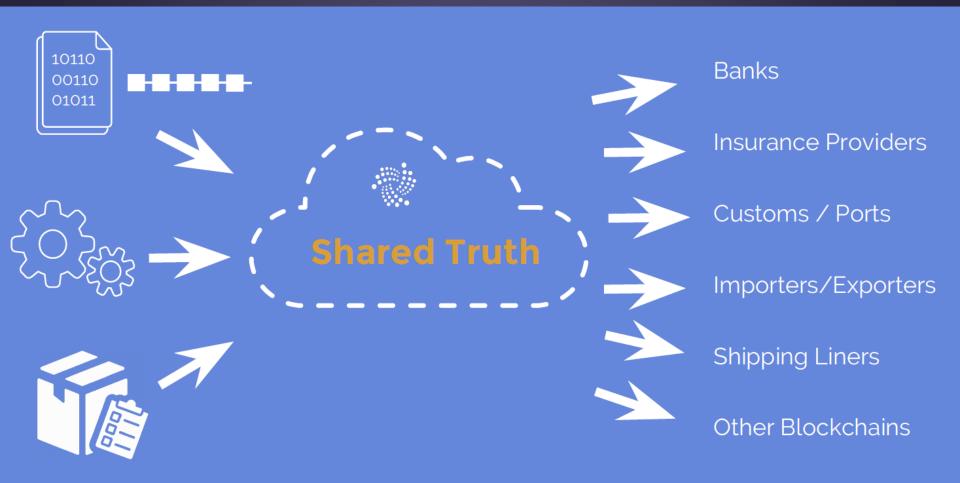


- Datasets shared amongst all parties
- Every party can verify the datasets of other participants in the network

Not to mention the nature and financial savings in paper...

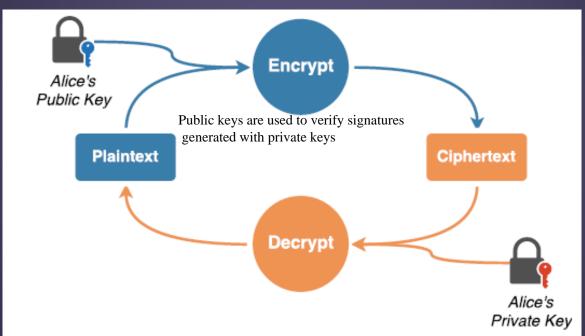
- Tampered datasets are excluded
- An immutable single source of truth is established





#### **Asymmetric Key Cryptography**

public key  $\square$  hash function  $\square$  address



digitally sign transactions

Asymmetric-key cryptography provides the ability to verify that the user transferring value to another user is in possession of the private key capable of signing the value.

#### Key EU GDPR Mandates

#### **Fines**

Companies that violate certain provisions—such as the basic processing principles or the rules relating to cross-border data transfers—may face fines amounting to four percent of the company's annual gross revenue, and up to two percent for violations such as failing to meet the breach notification rule.

#### Right to be Forgotten

A "right to erasure", also known as the "right to be forgotten," gives a data subject the right to order a data controller/organization to erase any of their personal data in certain situations Data controllers will be required to erase personal data "without undue delay" when the data is no longer necessary in relation to the purposes for which it was gathered or processed.

#### Data Protection Officer

Companies whose "core activities" involve large-scale processing of "special categories" of datainformation that reveals racial or ethnic origin. political opinions, religious or philosophical beliefs, genetic data, biometric data, health or sexual orientation-need to designate a data protection officer. Companies who collect some of this information strictly for internal human resources purposes may also be subject to this requirement.

#### Breach Notification

A single data breach notification requirement is applicable across the EU. The rule requires data controllers to notify the appropriate supervisory authority of a personal data breach within 72 hours of learning about it.

FEATURE NEWS

#### **EU's Right to Explanation: A Harmful** Restriction on Artificial Intelligence

By Special Guest / January 25, 2017 Nick Wallace

Last September, a U.K. House of Commons committee concluded that it is too soon to regulate artificial intelligence (AI). Its recommendation comes too late: The EU General Data Protection Regulation (GDPR), which comes into force next year, includes a right to obtain an explanation of decisions made by algorithms and a right to opt-out of some algorithmic decisions altogether. These regulations do little to help consumers, but they will slow down the development and use of AI in Europe by holding developers to a standard that is often unnecessary and infeasible.

