

HyperMethod Company Closed JSC

Volume of investments required: \$ 500 thousand

Intended uses of the investments required:

Marketing and promotion - 50%

Technology development and product line extension - 20%

Expansion of sales force, network and client services - 30%

Company description

1. Date of establishment – October 25, 2004, is a part of INFOLEADER Group of Companies established on July 02, 1992.
2. Size and source of investment to date – \$ 55 000, including: \$ 27 000 from The Foundation for Assistance to Small Innovative Enterprises within the “Start” program; \$ 28 000 – the company founders’ own funds.
3. Production – Information Technologies (IT).
4. Target market – business automation in the sphere of human resource management, IT-outsourcing.
5. Sales Revenue – \$91 ths from the moment of establishment; over \$400 ths overall for INFOLEADER Group of companies (GC).
6. Goodwill and intellectual property rights – 5 software products certificates from ROSPATENT (Patent agency of RF), 1 trade mark registered.
7. Signs of public recognition – the company became a winner of the “Start” program of The Foundation for Assistance to Small Innovative Enterprises in 2005; many software products and projects of the INFOLEADER Group are rewarded with prizes and awards in prestigious competitions, fairs and festivals.

Owners

3 Individuals holding equal share of 33.3%	100%
Share of government property	0%

Products characteristics

a) Software for business automation in the sphere of human resource management (40% of turnover): employee training and assessment system for large and medium businesses – TrainingWare.

TrainingWare reduces personnel development costs by cutting operational expenses, providing training anytime and anyplace. TrainingWare helps fully evaluate employee’s capabilities, knowledge and performance. You can increase revenue and service quality only when your employees are customer oriented and have proficient knowledge of the latest products, services, and offerings. TrainingWare also allows reducing 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.

b) IT-outsourcing (60% of the turnover). Complex information services for small and medium-size businesses, including technological consulting, installation and development of special software, hosting (60% of the turnover). The company has unique experience and technologies of creating effective marketing tools: web-sites, Internet shops, online-catalogues, and presentation compact disks.

Markets & Competition

Having been working on the educational market of e-learning since 2001, INFOLEADER Group is one of the leaders in the field of Learning Management Systems (LMS), occupying nearly 17% of the niche.

There are no precise data on volume of e-learning corporate segment. Upon our estimate, however, the potential of the segment is over \$ 100 mln, and the current volume is around \$ 5 mln. We expect segment growth around 40–60% annually with \$ 18 mln volume by 2008.

Corporate LMS niche is estimated around \$ 10 mln. Competition level in the segment of corporate LMS is medium (5 major participants).

Year	Data	TrainingWare	WebTutor	Other
	Corporate learning management systems 2004 – \$ 1.5 mln, 2008 – \$ 10 mln			
2005	Company market share, \$ ths / %	50 / 5%	150 / 10%	85%
2008	Company market share, \$ ths / %	1 000 / 10%	1 000 / 10%	80%

Corporate distance courses 2004 – \$ 1 mln, 2008 – \$ 8 mln				
2005	Company market share, \$ ths / %	0%	30 / 3%	97%
2008	Company market share, \$ ths / %	200–400 / 3–5%	800 / 10%	85%

Marketing&Sales

Major sales channel is direct sales. Direct sales are executed by the company sales managers on the market segments where company has successful implementations. For instance, telecommunication sector – DIXIS company, transportation and logistics sector – GTK Rusmarin, nuclear and energy sector – VNIIAES, training centre of NPP Busher (Iran), etc. Regional sales offices are essential –INFOLEADER Group has branch office in Moscow and representative office in Germany. However subsidiary net requires expansion on the Russian and ex-Soviet Union markets.

Company regularly conducts conferences and seminars to interconnect with the market. For instance, INFOLEADER is the organizer of the biggest conference in the North-West region dedicated to the problems of information technologies on education and corporate training markets. We expect increase of the number of events organized by the company especially in Moscow.