

API Network: CREATING A NEW API BUSINESS ECOSYSTEM

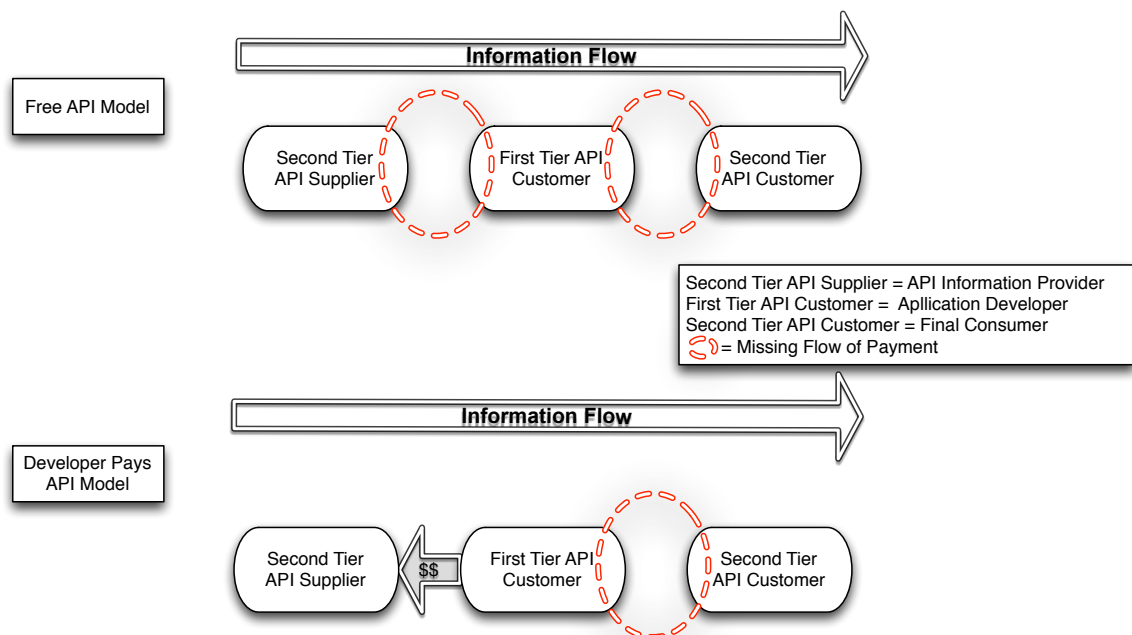
Currently there are 4 API Business models categories¹ within the API Business Ecosystem, these have been pioneered by Industry giants and API Billionaires such as Facebook, Amazon, Google, Paypal, Twitter, etc.

The Four main API Business Model Categories:

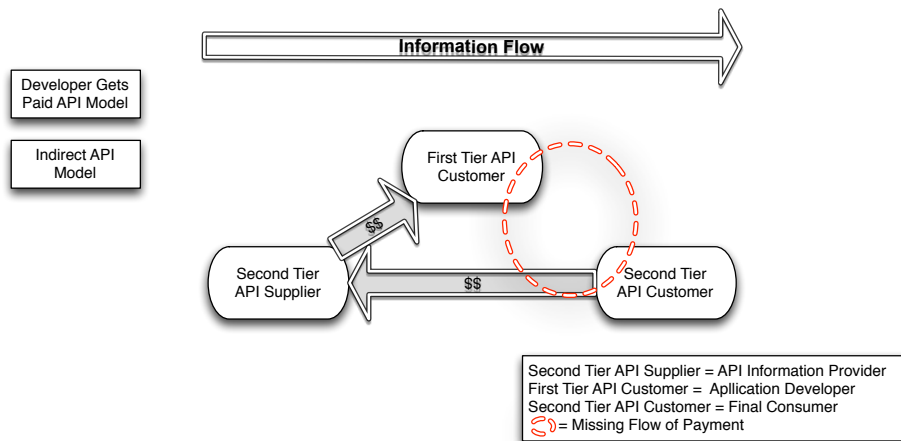
- 1) Free API Business Model (Facebook)
- 2) Developer Pays API Business Model (Amazon, Google, Paypal)
- 3) Developer Gets Paid API Business Model (Amazon, Google, Jigsaw)
- 4) Indirect (Ebay, Twitter, Netflix)

After analyzing the Supply Network Design created by these API Business Models to see their Operational Performance and measure the flow within all the Operations in the Network and hence API Business Ecosystem, we can come to the following conclusions.

