Artificial Intelligence

The "Nature" of Real Innovation

Authored by:
Andrew Dean Hyder

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Artificial Intelligence is often misunderstood. People's eyes often glaze over when we begin to discuss A.I. However, there is a common misconception that understanding AI requires an IQ of 200 and a PHD in rocket science. For us, A.I. when broken down to its nucleus is often nothing more than a simulation of nature and or intelligence in natural things. Nature gives us a glimpse of the genius in the rhythms and rules we live with but often take-for-granted. As briefly described below it is our belief that if engineers, developers and those who invest in technology strive to understand, promote and use simplified design which takes its cues from nature and common sense, we all can start to see, better outcomes.

The life we live and the designs we use in everyday life are not only overly complex, overly engineered and designed for profit above process, they often stand in the way of progress and the natural flow and order of things. Good design, which is intuitive and values reason and logic over profit, ironically, can be in our opinion, the most profitable technology of all.

Most people would agree that genius is clearly found in nature. However, rarely is any single creature or naturally occurring object in nature referred to as "a genius"; rather, nature reveals intelligence in its designs, which we as Artificial Intelligence pioneers seek to replicate digitally or otherwise. The airplane, the hydrofoil, the submarine, sonar, and robotics (just to name a few) are all patterned after nature and natural occurring things Commonly, researchers and engineers implement overly complex solutions to solve complex problems, often resulting in new and bigger problems. Great innovation is generally found in the simplest solutions, which are typically easy to implement after you know what the solution is. Falling into the trap of over engineering is incredibly widespread today.

Many engineers are not good innovators at all, but play a costly game of "following the follower" in their designs. For example, a typical engineering protocol for problem solving is to examine how similar complex problems have been solved in the past and use those solutions as a starting point. This methodology, mistakenly assumes that the presupposition for the original design was ideal and the best methodology. Taking a step back, and looking at the problem from a whole new and fresh perspective can reveal the best solutions.
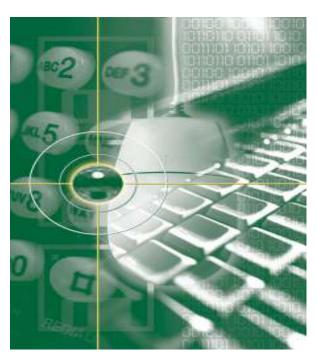
Locomotion and transportation are prime examples of industries full of inefficient and overly complex design that effectively impair the natural flow of people and to a greater extent, fight against logic. Let's start with the modern day automobile transmission. It is a highly engineered mass of gears and interworking which allow the user to control engine power to the wheels. Logically a transmission is a needed solution, but how was it implemented? In a way that factually gives up 15% to 25% of its efficiency. This means that in a typical automobile transmission usage average (acceleration, deceleration) less than 80% of engine power actually gets to the wheels. At what cost? In an average

year what does this cost the driver in fuel? Is this the best we can do? Ask a heavy equipment engineer the same question, and he will tell you that a hydraulic circuit transfers over 95% of its (connected) engine power to the wheels/tracks/load and is highly controllable. Automobile transmissions are functional yet engineered to be inefficient. It's not an accident.

To further illustrate the responsibility of innovators and what is at stake, take for example the typical home town road-way intersection and traffic signals. American cities and towns' intersections are highly engineered using complex computer and even A.I. technology to manage the flow of traffic. However this very complex solution, (electronically detecting traffic which then influences signal timing) results in one major flaw, which is, 50% of all traffic at a signaled intersection is stopped 100% of the time. Think about it. Consider all the productivity lost in America because of this one overly elaborate and completely inefficient design; then juxtapose the "round-a-bout" intersection (commonly found in Europe and Australia), where all traffic merges into and out of a small circle intersection without stopping - ever. Amazingly, a roundabout is nothing more than a paved circle and requires no signals or detection devices what-so-ever. Its natural and its extraordinarily simple. What happens when you walk through the mall? Naturally, you walk "around" people. You don't STOP and wait for the path to get clear, do you?

Further, creativity in organizations is often squelched by systems evolved while smothered in bureaucracy. Seldom is a corporate employee compensation plan designed to foster real or natural innovation. For example, it is a common practice in the world's largest corporations, to compensate in-house software developers hourly, with production standards based upon how many "lines of code" are written. The reality is that "good code" requires fewer lines (and characters) to produce. In this example developers are ironically rewarded for being inefficient and lazy coders. The standard compensation plan which trades an employee's time for money is not only old and tired, but it is fundamentally flawed. Unless the work itself is enormously and intrinsically rewarding, the motivation is to waste time, not to innovate for the company.

Genuine innovation is often misunderstood and its potential is often simply overlooked; therefore an understanding that it may come from unexpected sources or manifest itself in unusual ways is a prerequisite. The pioneer and his/her innovation may even meet vigorous resistance, especially in an era when multinational corporations dominate specific technology markets and their applications.

Remember the lessons learned from Steven Jobs, and the board of directors who pushed him out of his own company, (because of his "radical" ideas) only to run the company "properly" into the ground.

New, fresh and natural innovation requires a different algorithm of development; a method that often scares the management of corporations as well as the shareholders that fund Corporate America. However, innovation by its nature cannot be done the old way; otherwise it wouldn't be innovation by definition. Rethink everything. Ask why when you think about the norms we accept as "the way it's done".

This new development paradigm must remain pure in its motivation to add value to its target users. How much it costs, and how little it will return in profits are (should always be) secondary considerations.

Only in adding extream value to your target user, can you expect a profit flow than is difficult to compete with. It's even a Bible principal found at Acts 30:35 "There is more happiness in giving than there is in receiving." (See also: Proverbs 3:27, and Proverbs 14:15.)