#### Addressing Requirements

#### People

-Adhere to regulation-specific staffing requirements, such as GDPR's DPO, and NY's CISO (drives accountability)

-Education & awareness

 Changing behaviors around the collection and use of data

> -Establishing appropriate consent controls

-Ensure suitable technical (security analysts, IR team) & non-technical (business leadership, legal, PR) staff is in place and is trained appropriately

#### Process

-Perform risk assessment (utilizing framework like NIST, ISO, etc.) -Identify & manage collection of sensitive data

-Set processing/dissemination rules

 Ensure means to address inquiries and adhere to 72-hour notification requirements

 Establish data lifecycle management (inventory, classify, track the movement of, and disposal of, data)

-Set IR processes (preparation, detection/reporting, triage/analysis, containment/neutralization and post-incident activity)

-Develop third-party risk program

#### Technology

 -Visibility (identify data and its location: endpoint, DB/shares, cloud, structured/unstructured)

-Analytics (when, where, and how data is moving)

 -Data protection tools (discovery, classification, DLP, encryption, IAM, CASB, and gateway controls)

 -Detection tools (IDS/IPS, NGFW, UEBA)

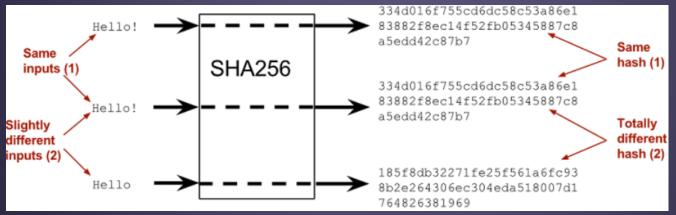
-Containment tools: Endpoint Detection and Response, and Forensics tools

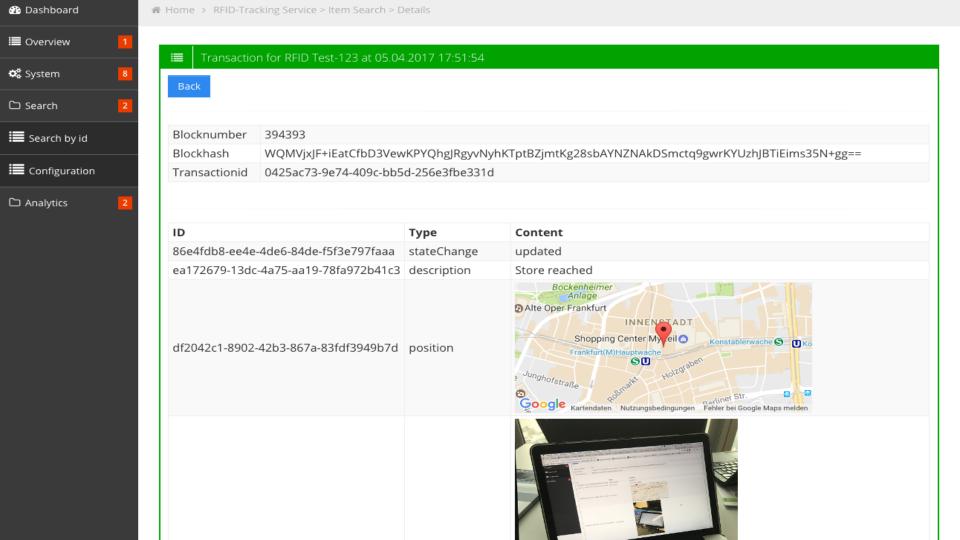
-Third-party risk and security scoring tools



## **Endor works on ENCRYPTED DATA!**







#### **EU GDPR MANDATES**

#### Fines

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## Endor's unique capability to compute AI predictions on Encrypted data <u>Guarantees</u> zero safety breaches

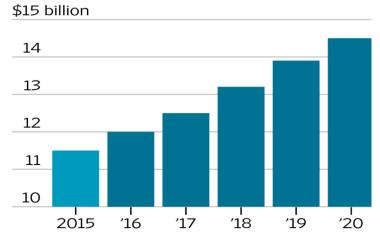
Data Protection Officer (DPO) Companies whose "core activities" involve large-scale processing of "special categories" of data—information that reveals racial or ethnic origin, political opinions, religious or philosophical beliefs, genetic data, biometric data, health or sexual orientation—need to designate a data protection officer. Companies who collect some of this information strictly for internal human resources purposes may also be subject to this requirement.

