



The Rapid Response Institute
"Meeting the Challenges of a Volatile World"

2019

EVPM QuickStart Guide



**Translate Technology to the
Language of Business!**

For Free, Standard & Platinum Versions 2.1

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The Rapid Response Institute

Jan 2096 v2.1 1-
2019 v.03

Welcome

This Rapid Response Institute Economic Value Proposition Matrix® (EVPM) QuickStart Guide is designed to give you the information you need to quickly start using this economic value solution. ¹ Please note that this guide covers the **Free**, **Standard** and **Platinum** versions of the software.

System Requirements

This Cloud enabled version of the Economic Value Proposition Matrix® model should work with any current release of major browsers such as MS Internet Explorer. Due the complexity and nature of the data input and output presentation, it is best using a PC or Laptop type device because of their larger screens.

The screens are dynamic and fit different resolutions as well. However, very small screens may be difficult to effectively navigate.

Version Overview

We offer three basic versions as listed in the following table. In addition, Enterprise and Custom versions are available. Not all functionality shown is fully available for the Free version. For example, the *output of the Free version cannot be permanently saved*.

Features	Free Version	Standard Version	Platinum Version
Number of Users	2	5	10
Economic Input			
Production	1	1	1
Operations	1	1	1
Possible Damages	4	4	4
Personnel Cost/Hour	5	10	15
Total Cost of Ownership (TCO)	1	1	1
Risk Assessment	3	10	15
COV (Direct)	3	10	15
COV (Not Direct)	3	10	15
COV (Personnel Cost)	2	10	15
COV (Risk Assessment)	3	10	15
COV (Possible Damages)	1	4	10
3 Hr. Online Workshop	No	Yes	Yes
Cloud Collaboration*	No	Yes	Yes
Big Data**	No	Additional Cost	Additional Cost
Free Upgrade to APP	No	Yes	Yes
Print***	Yes	Yes	Yes
Save Work	No	Yes	Yes
Post to Your Website/Blog	No	Yes	Yes
Addition KPIs available for purchase	No	Yes	Yes

* See [Collaboration](#) Section for details

** See [Big Data](#) Section for details

*** See [Output](#) Section for details

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Enterprise License

Organizations with multiple **Product/Service Lines** (PSL) should contact us for our Enterprise License. With EVPM you can set up an *instance* for each Product and/or Service your organization offers.

In the [Collaborative](#) section, we will show you how this powerful tool can be used to optimize your Value Proposition. Each Product or Service will require an EVPM for constant use by those responsible for the marketing and sales of their PSL.

Custom Configurations

We believe that the Standard version will satisfy most needs and the Platinum is probably more than most PSLs require. However, custom configurations have been provided customers and we continue to meet this need as required. Contact us for more information.

Who Should Use this Solution?

The Economic Value Proposition Matrix® model was originally developed with and in support of oil and gas field operations and the need to understand what the value of certain Capital expenditures in terms senior executives could understand—Finance! It has since been extended to all market segments.

EVPM is particularly useful when developing the business rationale for “soft” investments such as software, security, professional services, engineering and/or other **difficult-to-measure** investments. EVPM has been used for over a decade by many major global players as well as startup firms and others.

For example, if you are the ...

Seller	Buyer
<ul style="list-style-type: none">• Prepare your presentation to your customer.• Show where in the organization value can be attained from your product or service• Demonstrate Believability and ability to Defend your value proposition• Generate “buy in” at all levels• Speak the language of your customer, especially the economic buyer	<ul style="list-style-type: none">• Assess all components of value for each department/business unit at a granular level• Generate “buy in” for your project from all constituents• Prepare for your presentation to senior management• Speak the language of the economic buyer

How to Navigate the Model

Here are a few shortcuts about how the software works and how to navigate it. The model is straightforward and makes extensive use of “Drop-Down” lists and “Sliders” to minimize the amount of typing and data input.

You will notice that this product has the following six Tabs:

- **Start**—QuickStart and the legal stuff
- **Economic Input**—economic data input such as oil and gas production, drilling rig cost, and **Intangible** variables to drive the model
- **TCO**—the Total Cost of Ownership for the Investment
- **Risk Assessment**—expected costs from “potential” incidents
- **Economic Value Assessment**—develop your EVPM by inputting **Directly Measurable** values and **Not Directly Measurable** values. The **Economic Value Summary** and **Net Present Value** are the output of the EVPM
- **Dashboard**—how the results are presented

Additionally, within the model you will also find the following:

- **I’m Done** button that finalizes all model inputs
- **Reset** button that resets all model parameters to their default (**this cannot be undone**)
- **Real-time Sync** which will enable Collaboration among team members.

Components of Value Definition

In the Economic Value Assessment section, the model makes extensive use of our Components of Value taxonomy. For ease of readership they are defined below.

- Cost Takeout
- Cost Avoidance
- Productivity & Efficiency Gains (Prod & Eff)
- One-time Cash Flow Impact (One time CF)
- Intangible

<u>Category</u>	<u>Definition</u>	<u>Example</u>
Cost Takeout	Completely eliminating a specific activity or process	<ul style="list-style-type: none"> ■ Redeploying a resource from a non value-added activity to a value-added activity
Cost Avoidance	Identifying and correcting an error that was not budgeted for correction but would have caused an expense had it not been corrected	<ul style="list-style-type: none"> ■ Correcting an engineering design flaw before the flaw goes into production.
Productivity & Efficiency Gains	Increase in productivity that improves existing resource utilization.	<ul style="list-style-type: none"> ■ Removal of a bottleneck that is causing capacity restraint ■ Correcting a process to allow more productive time by shifting from wait time to production time
One-time Cash Flow Impact	Decreasing and or eliminating one-time cash flow impact	<ul style="list-style-type: none"> ■ Elimination of redundant information/data stores ■ Monetize Capital
Intangible	Benefits that improve operations of the business and /or are necessary to control, protect and enhance company assets, but are not quantifiable due to the nature of the area being improved	<ul style="list-style-type: none"> ■ Improvement of communications between different operational units/supply chain ■ Reduced small equipment shrinkage

So, let's get started


The purpose of the Economic Value Proposition Matrix® model is to provide executives, project managers, sales/marketing and others with a robust, flexible and mobility enabled solution. You will note that input cells are highlighted with **blue font**. This convention is used throughout the model.

Step One—Start Page

On the **Start Page** enter your **Name** and **Email** address. Both are **required** to go to the next step. You can also enter a date if you prefer from the “pop-up” calendar.

Note the “Tabs” across the top of the page for each of the six sections of the model.

Start Economic Input TCO Risk Assessment Economic Value Assessment Dashboard



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Name*

Email*

Yes

I Accept the Terms of the License Agreement contained in the [Quick](#)

* required field to use the model

Economic Value Proposition Matrix® Release 2

Standard Version

Translate Technology to the Language of Business!

Date: 1/1/2016

« January 2016 »

Su	Mo	Tu	We	Th	Fr	Sa
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

You must also accept the Terms of the [License Agreement](#) contained herein.

Step Two—Economic Input

Open the **Economic Input** Tab and fill in the Required data—Type of Revenue or Production and the type of Operations involved. Also input production rates, market value of production, etc., as shown. Don't worry if you don't know the actual value you can:

- Put in a “plug” number that can be changed later
- Leave blank now—do your homework and generate appropriate values (this is part of the value of the system; verifying assumptions). This makes the model **Believable** and **Defendable** with management or customers.

Keep in mind that the development of robust Economic Value Proposition Matrix® model is an iterative process with input likely from a number of sources both inside and outside the organization. In addition to developing a better model, all parties contribute and “buy-in” to the results.