The flow within the Supply Network Design consists of 2 elements; the “Downstream” demand side flow of information (an API Call) and the “Upstream” supply side flow of Payments, Therefore the Supply Network must be analyzed to see if the Monetary Value of the Flow of Information is corresponded by the flow of Payments and Currency.



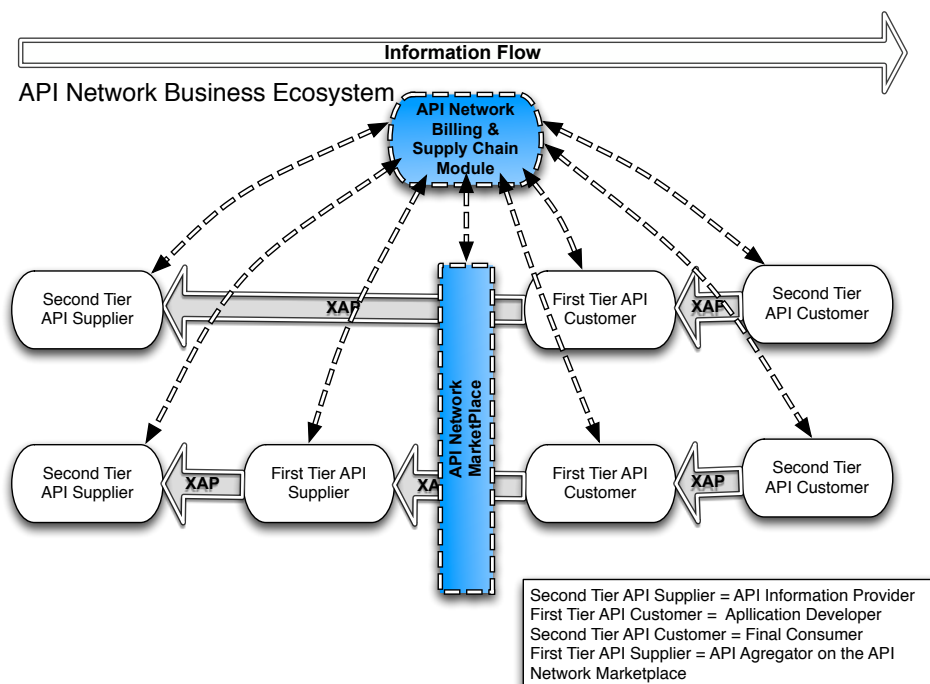
¹ John Musser Programable Web



As can be seen in the analysis there are deficiencies coherent in the system where the Monetary Value of the Flow of Information provided by the API call is not corresponded by the a flow of payments, these deficiencies limit the available Opportunities within the API Ecosystem to create Value and Maximise Profit.

The Solution to this problem that will enable the API Ecosystem to evolve in a more sustainable and profitable manner would be to allow the flow of Information to be directly compensated by the Flow of Payments. The difficulties in doing this within the current API Market Sector Configuration is that there is currently no way of measuring the flow consistently past the First Tier Supplier or First Tier Customer of each Focal Point of operations.

The Solution provided by API Networks solves these challenges by creating the Worlds First API Billing and Supply Chain Module in order to manage the relationships and flows between the string of operations and processes that produce value in the form of products and services.