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#### **Banking on Big Data**

How much the financial industry spends on technologies to analyze customers' data and market to them



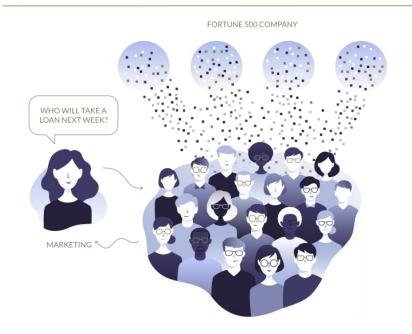
Note: Figures for 2016-20 are estimates/projections.

Source: International Data Corp.
THE WALL STREET JOURNAL.

Banks invest in AI technology to do 3 things:

- 1. Sell more to existing customers
- 2. Better target prospective customers
- 3. Save marketing and operational costs

#### TODAY'S CHALLENGE



20 DATA SCIENTISTS



2 MONTHS



**3 PREDICTIONS** 

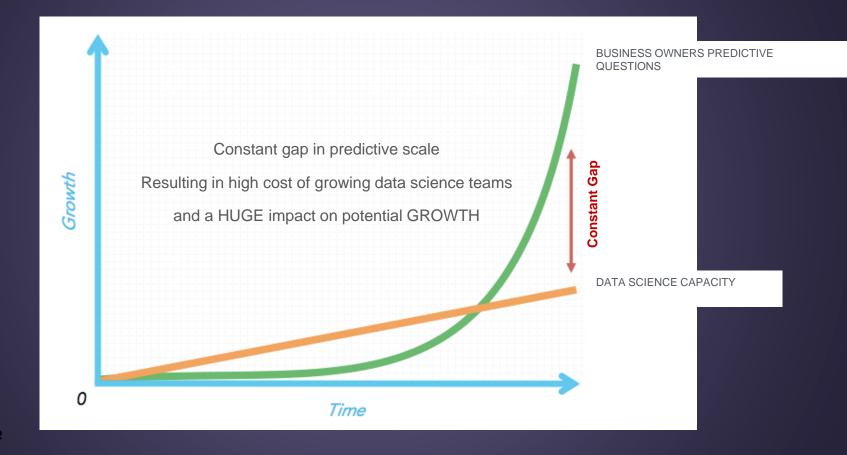


**MILLIONS** 

SLOW, COMPLEX, EXPENSIVE, ACCESSIBLE ONLY TO TECH-GIANTS

- Scarce & expensive data science PhDs
- Limited access to data
- Requires a model per prediction (~2 m')
- Expensive and limited scale
- Don't need to decrypt data/data safety/GDPR





### THE SOLUTION: SOCIAL PHYSICS

66

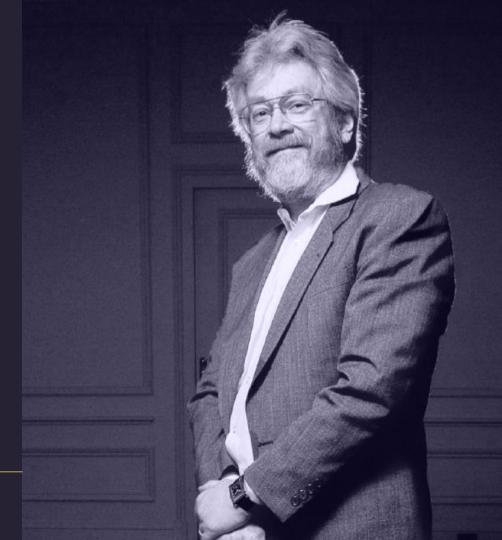
Social Physics breaks the paradigm.

Instead of building a model per each predictive question, build ONE model of human behavior and ask unlimited predictive questions.

This enables the automation of predictive science.