There are four categories of input data:

- **Revenue/Production**—from the drop-down list select the type of product/service line revenue is generated from as well as the quantity of production each day
- **Operations**—select the operations process, i.e. Customer Service, Manufacturing, etc. as well as the Average Cost/Day of that operation. As before if you don't know the number leave it blank or put an estimate "pug" number that can be validated later.
- **Possible Damages**—select from the list of costs associated with the listed potential issues. Often these costs may not occur but the EVPM enables you to take them into consideration in your assessment process. In other words, damages "avoided" as a result of this procurement

Start Economic Input TCO Risk Assessment Economic Value Assessment Dashboard

Economic Input -- Same currency throughout unless otherwise noted

The Numbers in Blue Font are Provided for Convenience, Please Change Accordingly. Each Tab is Constructed the Same Way.

Revenue/Production*

Crude Oil Production ▼

Average Unit Sales Price 30.00

	<u>Units / Day</u>	<u>Revenue</u>
Daily	1,000	30,000
Weekly	7,000	210,000
Annually (365 days)	365,000	10,950,000

Operations*

<u>Process</u>	<u>Average Cost / Day</u>
Drilling ▼	253,000

Possible Damages (avoided)

	<u>Select</u>	
Regulatory Fines	Typical EPA ▼	25,000
Legal Action	-Please Select ▼	1,000,000
Public Relations	-Please Select ▼	1,000,000
Other	Loss of License to Operate	10,000,000

Caveat: This is a representative list and NOT meant to be all inclusive.

- **Personnel Costs/Hour**—select the cost per hour for various job descriptions. The system will calculate the Blended (Average) cost. We recommend that you use the **fully burdened costs** to truly reflect the actual cost to your organization.

- Typically, fully burdened costs include salary, benefits, overhead and other costs associated with employees. If you don't know this number, ask Human Resources. Likewise, you can include 3rd party contractor personnel costs here as well.

Personnel Costs/Hour

Fully Burdened Cost includes salary, benefits and other costs

Field Engineer	▼	100
Support	▼	150
Administration	▼	50
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
-Please Select	▼	100
Blended Cost (Average)		100

[↑ Top of Page](#)

↻ Reset
➤ I'm Done

As you will see, each Tab has a great deal of flexibility and you can tailor the model to your specific requirements. Often you will see “blank” input boxes so that you can input text to describe the issue being addressed.

Note at the Top and Bottom of each page are the **Reset** and **I'm Done** buttons. This is true for all Tabs.

Step Three—Total Cost of Ownership

Complete the Total Cost of Ownership (**TCO**) Tab. The Default data in the model is for a software investment, but you can change the title and other aspects on this page to reflect the “Investment” you are modeling.

There are four major groups of costs:

- **License**—including initial license and maintenance as well as configuration costs specific to the software, i.e., number of users and cost of subscriptions.
- **System Integrator Products and Services**—professional and technical services provided by your systems integration (SI) or engineering company (this is a good way to compare actual costs from your bidding process).
- **Additional 3rd Party**—any other costs accrued from vendors and suppliers, i.e., SI Audit or Independent Verification & Validation (IV&V).
- **Internal Cost Components**—don't forget that the organization implementation of an Investment will have internal costs. Enter those here (we suggest you use the *fully burdened* number, i.e., salary, overhead, benefits, etc. as this is the actual internal cost). Often these costs are not direct out or pocket or cash to vendors so they can be treated as “non-cash” costs.

Total Cost of Ownership Overview		Investment					
	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	
Software							
Subscription per User (monthly)		30	30	30	30	30	
Number of Users		200	200	200	200	200	
Total Annual Initial License Price		72,000	72,000	72,000	72,000	72,000	
Configuration/Customization	5,000						
Sub-Total	5,000	72,000	72,000	72,000	72,000	72,000	
System Integrator Products and Services							
Professional Services	25,000	5,000	5,000	5,000	5,000	5,000	
Technical Services	15,000	5,000	5,000	5,000	5,000	5,000	
Misc.	10,000	5,000	5,000	5,000	5,000	5,000	
Sub-Total	50,000	15,000	30,000	30,000	30,000	30,000	
Additional 3rd Party (Integration to ERP for example)							
Professional Services	25,000	10,000	10,000	10,000	10,000	10,000	
Technical Services	15,000	15,000	15,000	15,000	15,000	15,000	
Misc.	5,000	5,000	5,000	5,000	5,000	5,000	
Sub-Total	50,000	30,000	30,000	30,000	30,000	30,000	
Internal Cost Components							
Business Resources	15,000	5,000	5,000	5,000	5,000	5,000	
IT Resources	10,000	3,000	3,000	3,000	3,000	3,000	
Sub-Total	25,000	8,000	8,000	8,000	8,000	8,000	
<i>Note: Not necessary cash flow but fully burdened cost</i>							
Total Cash Investment	105,000	117,000	132,000	132,000	132,000	132,000	
Total Internal & External	130,000	125,000	140,000	140,000	140,000	140,000	

[↑ Top of Page](#)

Reset I'm Done

Note: the model provides the flexibility to change inputs during each phase or year of the project assessment.

Total Cash Investment and Total Internal & External cost are reflected over an assumed five (5) year project plan.

Step Four—Risk Assessment

Complete the **Risk Assessment** Tab. The user can input the “Likelihood” as a percentage from 0-100 that an activity will occur. In this case, the risk being modeled is the “Expected Employer Costs from Incident/Unplanned Downtime/Other.”

Note that the Likelihood is determined by a “Slider Bar.” **This enables users to transform subjective input into qualitative input.** This input approach is used extensively in the EVPM.

By multiplying the Likelihood by an estimated Dollar Value you get an **Expected Cost**—a probability of that value being attained.

The ability to address Risk Assessment is unique this type of model and is a very robust approach including customization as shown below. Users can change the Risk Variable and its Description

The screenshot shows the 'Risk Assessment' tab in a software application. At the top, there are navigation tabs: Start, Economic Input, TCO, Risk Assessment (selected), Economic Value Assessment, and Dashboard. Below the tabs, the 'Risk Assessment' section is titled 'Expected Costs from Incidents/Unplanned Downtime/Other'. A red arrow points to the 'Description' column header. A red circle highlights the 'Likelihood' slider bars and the 'Percentage', 'Dollar Value', and 'Expected Cost' columns. The table lists 16 risk variables with their descriptions, likelihood sliders, percentages, dollar values, and expected costs. A 'Total Expected Cost' of 51,700 is shown at the bottom right.

Risk Variable	Description	Likelihood		Percentage	Dollar Value	Expected Cost
		Very Low	Very High			
Significant Injury/Fatality	Cost of fines and legal payments	[Slider]		71%	10,000	7,100
Turnover	Replacement training and recruitment costs	[Slider]		45%	10,000	4,500
Disability/Retirement	Costs associated with retirement, fines and payments to injured personnel	[Slider]		73%	10,000	7,300
Non-Medical Rehabilitation	Counselling, retraining and workplace changes	[Slider]		50%	10,000	5,000
Aministration	Time and effort spent investigating and filing reports of the accident	[Slider]		23%	10,000	2,300
Damaged Equipment	Repair and/or replacement cost for damaged equipment	[Slider]		19%	10,000	1,900
Insurance	Increase of insurance premiums or loss of insurance	[Slider]		9%	10,000	900
Legal	Legal costs including attorney fees, court costs, etc.	[Slider]		53%	10,000	5,300
Lawsuit	Cost of other lawsuits	[Slider]		23%	10,000	2,300
Regulatory	Fines from regulatory agencies	[Slider]		18%	10,000	1,800
Lost Time	Unplanned production downtime	[Slider]		39%	10,000	3,900
Opportunity Costs	Costs from missed business opportunities such as new customer loss	[Slider]		24%	10,000	2,400
Current Revenue Losses	Revenue losses from other projects affected by the incident	[Slider]		46%	10,000	4,600
Loss of Future Earnings	Revenue losses from future projects affected by the incident	[Slider]		24%	10,000	2,400
Other Expenses	Other or miscellaneous expenses	[Slider]		0%	10,000	0
Total Expected Cost						51,700

Be careful: as shown in the example, there are “Legal” and “Lawsuit” line items. There are similar variables on the Economic Input Tab—Possible Damages. This model is powerful and has a lot of flexibility but don’t “double” count.

