

## Alive Systems LLC

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

### Use of funds

R&D - 1.4%

Acquisition of fixed assets - 10.2%

Marketing - 10.8%

Acquisition of current assets - 77.6%

### Company profile

1. Date of establishment – May 2004.
2. Size and source of investment to date – \$ 25 000. – The Foundation for Assistance to Small Innovative Enterprises – \$ 25 000, own assets – \$ 25 000.
3. Production – Internet service for remote fitness testing and training sessions based on biological feedback.
4. Target market – fitness, sports, stress management.
5. Sales 2004 – \$ 25 000.
6. Description and value of assets – \$ 7 000. – Computers.
7. Goodwill and intellectual property rights – a PCT application and a Russian application for an invention, and an application for the trademark registration have been submitted; the domain name [www.cardiostep.com](http://www.cardiostep.com) has been registered.
8. Signs of public recognition – Finalist of the Russian Innovations contest, publications in the media ("Expert Sibir", 16/2005), the Silver medal of the 5th Moscow Saloon of Innovations, support of The Foundation for Assistance to Small Innovative Enterprises.

### Owners

Individuals (2):	90%, 10%
Share of government property	0%

### Products characteristics

Current products: CardioExpert complex for express fitness testing based on the analysis of heart rate variability. The package includes a device for heart rate registration and a computer program. The field of application covers health-saving technologies in education.

Products under development: CardioStep Internet service for remote fitness testing and training sessions for stress management based on biological feedback (BFB). To use the service the client connects a device for heart rate registration to a PC. This device is sent to the client after the subscription to the service. The production cost of the device is \$ 4–6. The service is a new development compared to the CardioExpert complex.

### Markets & Competition

Current products: CardioExpert complex price is \$ 1 400. The market is educational institutions of Russia. The market for this complex is practically non-existent now due to low purchasing capacity of Russian consumers although they show interest in the product. The complexes are produced on order only, after receiving requests from educational institutions. After 2006, the Internet service will completely replace CardioExpert. This will make it possible to form the market due to a significant reduction in access costs to CardioExpert functions for educational institutions.

Products under development: Internet service for remote fitness testing and training sessions based on biological feedback.

	Data	Products of "Alive Systems" LLC	Analogous products	
	Geographical Region – Russia. Market size \$ 50 thousand			
2004	Company market share \$ ths / %	CardioExpert complex; 25 / 50%	InterProgma (Russia, 2004) StressTest complex ~ 10 / 20%	
	Geographical Region – EC, USA. Market size of home fitness testing ~ \$ 3 billion			
2009	Company market share	CardioStep service	Biocom	Polar Electro Oy

	\$ ths / %	90 000 / 3%	Technologies (CWA, 2005r.) 90 000 / 3%	(Finland, planned by 2007)
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There are no similar services on the market. In 1998, 30 mln people in the US practiced in fitness clubs (Sporting Goods Manufacturers Association). On the average, each club attendee uses a fitness testing service once a year. The cost of this service is \$ 40–70. In 1998, the market for these services in US fitness clubs was approximately \$ 1.5 billion. The overall market (considering the EU) will be at least \$ 3 billion. In terms of volume, the market for home fitness testing is close to the market of club testing as, according to this Association, as many people practice fitness at home as in clubs.

### **Marketing & Sales**

At the first stage of market penetration the target will be the most active and prepared group of potential customers. This group is made up of the users of sports heart rate monitors. By 2003, over 10 mln such monitors have been sold the world over. Another active group consists of people who make Internet search queries which are relevant to fitness testing and training sessions based on biological feedback. The analysis of Google and Yahoo statistics shows that about 4 ths of such queries are made daily.

Distribution channels: At the first stage – direct sales of goods and services over the Internet, at the next stages – using the distribution channels of the companies selling sports pulse monitors.

### **Prospects of development**

The Internet service will be diversified in the following directions:

- development of specialized training sessions based on biological feedback (2006);
- creation of the service for selecting an individual program of training sessions (2006);
- development of the system version for corporate users (2007);
- development of the system for remote medical diagnostics (2007).