

## Intellektual games JSC

Volume of investments required: **\$ 2 400 thousand**

Intended use of investment required:

<b>R&amp;D (telecommunication system)</b>	<b>15%</b>
<b>Fixed assets acquisition</b>	<b>69%</b>
<b>Marketing</b>	<b>2%</b>
<b>Working capital</b>	<b>8%</b>
<b>Advertising</b>	<b>6%</b>

Company profile:

1. Date of establishment - 02 April, 2002.
2. Stage of development - Early stage.
3. Size and source of investment to date - \$ 270 th. of own funds.
4. Industry - services connected with production, transmission and sales of information.
5. Target market - telecommunications, IT, the Internet.
6. Sales in 2003 - \$ 194 th.
7. Description and value of assets - computers and office equipment, plasma displays, video cameras, the total cost of which is \$ 95 th.
8. Intellectual property rights - "The Program of calculation of spati-temporal characteristics of strategic stability of logic games", officially registered on September 16, 2002 № 2002611586, Russian Federation patent application of August 26, 2003 № 2003125911 on invention «The method and system of information transmission and processing during the mind-game competitions with remote players».
9. Signs of public recognition - The IV Russian venture fair participant.

Owners:

Individuals (2)	<b>100 %</b> <b>(50+50)</b>
Share of government property	<b>0%</b>

Management and key personnel:

Bazhenov Vladimir Aleksandrovich, 45 and Bazhenova Lada Feliksovna, 39 - the Founders and the Chief Managers.  
 Andrianov Vladimir Jurevich - Mathematician, Software specialist, 23, a post-graduate student of "Operation research" department of Mathematics and mechanics faculty of St.-Petersburg State University, the main programmer of the company, shareholder of research-and-manufacturing holding "KRASS" with 300 employees.  
 Timofeev Denis Mihajlovich - Technical director, system programmer, Web-programmer, an expert in the field of videoconferences, 26, supervised the technical service of the International Press centre «300 anniversary of Saint-Petersburg».

Products characteristics:

A worldwide telecommunication system, which allows 4,000 chess clubs (20,000 playing places) to be connected, designed for mega-tournaments with prize funds over \$ 10,000 th.

Comparative analysis with existing alternatives:

Characteristics	Project «Closed World»	Game serverICC (the USA, 1993)	Game server Chess 21
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			(Spain, 2002)
Info media	VPN	Internet	Internet
Minimal capacity, Mb/s	6,0	0,03	0,03
Identification of players	+	-	-
Electronic chessboard connection to each game place	+	-	-

VPN (the virtual private network) has a fundamental distinction from Internet, because it is not a public access network, so it offers a number of key advantages:

- a) Exactly defined characteristics of the whole system;
- b) Reliable protection against external penetrations;
- c) Clearly defined legal organizational form.

The System « Closed World » provides standard game places that are consolidated into a local worldwide network which is under control of the monitoring center. Each game place is equipped with a standard set of electronic equipment (a videocamera, a plasma display, a terminal computer, a thumb (dactyloscopic) scanner, an electronic mouse, headphones), each place can also be equipped with other auxiliaries, for example - an electronic chessboard, touch screens, electronic pointers, etc.

The aim of the project « Closed World » is integration of regional and continental chess markets in a private global electronic network. The project is focused on creation and development of its own world market of chess tournaments. In 2003 a sales volume of the enterprise with use of elements of the new system was - \$460,000 (100% of market). The estimated sales volume in 2007 is not less than \$ 28,000 th. (100 % of market of the specialized chess networks). The monopoly will be provided by patent.

#### Markets/Competition:

	Characteristics	Project « Closed World »	Game server ICC (the USA, 1993)	Game server Chess 21 (Spain, 2002)
2004	Geographical Region- The World market . Market size \$ 150,000 th.			
	Company market share \$ ths./%	300 / 0,2 %	7 000 / 4,6 %	3 500 / 2,3 %
2008	Geographical Region- The World market. Market size \$ 400,000 th.			
	Company market share \$ ths./%	45 000 /11,3 %	7 000 τ/1,8 %	25 000 /6,3%

The world market of classical (European) chess is characterized by the following figures. The number of chess amateurs is not less than 150,000,000, including no less than 12,000,000, having access to Internet. There are 46,811 professional chess-players, whose rating is calculated & registered by FIDE (01 06 2003 data). There are 50,000 chess clubs in Europe. 2,000 th. sets are sold annually in the USA. Description of national and continental markets dealing with chess in money terms:

1. Market of chess players' tournaments expenses - no less than \$ 45,000,000.
2. Market of traditional open-tournaments - no less than \$7,500,000. (No less than 50 open-tournaments with average turn-round no less than \$150,000 are being held annually).
3. Market of club tournaments - up to \$ 100,000 th. (There are no less than 60,000 chess clubs in the world).

A chess player spends from \$ 1,300 up to \$ 2,000 (flight and accommodation expenses, a tournament payment) to take part in a foreign tournament (10 days). His expenses for the tournament of the same duration in the system "Closed world" will not be more than \$ 600. At the same time a prize fund will be multiplied, which is of great importance for the professional chess players.