Step Five—Economic Value Assessment

Complete the **Economic Value Assessment** Tab. This is the most complicated yet provides a great deal of modeling flexibility. It is also where you will see the full robust model finally come together.

There are several components to this Tab:

Key Points

- The **Type of Operations** (note the corresponding **Daily Ops Cost** will automatically be updated from the **Economic Input** Tab.
 - The **Net Present Value Discount Rate** can be changed (typical projects use 10% as a default). NPV is defined as the present value of cash inflows and outflows over the period of interest.
 - Factor in the **Operations Utilization Rate** (percentage of uptime), i.e. down for maintenance or unplanned downtime. Use the Slider Bar as shown in the circle on the graphic below.

Economic Value Assessment

Type of Operations: _____ Daily Ops Cost: 253,000

NPV Discount Rate: 10%

Operations Utilization Rate (uptime)

Percentage: 85% 88% 93% 91% 93%

Components of Value

Item No.	Division/Group	Category	Description	Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Directly Measurable											
Maximizing Production Increases											
<i>Note: These Components of Value are a function of Production such as increased facilities output. These data are not directly entered independently.</i>											
1	Facilities	Cost Avoidance	Provide short description	Slider Percentage	2,047,650	2,119,920	2,240,370	2,192,190	2,240,370	10,840,500	
2	Engineering	Cost Takeout	Provide short description	Slider Percentage	744,600	770,880	814,680	797,160	814,680	3,942,000	
3	All	One-Time CF	Provide short description	Slider Percentage	837,675	867,240	916,515	896,805	916,515	4,434,750	
Subtotal					3,629,925	3,758,040	3,971,565	3,886,155	3,971,565	19,217,250	
Achieving Operational Excellence Savings											
<i>Note: These Components of Value are a function of the direct cost of daily operations such as reduced process cycle time. These data are not directly entered independently.</i>											
4	Compliance	Cost Avoidance	Provide short description	Slider Percentage	13,343,853	13,814,812	14,599,745	14,285,772	14,599,745	70,643,925	
5	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0	
6	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0	
7	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0	
Subtotal					13,343,853	13,814,812	14,599,745	14,285,772	14,599,745	70,643,925	
Additional Cost Savings											
<i>Note: These Components of Value are additional direct costs such as replacing older less</i>											
8	Admin Services	Cost Takeout	Provide short description		10,000	150,000	95,000	65,000	25,000	345,000	
					Likelihood	45%	25%	75%	25%	25%	
					Expected Impact	4,500	37,500	71,250	16,250	6,250	135,750
9	-Please Select	-Please Select	Provide short description							0	
					Likelihood	25%	25%	25%	25%	25%	
					Expected Impact	0	0	0	0	0	
10	-Please Select	-Please Select	Provide short description							0	
					Likelihood	25%	25%	25%	25%	25%	
					Expected Impact	0	0	0	0	0	
Subtotal					4,500	37,500	71,250	16,250	6,250	135,750	
Total Directly Measurable					16,978,278	17,610,352	18,642,560	18,188,177	18,577,560	89,996,925	

Components of Value

There are two types, those **Directly Measurable** and those **Not Directly Measurable**. With one exception, they are both set up with the same three major sections.

- **Maximizing Production**—impact on production the investment may have
- **Achieving Operational Excellence**—impact on the cost of operations the investment may have
- **Additional Cost Savings**—other cost savings that can be realized

The **Not Directly Measurable** Component includes the **Expected Costs from Incidents/Unplanned Downtime/Other** section.

Each **Component of Value** has the following characteristics.

- **Division/Group**—experience has shown that organizational constituents view value from different perspectives as well as a range of impact (positive and negative). Part of the power of EVPM is the ability to drill down into the organization in detail. In this model a drop down menu reveals typical departments.
- **Category**—the five Com are divided into those that are **Directly Measurable** (use drop down menu) and **Not Directly Measurable** (use drop down menu)

Directly Measurable	Not Directly Measurable
Cost Avoidance	Intangible
Cost Takeout	Prod & Eff (Productivity & Efficiency Gains)
One-time CF (Cash Flow Impact)	

- **Description**—provides a brief description of this **Component of Value**. This helps with the understanding process and can be used as part of a sales or management presentation.
- **Assumptions**—It helps to document the rationale behind suppositions made.
 - **Slider Percentage/Likelihood**—probability that a **Directly Measurable** component or **Not Directly Measurable** component such as Productivity & Efficiency Gains will occur.
- **Expected Impact**—calculated impact on the Component of Value on the scenario.

The Real Power of this part of the model is the ability to determine the **Likelihood** of an incident in any given year using the slider bar, i.e., regulatory fines may only happen in a given year, not every year. Therefore, the model reflects reality.

In many cases the Initial Value of Not Directly Measurable components is not known. If this is the case, the initial state is zero (0). Often over time and with additional research and assessment a good value can be determined.

Item No.	Division/Group	Category	Description	Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Not Directly Measurable										
Maximizing Production Increases										
<i>Note: These Components of Value are a function of the direct cost of daily operations such as increased efficiency. These data are not directly entered independently.</i>										
1	HSE	Intangible	Provide short description	Slider Percentage	744,600	770,880	814,680	797,160	814,680	3,942,000
2	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0
3	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0
Subtotal					744,600	770,880	814,680	797,160	814,680	3,942,000
Achieving Operational Excellence Savings										
<i>Note: These Components of Value are a function of the direct cost of daily operations such as increased efficiency. These data are not directly entered independently.</i>										
4	Engineering	Prod & Eff	Provide short description	Slider Percentage	0	0	0	0	0	0
5	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0
6	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0
7	-Please Select	-Please Select	Provide short description	Slider Percentage	0	0	0	0	0	0
Subtotal					0	0	0	0	0	0
Additional Cost Savings										
<i>Note: These Components of Value are additional direct costs not doing something. These data are not directly entered independently.</i>										
8	Corporate	Prod & Eff	Provide short description		10,000	2,000	36,000	0	0	48,000
			Likelihood		25%	25%	25%	25%	25%	
Expected Impact					2,500	500	9,000	0	0	12,000
9	-Please Select	-Please Select	Provide short description							0
			Likelihood		25%	25%	25%	25%	25%	
Expected Impact					0	0	0	0	0	0
10	-Please Select	-Please Select	Provide short description							0
			Likelihood		25%	25%	25%	25%	25%	
Expected Impact					0	0	0	0	0	0
Subtotal					2,500	500	9,000	0	0	12,000

For **Additional Cost Saving**, you can type the costs in for each year separately. Likewise, you can change the **Likelihood** independently as well. As with other section of the model, this is a recognition that things change and allows the model to better reflect reality.

Expected Costs from Incidents/Unplanned Downtime/Other

The yearly costs for this scenario are taken from the Total Expects Cost of the **Risk Assessment** Tab. You can change the **Likelihood** for each year. This enables you to independently model the Expected Impact for each year.