At Subjex Corporation we strive to understand the psychology behind emerging technologies and how these technologies impact the natural flow of people and things. We attempt to work with organizations that understand the intrinsic value of real innovation "for the people" and what this means – *long term* - to the bottom line. We foster this in our organization and our development projects. We seek to understand technology's social, cultural and financial impact as well as its parallel to nature if any. We see technology as central to humanities future. Hence, we seek to inspire, educate, and create with a logical questioning yet open mind. We wish to foster a sense of wonder and intrigue about the "natural flow" of successful solutions and the possibilities of our future. As we foster an atmosphere where creativity can thrive and people enjoy their work. We cherish and compensate creative and *responsible* thought, viewing it as the basis for initiative, teamwork, and profitable growth, both professional and personal.

MISSION STATEMENT:

At Subjex Corporation, we strive to lead in the creation, custom development and incubation of "outside the box" artificial intelligence technologies. We translate these advanced technologies into extreme value solutions for specialized industries, who strive to meet new consumer demand. Our solutions are the rethinking of the norm for both the product and services industry. In other words: we develop and enhance our clients' products, our clients bring it to the market, and our client's customers benefit from our technology innovation.

Since 1999, Subjex Corporation has remained an innovator in artificial intelligence software development. Our development projects have included SEO (Search Engine Optimization) "cloaking" engines, E-commerce advertising, and search engines and products for the capital markets. Further, Subjex Corporation is not new to e-commerce and CSR/CRM solutions. We developed the first completely autonomous virtual agent Customer Service Representative ("SubjexCSR") product in 2001. It was tested on over 500 e-commerce business web sites for over 4 years with great success. Now renamed AiNDEE (www.AiNDEE.com), this technology is being developed into the next generation Search Engine of the future; A search engine that you talk to, just like a friend. As a "dialogue based" system, AiNDEE is the most highly advanced interactive artificial intelligent custom CRM solution available in the world today. It incorporates many ground breaking advancements in virtual to human communication and interaction. Able to engage in real multi-tiered bi-directional conversation, where she *asks users questions about what the user just asked*, AiNDEE is a turning point in the evolution of human-like AI and a true break-through in Customer Relationship Management (CRM).

In the end, everything we do, should improve the end user client experience – dramatically. If we do this then, and only then, will our shareholders reap the value of their patience.

CORPORATE PROFILE:

Subjex Corporation is a publicly traded Minnesota Corporation. Headquarted in Florida, the Company is traded under the ticker: SBJX. Subjex Corporation has approximately 170 million shares issued and outstanding with approximately 80 million in the public float.

MANAGEMENT AND ADVISORTY PROFILES:

Andrew Dean Hyder – Founder, CEO, President and Chairman of the Board/Director Subjex Corporation. Mr. Hyder is a pioneer in the fields of artificial intelligence (AI), Capital Market Quantitative Analysis, Natural Language Dialogue (NLD), and Search Engine Optimization (SEO). He is also a published author of several books, noteworthy white papers on finance, investing, technology and futurism.

As Founder and CEO of Subjex Corporation, a publicly traded software research and development company, Mr. Hyder has over 25 years of software engineering experience and well as a vast knowledge of public company SEC reporting and compliance issues. In 1996 he developed one of the first of its kind "cloaking engines" for search engine optimization that was later sold and kicked off a revolution in search engine marketing. In 1999 he invented the first search engine based affiliate network, (which looks a lot like a product called Google AdSense). As a lifelong technology entrepreneur he has designed statistical analysis engines, market timing engines, and finance and payroll software. He has a passion for viral marketing and sales psychology, and product branding. Mr. Hyder began writing software in 1978 at the age of 12 and has written code in most computer-programming languages.

While Mr. Hyder doesn't have a formal degree, his education is especially comprehensive, being the practical equivalent to a Masters in both Business and Computer Science. When attending college he was already proficient in most of the course work from personal study. Becoming frustrated with what he considered "a snail's pace" of teaching, he paid a Computer Science Ph.D. instructor to teach him everything he could learn about Computer Science for a year. Since most of what Mr. Hyder learned about technology in his formal education including the languages BASIC, COBOL, FORTRAN, RPG and Lisp are now practically obsolete, Mr. Hyder is passionate about self-education and personal innovation.

Elroy E. Erie, M.P.A. -- Senior Advisor to Subjex Corp. For six years, Mr. Erie was a principal of R.J. Steichen & Co., a Minneapolis-based securities firm, serving as due-diligence officer and principal underwriter for that firm's offerings. Since leaving the securities industry in 1987, he has been an independent consultant and advisor to numerous newly-formed and turn-around companies. Mr. Erie has served as Chairman, Director and President/COO of several emerging public entities. Overall, Mr. Erie has more than 40 years of senior strategic and operational experience in government, higher education, the not-for-profit sector and business. He is highly skilled in finance, administration, communications, research and development, marketing and sales: an accomplished speaker and seasoned executive whose problem-solving skills have contributed to the success of numerous businesses and people-serving organizations. As an eight-year Marine Corps veteran Mr. Erie served in classified Marine Corps intelligence.

Paul W Peterson - Advisor to Qubitrage, LLC. Alternative fuels energy advisor to government, Paul W Peterson has consulted to the United States and Chinese governments. He spearheaded the engineering and construction of distillation towers and ethanol plants for production. He has combined his knowledge of the energy sector with his I.T. development and data security protocol, to construct forward-looking financial and data models. Former clients included Continental airlines, Pheco Energy and the Montgomery County Sheriff's office.

For more information visit our web site at www.SubjexCorp.com