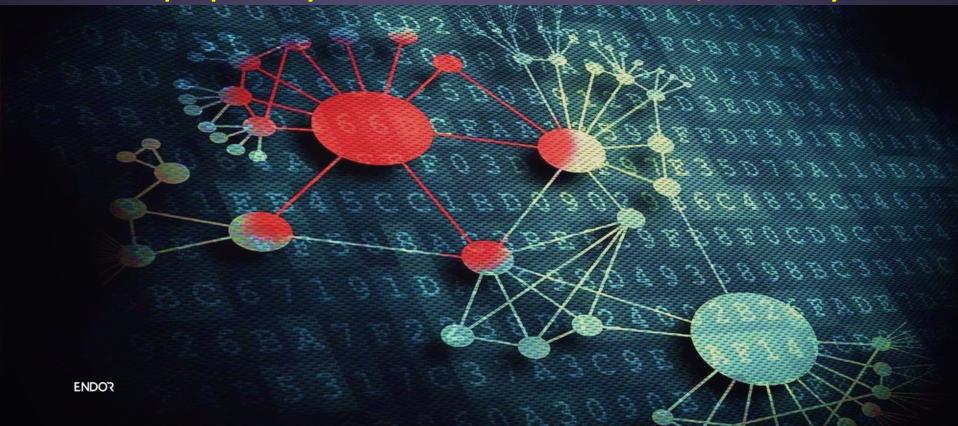
MIT Prof. Alex "Sandy" Pentland

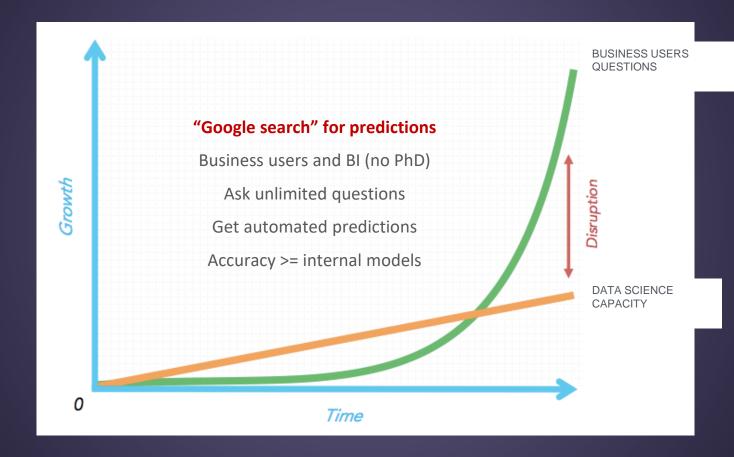




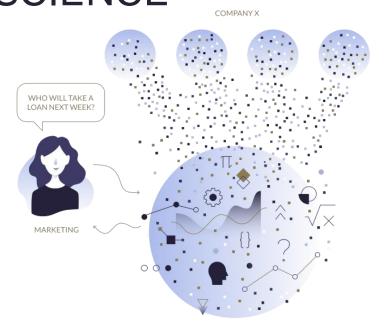
#### **Endor Automated Social Sphere**

#### Clusters of people likely to behave in the same manner, based on your data





#### REINVENTING PREDICTIVE SCIENCE



**ENDOR PREDICTION ENGINE** 

**ENDOR** 



1 DAY



20 PREDICTIONS



**HUNDREDS OF THOUSANDS** 

### AUTOMATED PREDICTIONS, FOR Companies of All sizes

- Guaranteed Data Security , Fully GDPR
   Compliant
- Boost growth with automated predictions
- Accurate new predictions within 1 day
- Unlimited predictive scale
- Cost saving No PhD required

#### HOW DOES IT WORK

Boost growth based on automated accurate predictions

#### IN MINUTES, INSTEAD OF MONTHS



As simple as that.

\*No PhDs required

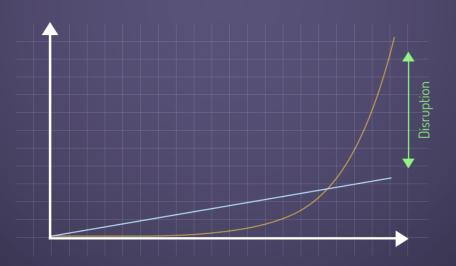
#### DISRUPTING BIG DATA

#### **20 DATA SCIENTISTS**

- ( 2 MONTHS
- 3 PREDICTIONS
- \$ MILLIONS

#### **ENDOR**

- U 1 DAY
- 20 PREDICTIONS
- \$ HUNDREDS OF THOUSANDS



#### PREDICTIVE SCALE & TIME-TO-MARKET • 1 day for new predictive questions vs. 2 months per question using machine learning models • Value: gain competitive edge by optimizing each activity through predictions **ACCURACY** • On par with internal models, better fat dynamic human behavior predictions Value: (1) significant sales increase (2) optimization of marketing promotions efficiency & loyalty **COST SAVING** • Endor works with the business champions and IT representative • Value: save on growing large and expensive data science teams FLEXIBILITY.. "TRIAL & ERROR" • Change predictive questions on the fly Value: discover new revenue streams and optimize existing ones