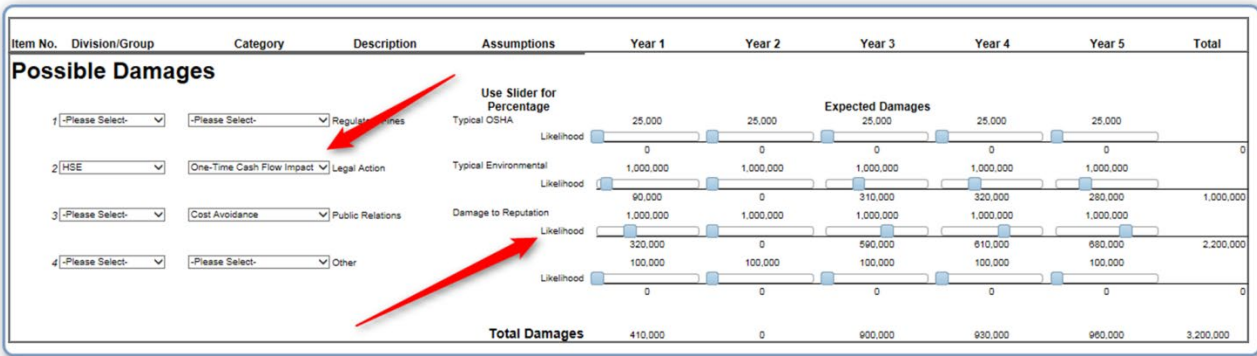
Since these are “possible” as opposed to direct costs, they are treated as **Not Directly Measurable**. As shown in the following figure you can also put in a short Description as well as your own Assumptions.

Expected Costs from Incidents/Unplanned Downtime/Other										
<i>Note: These Components of Value are additional direct costs resulting from HSE incidents. This is indirect in this model because the actual impact is unknown until all aspects of the incident are closed.</i>										
Corporate	Intangible	Provide short description	From Risk Assessment Variables Expected Cost		87,400	87,400	87,400	87,400	87,400	437,000
			Likelihood is determined on Risk Assessment Tab but you can change if think risk goes up or down by year.		20%	100%	150%	20%	50%	
Expected Impact					17,480	87,400	131,100	17,480	43,700	297,160
Subtotal					17,480	87,400	131,100	17,480	43,700	297,160
Total Not Directly Measureable										
					17,480	87,400	131,100	17,480	43,700	297,160

Note: Soft numbers are generally not used in the (base) value proposition calculation. They can provide management with visibility into the possible.

Possible Damages

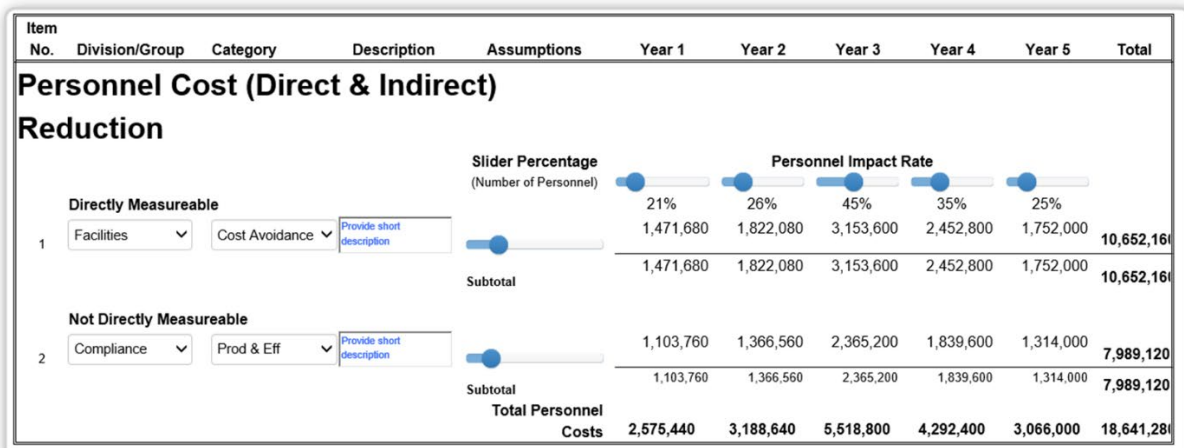
Taken from the **Economic Input** this section enables the user to input what the **Expected Damages** from regulations, legal action, PR and other may be in any given year. As with other inputs to the model, the user is allowed to express his or her option of the impact by year. This enables a high level of granularity.



Note: **Possible Damages** are included in the **Not Directly Measurable** line item in the Economic Value Summary below. As with other intangible or **Not Directly Measurable** variables, the goal is to reduce or eliminate this “risk exposure.”

Personnel Cost Reductions

These are a function of the **Number of Personnel** (Slider Percentage) and their **Blended Cost** (Average) from the **Economic Input** Tab and the **Impact Rate** (Slider Bar) or the percentage of individuals who can tasked with other jobs as a result of the investment. You can also decide what percentage are a function of **Directly Measurable** and **Not Directly Measurable** scenarios. Note that either can be set to zero (0) if you desire.



Step Six—Economic Value Summary

Part of the power of the EVPM is the ability to easily run an unlimited number of scenarios. You are encouraged to experiment as assess the sensitivity of your project to impact of different Components. Play with this EVPM and develop one that has the maximum impact on your organization.

This is the final EVPM over the 5-year period and the Net Present Value of the project. Technically, a positive NPV suggests the project adds value to the enterprise, but in practice management likes to see this number as overwhelming high. This model factors in SUBJECTIVE RISK ASSESSMENT as well.

Components include:

- Investment in Solution—from TCO Tab
• Total Economic Value—from the three categories, Directly Measurable, Not Directly Measurable and Personnel Cost
• Net Total—Total Economic Value minus the Investment in Solution
• Net Present Value—defined as the difference between the Present Value (PV) of cash inflows and the PV of cash outflows. Generally, if NPV is positive the project is economically viable. Most large organizations use this metric when evaluating investments.

Economic Value Summary table with columns for Initial, Year 1-5, and Total. Rows include Investment in Solution, Total Economic Value (Directly Measurable, Not Directly Measurable, Personnel Cost), Total Value, and Net Total. Net Present Value @ 10% is also shown.

Step Seven—Dashboard

The Dashboard Tab provides different ways to view or report the Economic Value Proposition Matrix. While simple in this version, data presentation can be configured to meet your requirements.

The Dashboard is an Output of the model. There is no input from the user for the Tab.

Managing the Model

The model is powerful and solves high value problems. While straightforward in its navigation and use, there are additional capabilities available (primarily) in the Paid versions.

AutoSave

The Free version is available to all and as such is an open system that users can use for small assessments. While, it does not save, the results can be preserved using the tools provide in the Output section.

For paid versions AutoSave is continuous and the iterative collaboration among organizational is always captured. Hitting the **I'm Done** button captures the final model

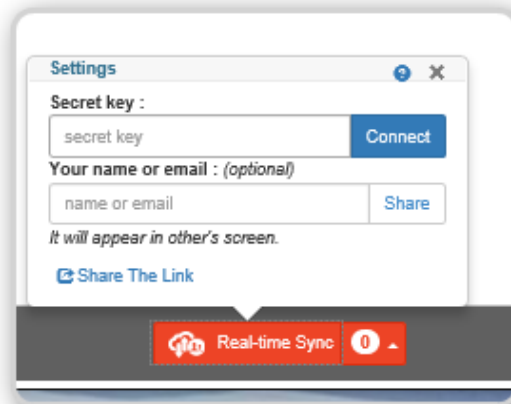
Collaboration

The Free version offers collaboration, but it is not as secure as others. Therefore, exercise caution with the data and information input. Paid versions are licensed to organizations and are more secure hackers.

As shown in the following figure, you can invite others to collaborate with you on the model and finalize it. This collaboration is very powerful and adds a great deal of capability to it. The model is current, although if the model is **Reset**, the model reverts to its default condition and is not recoverable.

