

ELMA-Ko JSC

Volume of investments required: \$ 2 500 thousand

Use of funds

R&D - 4%

Acquisition of fixed assets - 66%

Product upgrade - 20%

Marketing - 10%

Company profile

1. Date of establishment – February 1999.
2. Size and source of investment to date – \$ 530 000, including: \$ 180 000 – attracted venture investments, \$ 450 000 – gained by competition of “Rosnauka” (for 2005–2006).
3. Production – contactless controlled electric motors on permanent magnets.
4. Target market – railway automation; oil and gas producing industry, residential community economy, shipbuilding, machine-tool construction, special equipment.
5. Sales 2004 – \$ 500 000.
6. Description and value of assets – \$ 55 600. – Machining facilities, special-purpose laboratory benches.
7. Goodwill and intellectual property rights – five patents for basic units, aggregates and methods of electric motor production.
8. Signs of public recognition – Honorary Diploma of Russia’s Second Venture Fair “Best Company”, HI-TECH Golden medal for development of uniform series electric motors for electrical equipping of passenger carriages, HI-TECH Silver medal. Member of the Chamber of Commerce and Industry of St. Petersburg, Member of the Union of St. Petersburg Entrepreneurs. Quality system of the Company is certified for compliance with GOST R ISO 9001-2001 and SRPP VT.

Owners

Individuals (4)	100% (15–35% each)
Share of government property	0%

Products characteristics

Contactless controlled “intellectual” electric motors. The basic advantages of these electric motors if compared with those currently allied in Russia and CIS countries are: unit weight per unit of power is 10% reduced; efficiency factor is 5–7% increased; power consumption is 25% reduced.

Markets & Competition

Total market of electric motors in Russia comprises about 1 mln items per year. Of them, the share of electric motors of the capacity 0.1–3 kWt comprises about 300–500 ths items per year. The most important are the segments of oil and gas producing industry (\$ 30 mln, increase 10% per year) and residential community economy (\$ 8 mln, increase 8% per year).

	Data	Products of "Elma-Ko"	Domestic manufacturers	Foreign manufacturers
	Geographical Region – Russia, CIS. Market size \$ 2 million			
2004	Company market share \$ ths / %	500 / 25%	100 / 5%	1 400 / 70%
	Geographical Region – Russia, CIS, India, China, Africa. Market size \$ 50 million			
2009	Company market share \$ ths / %	10 000 / 20%	1 000 / 2%	39 000 / 78%

Marketing & Sales

Strategy of introduction of contactless controllable motors into the market is determined by two methods of product market promotion: market promotion for certain devices, certain manufacturers, "contactless controllable motors are being adjusted for consumers"; promotion of series of contactless controllable motors analogous to the existing asynchronous and collector motors series, "consumer is getting accustomed to contactless controllable motors". The main channel of distribution of information on the products within the frame of the first strategy is participation in specialized industrial exhibitions, conferences, internet sites and forums; within the frame of the second strategy the key object will be distribution of information at thematic (electrical engineering) exhibitions and publications.

Prospects of development

The most important task challenged by the company is popularization and promotion of business relating to contactless controllable motors. In particular, development and put in operation of the new generation of electromechanical devices based on contactless controllable motors with qualitatively increased level of consumer properties.