BUSINESS OWNERS PREDICTIVE QUESTIONS

ENDOR

DATA SCIENCE CAPACITY

#### **USE CASES**

#### SELL MORE

- Propensity to buy
- Cross sell
- Up sell
- Big spenders
- New services early adopters

#### **QUESTION EXAMPLES**

- Propensity to buy: out of all qualified active customers in the past 3 months, who will take a loan above \$X given a call next week? who will take a loan without having a credit card? short term loan? Long term loan?
- Cross sell: out of customers who used product X in the past 6 months, who will start using product Z given promotion Y next month
- Big spenders: out of new customers joined in the past 30 days, who is likely to spend above \$X per month, in the next 3 months?
- New service: out of all active customers in the past 3 months, who will register to a new service that we launched 2 weeks ago?



#### TOKENONOMY

- The EDR token is the exclusive means of payment for services on Endor Protocol.
- The token will be used by Endor Protocol customers to pay for predictions.
- This in turn is used to fund system infrastructure (AWS) and data acquisition (by rewarding data contributor).
- The EDR token is ERC20 compatible, ensuring a high degree of security and integration with the ecosystem.



#### TOKEN DISTRIBUTION

Endor plans to build its capabilities by committing 60% of all tokens to contributors:

- Entrepreneurs (called "catalysts") that will build businesses using the platform will receive 25%
- Researchers that will build the algorithms used in Endor's library will receive 15%, and
- Strategic partners such as Bancor and ORBS that will maximize distribution of the Endor coin will receive 20%.
- 20% in ICO sale | 20% for the Team

Endor's token economy and token allocation will be vital to ensuring the right mix of stakeholders to build an innovative, decentralized ecosystem.





#### **VISIO**

#### BRIDGING ENTERPRISE CUSTOMERS AND BLOCKCHAIN

Bank and retailers















falabella.

dentsu



50% of Fiat revenues from enterprise customers will be used for purchasing EDR tokens on exchanges, to generate predictions









#### **ECOSYSTEM**

- Partnerships
- Catalysts
   ENDOR.
- Äcademia ←→ Industry ←→ Government

THE
STANDARD
for predictions
on blockchain

### Token Economy and Convergence of Platforms

- Assist customers to migrate to the Endor Protocol, in order to be given superior services at a lower cost
- Transparent to the customers and will require zero change in their current work flow, and the privacy of their data will be maintained, as always.
- Increase overall number of predictions being generated using the Endor Protocol, with new use cases added.
- Subsequently, incentivize data providers to integrate additional data sources to the Endor Protocol — further improve predictions' accuracy.

#### **Announcing:**

#### **BLOCKCHAIN AND CRYPTO SYSTEMS ALLIANCE**

- **Endor** leading new Alliance to fund \$15M towards new **MIT** research center
- Industry partners **ORBS** and **Bancor** join **Endor**, as founding partners
- The Alliance will be joining Fortune 500 companies to advance State-of-the art research on Blockchain and Crypto Systems







Partial list companies investing in the MIT Trust::Data research center:

IBM, NEC, Intuit, MasterCard, Metlife, Airbus



FEDERATION FOR ARTIFICIAL INTELLIGENCE ON THE BLOCKCHAIN https://cryptosystems.mit.edu/

- "Technological Foundation of the blockchain" (MIT Press)
- MIT On-Campus Research Lab
- Information Flow in Blockchain Workshop (MIT, July 2018)
- Technological Collaboration with Government Organizations (US Congressional Blockchain Caucus, June 2018)
- MIT Media Lab Blockchain Hackathon (October, 2018)
- JOIN US!

**ENDOR** 



#### SOCIAL PHYSICS SUCCESS STORIES

RETAIL FINANCE INTELLIGENCE





"Social Physics is about behavioral analysis of big data, but it takes it to a completely new level. We were very fortunate to find Endor and work with it"

> Dr. Alan Boehme, CTO The Coca cola company





"Endor tripled our loan sales within a week of deployment"

"Endor is our Crystal ball, we look inside and see the future"

Ohad Maimon, EVP Business Development & Strategy, Laumi Card





"A revolutionary concept and a truly technological breakthrough.