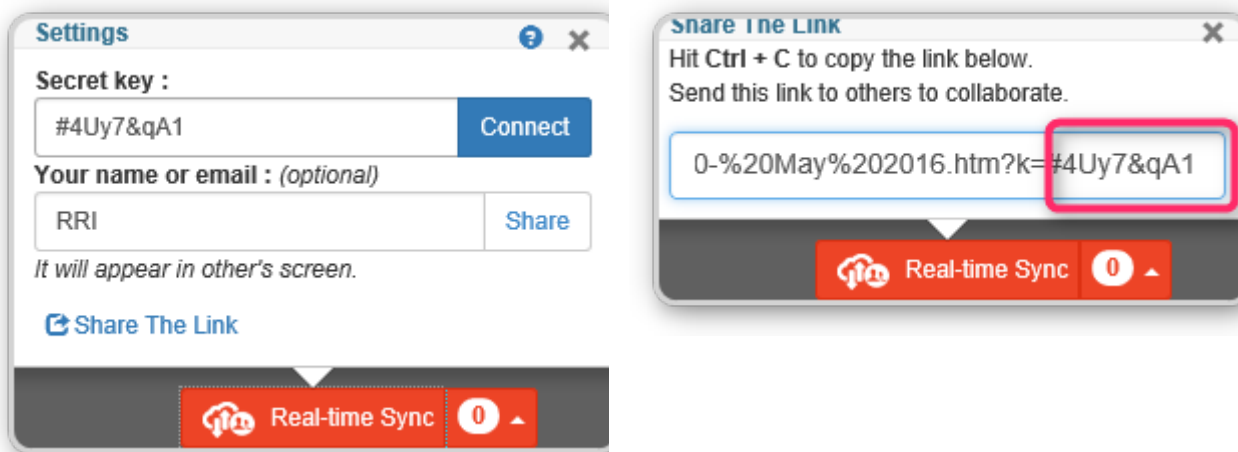
The Secret Key is one you provide others who will collaborate with. Make sure you **“Share The Link.”**

Tap on the **“Real-time Sync”** to start the process.



Then take the following steps:

- Enter your **Secret Key**. This is MINIMUM of seven (7) characters and you should follow normal password protocols, i.e., #4Uy7&qA1
- The Secret Key should be UNIQUE to this Collaborative Session
- Enter your **Name** or **Email** address to identify yourself to the other collaborators
- Now press **Connect** to create your *real time collaborative session*



- Cut and Past the Link and email to others
- Those you invited to collaborate on your project will receive the link in their email. Note that the Secret Key will identify this specific collaborative instance.

The Collaborative Process

To the right of the **Real-time Sync** button you will see a “bubble” which will state the number of collaborators working on the project. If you “mouse” over the bubble, the list of colleagues will appear.

Additionally, as changes are made a colored arrow with the name of the individual making the change is shown. Finally, each collaboration session is automatically saved and the next time the team “logs in” with the same Secret Key, they will commence where they left off—the changes are saved.

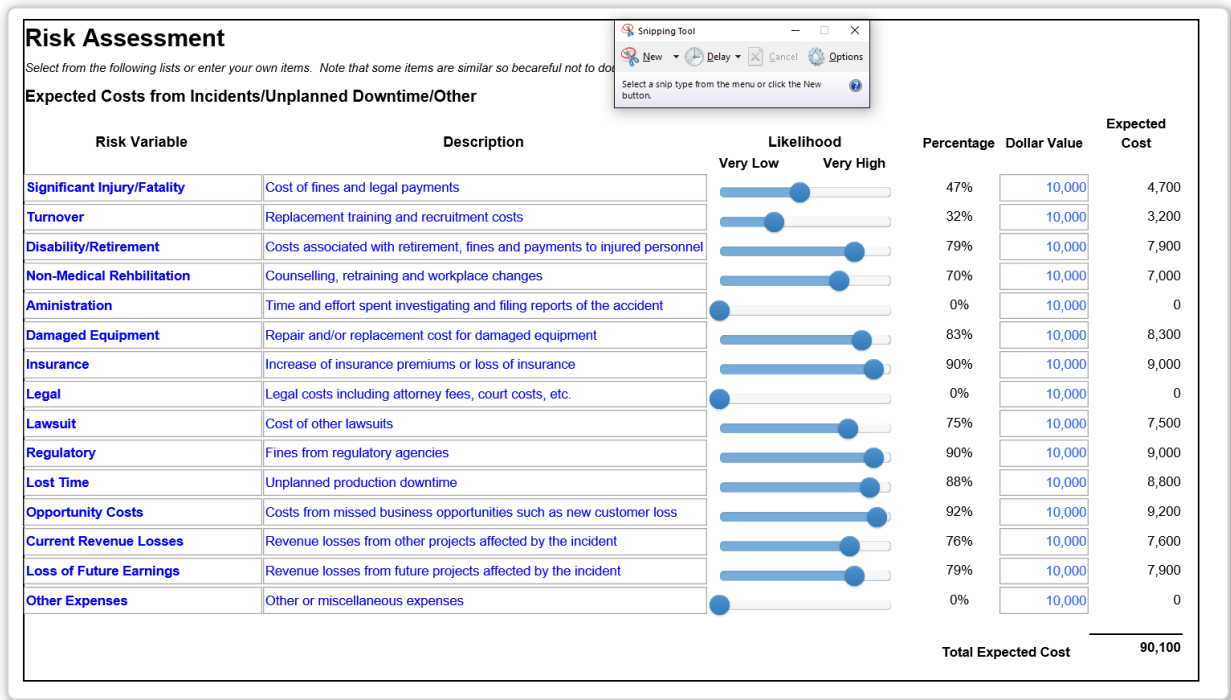
Output

When completed, the EVPM contains a wealth of information. Not just the data itself, but the process why which the team assembled and validated the data. As such it has a very high value.

This robust dynamic Cloud EVPM can contain output that is difficult to print using conventional tools. Each Tab is dynamic and may have different print/output presentation scales.

We have discovered using Screen Print solutions such as Microsoft’s Snipping Tool (free) is the most effective way to “capture” this robust solution for purposes of presentations, proposal, and other static data requirements. We have found that this is the easiest way to develop high quality output images.

The following figure depicts the use of this tool. Others are available, and we do not endorse any product. However, testing has shown this approach is the most effective way to capture analogue data.



Big Data

More dynamically, all the data captured in the EVPM can be available in a database. We can provide a profile of your organization's games compared to your peer group or industry in general. This may provide insight that can impact on sales training programs.

Moreover, the output of the EVPM can be uploaded to organizational databases such as MS SharePoint or most object/relational/non-relationship databases. It can then be used for broader purposes outside EVPM purposes.

Contact us for additional information and price.

APP

In the near future, we will have a Mobile APP. Current users of the Standard and Platinum versions can be upgraded at no charge.

Addition KPIs

This Economic Value Proposition Matrix® model originated in in the first part of the century as the result of a consulting engagement to assess the value of a software investment in a heavy industrial environment. It has been extensively used for over a decade in a myriad of projects.

A number of Risk Assessment and KPIs have been developed including the following:

- Across the Petroleum Value Chain
- Security
- Power Generation and Transmission
- Software
- Manufacturing
- Others

These are available to customize your EVPM. Contact us for availability and price.

Conclusion

We hope you found this guide helpful. Other resources are available including online training, video (forth coming) and individual consultation. Talk to your RRI business development representative for more information.

info@theRRInstitute.com

See our [EVPM](#) webpage for additional information.

www.theRRInstitute.com

Management will understand the output of the EVPM because it speaks in their language!

Translate Technology to the Language of Business!