The Billing Module will feed itself with data from the Market Place in order to establish the Monetary Value for the API Calls performed and then the Supply Chain Module will be able to measure and Co-ordinate the pull request performed as the data flows “Downstream” through the Supply Network to the Final Consumer.

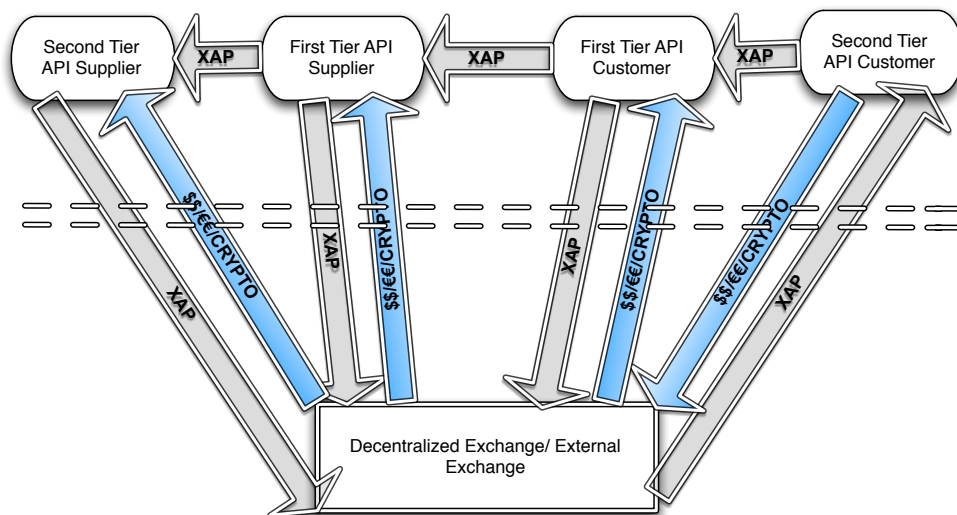
The API Network Marketplace and API Networks Billing & Supply Chain Module, therefore manage to fill the missing gaps with the “Upstream” flow of payments from the Final Consumer to the API Provider which are existent in todays API Business Ecosystem.

The most currently Disruptive element of this new API Business Model Ecosystem with respect to the current API Ecosystem, is that the missing flow of payments between the Second Tier API Customer and The First Tier API Customer (the application Developer and the Final Consumer) is filled and the Monetary Value created by the flow and transformation of the information can be fully measured and compensated with the flow of Payments.

In order to remunerate the Added Value of the Flow of Information the API Marketplace and API Billing & SupplyChain Module will run on its local currency APICoin (XAP) in order to have its own Price Discovery based solely on the Supply and Demand Mechanics within the API Business Ecosystem. This will make sure that the pricing strcutres set in place for the remuneration of API calls are not distorted by other market sectors.

The Cashflow mechanish between the String of operations can be seen in the diagram below,

API Network Business Ecosystem



External Crypto Currency Ecosystem

Second Tier API Supplier = API Information Provider
 First Tier API Customer = Application Developer
 Second Tier API Customer = Final Consumer
 First Tier API Supplier = API Agregator on the API Network Marketplace

The flow of XAP as the API payment system, starts with the Second Tier API Customer (Final Consumer) purchasing XAP with either Fiat Currency or Crypto Currencies, from an Exchange both Decentralized or centralized. This way Value is brought into the API Network Business Ecosystem which is what later fuels the Upstream Operations within the the Supply Network.

Then as the Second Tier API Customer consumes API Calls, payments in APIcoin (XAP) flow “Upstream” through the Supply Network with respect to the monetary value established in the API Network Marketplace. Once the First Tier API Customer, First Tier API Supplier or Second Tier API Supplier receive the Payment in XAP they can exchange into FIAT or another Crypto Currency at the same Decentralized or External Exchanges where the Second Tier API Customer has purchased his APIcoins.

Therefore the Added value provided by the “Downstream” flow of Information is correctly compensated by the “Upstream” flow of payments in APIcoin (XAP).