The results are unmatched by any competing tool"

CIO, Israel Intelligence corps

#### **AWARDS**



Inventing the "Google" for predictive analytics.

MIT news office, december 2017



Institute of Technology







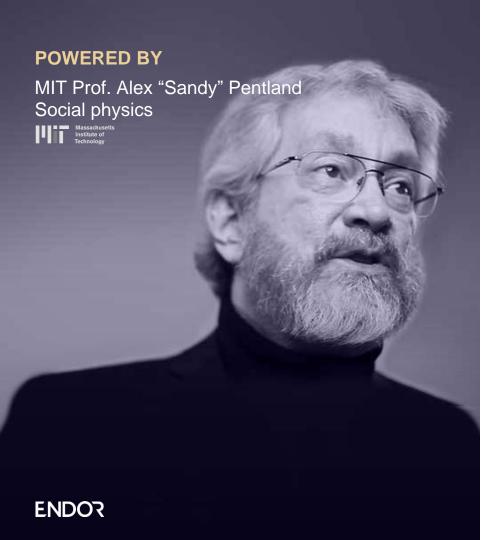


One of the world's 7 most powerful Data Scientists

**Forbes** 

Winner of the DARPA network challenge





#### **BACKED BY**

INNOVATION ENDEAVORS

Berkshire Partners

PejmanMar

MARKERLLC

Monument Capital Group



#### **USED BY**



mastercard















#### **PARTNERS**









**Enigma** 



## Customer example: Trading Platform

- WHO IS LIKELY TO REDUCE TRADING
   VOLUME?
- WHICH NEW USER WILL BECOME A HIGH REVENUE SOURCE?
  - WHAT TOKENS WILL EACH NEW USER BE LIKELY TO BUY?



## Customer example: Propensity to Buy

WHO IS LIKELY TO TAKE A LOAN NEXT WEEK?

**INCREASED LOANS' SALES X3** 

#### 60666360 DEGREES OF CONSUMER BEHAVIOR

#### **SCOPE ALIGNMENT - ILLUSTRATION**



#### **QUESTIONS**

Next month Zero defectors

Next month Sprite defectors

Next month Sprite defectors

Next month Diet Coke defectors

Next month Fuze defectors

Next month Freska defectors



#### METROTECHS LOYALTY HEAT MAP





#### **LOYALTY PROFILING**

Age 25-35
Financial status 80-130K
Marital status Single
Education Academic
Ethnicity Caucasian
Language English

\*Predefine KPIs w/Endor (data pending)



#### **INSIGHTS**

Best to co-sell with

- 6-pack Red-Bull
- Fuse Tea

Coupon 20%



#### **CONSUMER BEHAVIOR**

FREESTYLE CONVERSION - FROM QUESTIONS TO ANSWERS IN 12 HOURS

#### REPLENISH FLAVORS TIMELY





## GLOBAL WARNING SYSTEM EVALUATING BRAND THREAT

#### **QUESTIONS**

Emerging trends

#### Next month Sprite defectors

Potential new adopters

Promotions optimization

Affiliates analysis

Mobility prediction



#### **LOYALTY PROFILING**

Age 25-35
Coupons 20%
Properties discount 6-packs

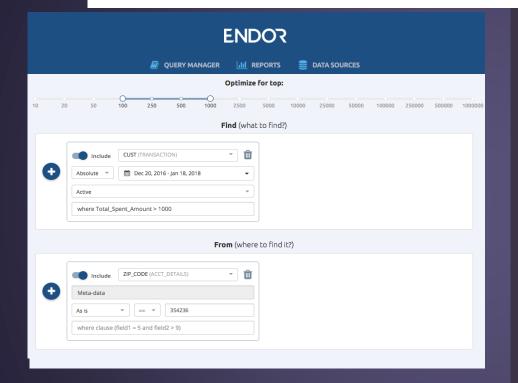
#### **BEST TP CO-SALE WITH**

6-pack Red-Bull Fuse Tea



## Can ask more questions using outside data PREDICTION CONSUMERS MOST LIKELY TO VISIT SPECIFIC PARTNER RESTAURANT Sharon@mail.com Alice@mail.com Emily.s@gmail.com JoeB102@gmail.com

#### Transition to a Shared Service on Blockchain



Automatic prediction of

ANY

customer behavior
ON ENCRYPTED DATA