EVPM License Agreement

Economic Value Proposition Matrix® (EVPM) Terms of Service

1. Legal Agreement

Thank you for registering to be a user of the Economic Value Proposition Matrix®. These Terms of Service apply to you, a user of the Service, and constitute a binding, legal agreement (“Agreement”) between you, as an individual, or if you are purchasing or using the service as part of your job responsibilities, the legal entity that you represent as specified on the Order Form, and The Rapid Response Institute LLC. (“RRI”).

Please read all the terms and conditions of this Agreement carefully. By registering for and/or using the Service, you agree that you are bound by the terms and conditions of this Agreement, and you represent and warrant that you have full power, authority and legal capacity to enter into this Agreement. Please contact RRI at sshemwell@therrinstitute.com if you have any questions about this Agreement.

2. Definitions

“**Downloaded Software**” means client software downloaded by an Authorized User (defined below) from the Site that augments your use of the Service, including add-ins and ancillary programs.

“**Enterprise Customer**” means an RRI customer who has acquired the “Enterprise” version of the Service.

“**Order Form**” means a web-based or signed paper order form completed by you or by an authorized employee of the legal entity for whom you work when ordering the Service.

“**External User**” means a single individual generally located outside of your organization who is invited to access a document or folder within the Service. An External User has access only to limited features of the Service and is not considered a licensed Named User under the Service.

“**Named User**” means a single individual with a corresponding user name and password who is authorized by the administrator for the entity entering into this Agreement to be a user of the Service. A Named User has full license rights to use the Service, subject to limitations that may be imposed by the administrator.

“**Service**” means the provision by RRI to you of online document management, work flow and related services, in accordance with the tiers of service and other options as set forth in the Order Form. The Service includes the provision on a Software as a Service basis of non-exclusive use and access to proprietary RRI software, and associated hosting and support services as described herein.

“**Site**” means the web site at www.theRRInstitute.com and/or such other web site or sites that RRI communicates to you where you may access the Service.

“Software” means RRI’s proprietary software used by RRI to deliver the Service, made available to you through the Site on a “Software as a Service” basis, and all updates and associated documentation thereto made available as a part of the Service pursuant to this Agreement. The term “Software” includes the Downloaded Software.

“Trial Use” means your use of the Service during the use of the free version, as further described on the Site.

3. Service.

3.1 Under the terms of and subject to the restrictions in this Agreement, including payment of all applicable fees, RRI will provide the Service on a subscription basis to you during the term of this Agreement. You may use and access the Service and Software solely through the Site. Your rights to use the Service are non-exclusive and non-transferable. You may use the Service only for your own benefit, and not for the benefit of any other third party.

3.2 As part of the Service, RRI will provide reasonable technical support to you via e-mail and an online support portal during RRI’s regular business hours. As applicable, additional terms and limitations regarding support for the Service based on the selected Service tier will be included on the Site.

3.3 RRI will use commercially reasonable efforts to make the Service available on 24 hours a day, 7 days a week, and 365 days a year basis, subject to Section 13.2 (Force Majeure) below and to downtime for maintenance purposes. RRI will, to the extent practicable, schedule maintenance downtime outside of regular business hours, as further defined and stated on the Site. If you are an Enterprise Customer, the Service Level Agreement set forth in Exhibit A will apply to the Service and is incorporated herein by reference.

3.4 RRI may from time to time modify the Site and the Service and add, change, or delete features of the Service in its sole discretion, without notice to you. Your continued use of the Service after any such changes to the Service constitutes your acceptance of these changes. RRI will use commercially reasonable efforts to post information on the Site regarding material changes to the Service.

3.5 The Service may be used and accessed for your internal business purposes and only by your Named Users and External Users (collectively the “Authorized Users”).

All usage rights are personal to the Authorized User. You must keep your user name and password confidential and not authorize any other person, including but not limited to any other individual within your organization, to access or use the Service using your user name and password. It is a violation of this Agreement for Named Users to share their user name and passwords with other individuals, allowing more than one individual to use the Service with the same user name and password.

External Users authorized by you may use the Service only for the purpose of facilitating business transactions with you or for providing services to you, and in no event may External Users use and access the Service provided to you as a document management solution for their own or for another

person's benefit. You agree not to charge any Authorized Users to use the Service, either directly or indirectly. You shall be fully responsible for use of the Service by Authorized Users and their compliance with the terms of this Agreement.

3.6 You acknowledge that you are solely responsible for: (a) all use of the Service made using your Authorized Users' user names and passwords, and (b) maintaining the confidentiality of your Authorized Users' user names and passwords. You agree to notify RRI immediately of any unauthorized use of an Authorized User's email address, user name or password, or any other breach of security regarding the Service of which you become aware.

3.7 If you have acquired Trial Use of the Service, the following terms shall apply in connection with your Trial Use, notwithstanding anything to the contrary herein:

3.7.1 The Trial Use is provided "AS-IS", without warranty or support of any kind, express or implied;

3.7.2 Unless you have notified RRI that you wish to convert the trial to a full subscription prior to the end of the Trial Use period, your account will automatically terminate at the end of the Trial Use period; and

3.7.3 Upon termination of your Trial Use Period, unless you have previously converted to a full subscription, all Client Documents stored by you as part of the Service will be permanently deleted without notice to you, and you will have no right to access the Service or any of your Client Documents after termination.

3.8 You warrant and agree not to:

- Violate any local, state, national or international law or regulation in connection with use of the Service, or otherwise use the Service in any way that is in furtherance of criminal, fraudulent, or other unlawful activity
- Interfere with or disrupt the Service or servers or networks connected to the Service
- Violate any codes of conduct, requirements, terms of use, policies or regulations of networks connected to the Service
- Interfere with or attempt to interfere with any other person's use of the Service
- Gain access to or attempt to gain access to any account, computers or networks related to the Service without authorization
- Use the Service to send or otherwise make available any viruses, Trojan horses, worms, corrupted files, or any other similar software that may damage the operation of another's computer or property
- Use the Service in a manner that results in excessive bandwidth usage, as determined in RRI's sole discretion

- Impersonate any other person or entity, or misrepresent your affiliation with any other person or entity
- Forge headers or otherwise manipulate identifiers in order to disguise the origin of any content or communication transmitted through the Service

3.9 As part of the Service, RRI may offer access to one or more application programming interfaces (“APIs”). RRI provides the APIs on an “AS-IS” basis, without warranty or support of any kind, express or implied. You acknowledge and agree that your use of the APIs is at your own risk, and that the APIs may be removed at any time from the Service without notice to you.

4. Intellectual Property

4.1 You agree that RRI and its licensors own all intellectual property rights in and to the Service, the Software, and the Site, including but not limited to the look and feel, structure, organization, design, algorithms, templates, data models, logic flow, text, graphics, logos, and screen displays associated therewith. You will not reverse engineer, decompile or disassemble the Software, or otherwise attempt to reconstruct or discover the source code for the Software. You further agree not to resell, lease, assign, distribute, time share or otherwise commercially exploit or make the Service available to any third party for such third party’s benefit. You may make a single copy of the Downloaded Software for backup purposes only; provided that any such copies contain the same proprietary rights notices that appear on the Downloaded Software. RRI reserves all rights in the Service and the Software not expressly granted to you hereunder.

4.2 You shall retain ownership of the documents and related materials and information you upload in connection with the Service (“Client Documents”). RRI shall not access or otherwise use the contents of any Client Documents, unless you give specific written permission to such access in connection with RRI’s handling of a support or implementation issue. Solely in order to provide the Service to you, RRI may copy, archive, index, and create metadata relating to the Client Documents. RRI may derive and compile from your usage of the Service certain aggregated and/or analytical information, so long as such aggregated or analytical information does not reveal the contents of any Client Documents. Such aggregated data and metadata may be used for RRI’s own purposes without restriction, including, but not limited to, using such data in conjunction with data from other sources to improve RRI’s products and services and create new products.

