

HyperMethod Company LTD

Volume of investments required: **\$ 500 thousand**

Intended uses of the investments required:

Marketing (TrainingWare)	60%
Fixed assets acquisition	15%
Working capital	25%

Company profile:

1. Date of establishment - July 2, 1992
2. Stage of development - expansion
3. Size and source of investment to date - \$ 197 th. profit reinvestment since 1999
4. Industry - IT
5. Target market - corporate market and educational market
6. Sales in 2003 - \$ 280 th.
7. Description and value of assets - \$ 26 th., computer and net equipment.
8. Intellectual property rights - registered in Rospatent
9. Signs of public recognition - products and projects of the company have been rewarded with prizes and awards in prestigious competitions, fairs and festivals, including UNESCO, "AniGraf", magazines "ComputerPress", "Home computer". In 2003 the project of competitive research system T2 Business Analysis Console (T2 BANC) became one of the winners in The Contest of innovation projects "Knowledge-innovation". Also in 2003 "PL: Computers" magazine awarded the prize of "Editorial Choice" to distance learning system eLearning 3000.

Owners:

5 persons holding equal percentages of	100%
20%	
Share of government property	0%

Management and key personnel:

Nikiforo, Igor - General Director, 31; one of the founders of the company, has a Ph.D. degree in Information Technologies, a MBA degree and a certificate of a Project manager in software development, increased the company's turnover from \$ 50 th. up to \$ 280 th., managed over 50 major commercial project development processes, some of them have been rewarded with prizes from branch-wise conferences and fairs.

Kretchman, Dmitri - Marketing Director, 38, one of the founders of the company. Has a Ph.D. degree in Information Technologies. An initiator of company key products development, such as HyperMethod, MoneyMethod, eLearning Studio, T2 BANC. Has authored over 60 publications and two books.

Products, characteristics:

- a) Instrumental tools (40% of the turnover) in: distance learning (TrainingWare solution and eLearning 3000 software package); electronic publishing (well-known programs HyperMethod and ePublisher); electronic commerce (tools for the creation of Internet shops - MoneyMethod, WAPMethod and a system of video-webcast LiveCam Pro).
- b) Complex services of informatization for small and medium-size businesses, including technological consulting, installation and development of special software, hosting (60% of the turnover). The company has the unique experience and technologies of creating of effective marketing tools: web-sites, Internet shops, online-catalogues, and presentation compact disks.
- c) Distance learning. TrainingWare - employee training and assessment system for large and medium businesses. Reduces personnel development costs by cutting operational expenses, providing anytime or place learning. TrainingWare helps fully evaluate employee's capabilities, knowledge and performance. You can increase revenue and service quality by ensuring customer-facing employees are proficient with the latest products, services, and offerings. Also, reduce the time-to-market for product launches by streamlining training activities to sales, partners and customers. You get centralized training performance management and monitoring server for all branches of your business.

Comparative analysis with existing alternatives:

Characteristics	TrainingWare(HyperMethod)	Lotus Learning Space (РБК)	WebTutor(WebSoft)	Aspen(CSSeTrain)
Software code	Completely own	Completely alien	Partly own (superstructure)	Completely alien
Platform	Windows, Unix	Windows	Windows	Windows
Special course libraries	yes	no	no	no
Concealed licenses	no	yes	yes	yes
Price(\$ ths. for 3 years)	7-15	20-36	6-8	50-150

Primary competitive advantage of the company is the usage of the proper technology and software code - it enables extra differentiation abilities.

The availability of the profile courses of engineering specialties is the earnest competitive advantage as well.

The usage of the multiplatform and open technologies allows the considerable expanding of the system market, i.e. many companies utilize UNIX-servers. Application costs are reduced by utilization of the tested and proved methodology

Markets and competition:

Operating in the educational market of distance learning (e-learning) since 2001, the company is one of the leaders in the field of learning management systems, occupying nearly 17 % of the niche.

There are no precise data concerning the capacity of the corporate segment of elearning market. Rough estimate of the potential is measured to be \$100 million, and the estimated current volume is about \$5 million. We expect the growth of the segment within the limits of 40%-60% per year, \$18 million in 2008. Corporate LMS segment is estimated to be \$10 million. Corporate distance courses segment is nearly \$8 million

The competition level in the corporate LMS segment is medium (5 main market participants); in the corporate distance courses segment it is low (2-3 main market participants).

	Characteristic	TrainingWare	WebTutor	Other
	The capacity of the corporate LMS segment :2004 -\$ 1,5 million 2008 - \$ 10 million			
2004	Market share of the company\$ths./%	30 / 2%	150 / 10%	1 320 / 88%
2008	Market share of the company\$ths./%	500 / 5%	1 000 / 10%	8 500 / 85%
	The capacity of the corporate distance courses segment:2004 - \$ 1 million 2008 - \$ 8 million			
2004	Market share of the company\$ ths./%	0%	30 / 3%	970 / 97%
2008	Market share of the company\$ ths./%	200-400 / 3-5%	800 / 10%	6 800 / 85%