4.3 RRI shall have a royalty-free, worldwide, transferable, and perpetual license to use or incorporate into the Service any suggestions, ideas, enhancement requests, feedback, or other information provided by you or any Authorized User relating to the Service.

4.4 RRI’s trademarks include Economic Value Proposition Matrix, EVPM, and the RRI logo. SpreadsheetConverter(R) is a registered trademark of Framtidsforum I&M AB, Sweden. Office(R), Outlook(R), Windows(R) and SharePoint(R) are registered trademarks of Microsoft Corporation. Any other company or product names used on the Site or in connection with the Service are the property of the respective trademark owner.

5. Fees and Expenses

5.1 You (or the legal entity you are employed by) shall pay RRI all applicable fees associated with the Service as set forth in the Site and/or Order Form, and in accordance with the terms set forth therein. All payments under this Agreement are non-refundable and, unless otherwise agreed, shall be made in United States dollars. Past-due payments will be subject to late payment charges of the lesser of: (a) one and one-half percent (1 ½ %) per month, or (b) the maximum rate allowed by law. The fees and rates under this Agreement are subject to change by RRI upon at least thirty (30) days written notice, which notice may include by posting the updated fees and rates on the Site.

5.2 You shall be responsible for all applicable taxes, however designated, incurred in connection with this Agreement, including but not limited to state and local privilege, excise, sales, VAT, and use taxes and any taxes or amounts in lieu thereof paid or payable by RRI, but excluding taxes based upon the net income of RRI.

5.3 If a payment becomes past due, RRI reserves the right to suspend or terminate the Service as covered in section 7.3. RRI has the right to change payment terms, including by requiring upfront payment for the Service, in its discretion based on your payment history and/or financial status.

6. Confidentiality and Security

6.1 “Confidential Information” means any information or data that is disclosed by one party to the other party pursuant to this Agreement that is marked as confidential. In addition, your Confidential Information includes the Client Documents (whether or not marked), and Confidential Information of RRI (whether or not marked) includes the Service and Software, as well as the structure, organization, design, algorithms, templates, data models, logic flow, and screen displays associated with the Service and Software. Confidential Information does not include information that the receiving party can show: (a) is or becomes publicly known or available without breach of this Agreement; (b) is received by a receiving party from a third party without breach of any obligation of confidentiality; or (c) was previously known by the receiving party as shown by its written records.

6.2 A receiving party agrees: (a) to hold the disclosing party’s Confidential Information in confidence, and to protect the disclosing party’s Confidential Information in the same manner that it protects the confidentiality of its own similar confidential information (but in no event using less than reasonable care); and (b) except as expressly authorized by this Agreement, not to, directly or indirectly, use, disclose, copy, transfer or allow access to the disclosing party’s Confidential Information. Without limiting the foregoing, you shall disclose and allow access to the Service only for the purpose of supporting and augmenting your use of the Service. Notwithstanding the foregoing, a receiving party may disclose Confidential Information of the disclosing party as required by law, applicable regulatory authorities, or court order; in such event, such party shall use diligent efforts to inform the other party prior to any such required disclosure.

6.3 Each party acknowledges and agrees that any violation of this Section 6 may cause the disclosing party irreparable injury for which the disclosing party would have no adequate remedy at law, and that

the disclosing party shall be entitled to preliminary and other injunctive relief against the receiving party for any such violation. Such injunctive relief shall be in addition to, and not in limitation of, all other remedies or rights that disclosing party shall have at law or in equity.

6.4 RRI will take reasonable security measures designed to protect your Confidential Information, including your Client Documents. These measures will include the use of reasonable physical, administrative, and technical security techniques and systems designed to prevent unauthorized access and disclosure, maintain data accuracy, and ensure appropriate use of your Confidential Information.

6.5 You agree to the terms of RRI's privacy statement, which is incorporated herein by reference (including any changes to RRI's privacy statement made in accordance with its terms).

6.6 Upon termination or expiration of this Agreement, the receiving party will return to the disclosing party or destroy all Confidential Information delivered or disclosed to the receiving party (including, with respect to you as receiving party, the Downloaded Software), together with all copies in existence thereof at any time made by the receiving party; provided that return of Client Documents by RRI to you is covered by Section 7.6 below.

7. Term and Termination

7.1 This Agreement will be effective as of the Effective Date and, unless sooner terminated as herein provided, will continue for the period of time set forth in the Order Form (the "Initial Term"). Thereafter, this Agreement shall automatically renew for successive renewal terms (each renewal term being the same length as the Initial Term) based on RRI's then-current fees, unless either party provides written notice of its intent to terminate this Agreement at least thirty (30) days prior to the end of the Initial Term or applicable renewal term.

7.2 Either party may terminate this Agreement upon thirty (30) days prior written notice if the other party materially breaches any of the terms and conditions of this Agreement and such material breach is not cured within the thirty (30) day period. RRI will have the right to suspend your use of or access to the Service in the event RRI determines in its sole discretion that you have breached this Agreement. Notwithstanding the foregoing, termination and suspensions relating to late payments by you are covered in Section 7.3 below.

7.3 If a payment becomes thirty (30) days or more overdue, RRI reserves the right to suspend your access to the Service without liability to you, until payment is made in full. If any payment becomes forty-five (45) days or more overdue, RRI may terminate this Agreement upon notice to you.

7.4 RRI may terminate this Agreement without cause upon at least sixty (60) days prior written notice. In such event, you will be entitled to a refund of any prepaid amounts for Service not delivered.

7.5 The terms provided in Sections 4, 6, 9, 10, 11, 12, 13, and 14 of this Agreement shall survive any termination of this Agreement. In addition, upon termination you shall promptly pay RRI all outstanding amounts due to RRI under this Agreement. If this Agreement is terminated by RRI due to your breach,

which you fail to cure after receipt of written notice, or if you terminate this Agreement without cause prior to the end of the then-current term, then all fees unpaid for the remainder of the current term shall become immediately due and payable by you to RRI as liquidated damages, without any further demand by RRI. The parties acknowledge that RRI's actual damages arising from such termination would be difficult to determine with accuracy and, accordingly, have agreed to the foregoing liquidated damages, which the parties acknowledge is a reasonable estimate of RRI's potential losses.

7.6 Within thirty (30) days after termination, you may request in writing that RRI provide you with access to a copy of all Client Documents, and RRI will provide such Client Documents so long as you pay the then-current fee for such service.

8. Independent Contractors; Publicity

8.1 The parties are and intend to be independent contractors with respect to the services contemplated hereunder. RRI agrees that neither it, its employees nor its contractors shall be considered as having an employee status with you. No form of joint employer, joint venture, partnership, or similar relationship between the parties is intended or hereby created.

8.2 You agree that RRI may include you as a customer in promotional material for the Service and/or for RRI, including use of your logos, trademarks, trade names and similar identifying material. You can revoke this right by submitting a request via e-mail to RRI. Upon receipt of such request, RRI will use commercially reasonable efforts to remove any reference to you from such promotional material within 30 days and make no further reference to you. Upon RRI's request, you agree to participate in a mutually agreed press release regarding the relationship established by this Agreement. In addition, you agree from time to time, as reasonably requested by RRI and subject to your approval, to participate in RRI promotional activities, such as preparation of case studies; participation in media interviews; and preparation of quotes and other marketing materials for RRI.

9. Warranties; Disclaimers

9.1 You and RRI each warrant that they have full authority to enter into this Agreement and are not bound by any contractual or legal restrictions from fulfilling their obligations hereunder. In addition, RRI warrants that the Service will substantially conform to the written or electronic documentation provided by RRI in connection with the Service. In the event of a breach of this warranty by RRI, as your sole and exclusive remedy, RRI will, at its expense, use commercially reasonable efforts to cause the Service to conform.

9.2 You represent and warrant that all Client Documents and associated content and data ("Client Data") provided to RRI in connection with your use of the Site and the Service: (i) is owned by you, or you have the full right to provide the Client Data to RRI; (ii) does not infringe or misappropriate any copyright, trademark, trade secret or other intellectual property right; (iii) does not violate any person's right of privacy or publicity; and (iv) does not contain any unlawful, obscene, defamatory or libelous material. You further represent and warrant that your use of Client Data on the Site or in connection

with the Service is not in breach of any covenant or obligation of confidentiality that you have to any other person or entity. You are solely responsible for the Client Data and acknowledge that RRI has no responsibility or intent to review or monitor any Client Data.

9.3 You shall be solely responsible for your use of the Service, and, except as otherwise agreed in writing by the parties, for maintaining backup copies of the Client Documents. You acknowledge and agree that the Service is strictly a tool to be used in conjunction with good and reasonable business judgment by competent personnel.

9.4 In connection with the provision of the Service, RRI may use third-party content, software, web sites, and/or systems (“Third-Party Systems”). RRI does not provide any warranties or guarantees regarding any Third-Party Systems, and you waive any claim against RRI with respect to such Third-Party Systems. However, RRI agrees to use reasonable efforts to correct, replace or provide workarounds for any issues with Third-Party Systems reported by Customer that affect the functioning of the Service. Your use and access of Third-Party Systems may be subject to the terms published or otherwise made available by the third-party providers of the Third-Party Systems.

9.5 RRI does not warrant that the Service will operate without interruption or error-free, or that the Service will be totally secure. Under no circumstances will RRI be held liable for any loss of Client Documents. To the extent that data is being transmitted over the Internet hereunder, you acknowledge that RRI has no control over the functioning of the Internet, and RRI makes no representations or warranties of any kind regarding the performance of the Internet. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, RRI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES ARISING AS A RESULT OF CUSTOMER USAGE IN THE TRADE OR BY COURSE OF DEALING.

10. Indemnification

You, at your expense, shall indemnify, defend and hold RRI and its officers, directors, owners, employees, and affiliates harmless from and against all liability, damages, injuries, losses, costs and expenses (including attorney’s fees) arising out of or relating to your use of the Service, including but not limited to liability, damages, injuries, losses, costs and expenses arising from any claims relating to: (a) your breach of any representations, warranties, or covenants in this Agreement, (b) your compliance with applicable laws and regulations, and (c) the Client Documents. RRI shall provide you with prompt written notice of any such claim.

11. Liability

11.1 The limit of RRI’s liability (whether in contract, tort, negligence, strict liability in tort, or by statute or otherwise) to you or to any third party concerning performance or non-performance by RRI, or in any manner related to this Agreement or the Service, for any and all claims shall not exceed in the aggregate the Subscription Fees paid by you to RRI hereunder with respect to the Service at issue

(excluding any fees or charges relating to approved expenses incurred by RRI on behalf of you) during the three (3) months prior to the date that the relevant cause of action accrued.

11.2 In no event shall either party be liable for special, consequential, incidental, indirect or punitive loss, damage or expenses whether arising in contract or tort (including but not limited to lost profits, loss of data, or the cost of recreating lost data), even if it has been advised of their possible existence.

11.3 The allocations of liability in this Section represent the agreed and bargained for understanding of the parties and RRI's compensation reflects such allocation. These limitations of liability will apply notwithstanding any failure of essential purpose of any limited remedy.

12. Dispute Resolution

12.1 The parties agree to work together in good faith to resolve any dispute regarding this Agreement internally and by escalating it to higher levels of management and optional mediation, prior to resorting to binding arbitration.

12.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, that cannot be resolved by good faith negotiations shall be finally settled by binding arbitration conducted in the English language in Houston, TX (USA), under the commercial arbitration rules of the American Arbitration Association ("AAA"). The prevailing party shall be entitled to an award of reasonable attorney fees incurred in connection with the arbitration in such amount as may be determined by the arbitrator. The award of the arbitrator shall be the sole and exclusive remedy of the parties and shall be enforceable in any court of competent jurisdiction. Notwithstanding anything contained in this Section to the contrary, each party shall have the right to institute judicial proceedings against the other party or anyone acting by, through or under such other party, in order to enforce the instituting party's rights hereunder through specific performance, injunction or similar equitable relief.

12.3 This Agreement shall be interpreted, construed, and governed by the laws of the State of Texas, without regard to its conflict of law provisions. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

13. Miscellaneous

13.1 If you are located in the European Union, you consent to the processing of personal information in the United States by RRI in connection with the Service.

13.2 Neither party shall be liable for any failure or delay in the performance of its obligations (except for payment obligations hereunder) due to causes beyond the reasonable control of the party affected, including but not limited to war, sabotage, insurrection, riot or other act of civil disobedience, strikes or other labor shortages, act of any government affecting the terms hereof, acts of terrorism, accident, fire, explosion, flood, hurricane, severe weather or other act of God, failure of telecommunication or internet service providers.

13.3 This Agreement (including the Order Form and any attachments thereto specifically agreed by the parties) constitutes the entire understanding of the parties with respect to its subject matter, and supersedes all prior or contemporaneous written and oral communications, understandings or agreements with respect to its subject matter. No waiver of any provision of this Agreement, or of any rights or obligations of any party hereunder, will be effective unless in writing and signed by the party waiving compliance. The failure by any party to exercise any right provided herein shall not be deemed a waiver or forfeiture of any such right. Headings used in this Agreement are for convenience of reference only and shall not be deemed a part of this Agreement.

13.4 You shall have no right to assign this Agreement or any of your obligations hereunder. RRI may assign this Agreement and any of its rights hereunder to third parties.

13.5 Every provision of this Agreement is intended to be severable. If any section of this Agreement is found to be invalid or unenforceable, then such section will be deemed amended and interpreted, if possible, in a way that renders it enforceable. If such an interpretation is not possible, then the section will be deemed removed from this Agreement and the rest of this Agreement will remain in full force and effect.

13.6 This Agreement does not designate either party as the agent, employee, legal representative, partner or joint venture of the other party for any purpose whatsoever. There are no intended third-party beneficiaries under this Agreement.

13.7 You agree to comply with all relevant export laws and regulations, including, but not limited to, the U.S. Export Administration Regulations and Executive Orders ("Export Controls"). You warrant that you are not a person, company or destination restricted or prohibited by Export Controls ("Restricted Person"). You will not, directly or indirectly, export, re-export, divert, or transfer the Software or Service, any portion thereof or any materials, items or technology relating to RRI's business or related technical data or any direct product thereof to any Restricted Person.

(Continued on Next Page)

14. Agreement and Amendments

14.1 By completing the registration process, and/or using the Service, you represent that you are 18 years old or older, are authorized to bind any legal entity that you represent and agree to all of the terms in this Agreement. You may print or download and keep a copy of this Agreement.

14.2 RRI reserves the right, in its sole discretion, to modify or change this Agreement at any time by posting the changes to the Site. Your continued use of the Site or Service following the posting of such changes constitutes acceptance of those changes. RRI will use reasonable commercial efforts to provide notice of material changes to you. RRI also reserves the right to modify the Site and the Service at any time without prior notice to you.

14.3 RRI will periodically send emails regarding the Service, including general information about RRI's technology and business. You can unsubscribe from email communications using our unsubscribe process.

January 2019