

Center of innovations and technology, Ltd.

Volume of investments required: \$ 3 000 thousand

Use of funds

R&D - 5%

Acquisition of fixed assets - 70%

Marketing - 5%

Acquisition of current assets - 20%

Company profile

1. Date of establishment – December 2002.
2. Size and source of investment to date – \$ 500 000, including: “Thor Consulting” (USA) – \$ 500 000; financing by “Rosnauka” competition funds – \$ 450 000 (for 2005–2006).
3. Production – gear pumps NMSH.
4. Target market – oil refining industry and oil usage (oil-storage stations, gas filling stations, boiler houses etc.).
5. Sales 2004 – \$ 100 000.
6. Description and value of assets – \$ 2 800 – testing stands and set for input checking.
7. Goodwill and intellectual property rights – author rights for 34 patents belong to the owners and permanent employees of the company.
8. Signs of public recognition – none.

Owners

2 Individuals:	50% each other
Share of government property	0%

Products characteristics

Current products. Gear pumps for oil-products transportation NMSH of 14 sizes with adjustable operation pressure in the range 0.4–37.5 MPa. The advantages over analogs are as those:

possibility to regulate automatically and to adjust pressure settings at the operating sites;

off-loading of end sealing from excess pressure of working fluid;

automatic compensation of end clearances at the gear rims, avoiding application of a restricting pressure valve;

reduced mass of the pump.

Products under development. Blocks of multi-sectional gear pumps for fluid pumping at oil fields and for pipe lines of oil transportation. Advantages over centrifugal pumps:

they are able to operate with all types of fluids including oil-products, sea water and overheated water;

25% reduction of required power of electric drive;

reduced weight and size.

Markets & Competition

Current products. The main competitor for the gear pumps NMSH are pumps produced by “Livhydromash Ltd” (Orel, Russia). Our share at the market is some less 10% at present time, and it tends to grow up to 40% by 2007.

Products under development

Data	“Center of innovations and technology” Ltd Pumps NSh 1200x3	Alternative product of “Frunze Pump Plant”, Ukraine
2004	Geographical Region – oil-extracting regions of Russia. Market size \$ 165 million	
	Company market share, %	0
2009	Geographical Region – World oil industry. Market size \$ 600 million	
	Company market share, %	30%

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Due to the fact of wear and tear of most pumps in Russia, the problem of returning to service of about 3 000 pump units of centrifugal type is posed for all oil-extracting companies in this country. There are two ways to solve the problem: to purchase new pumps on price ~\$ 55 000 or to repair old ones with cost about \$ 40 000 each unit (according to data of "Hydromashservice" Ltd).

Marketing & Sales

Appearance of first information on development of a new type pump NSh 1200x3, designed for substitution of centrifugal pumps. At exhibitions and at our web-site in 2004 resulted in enhanced interest of oil-extracting companies as potential customers. Many companies are aware of the new pump design and are interested how the development proceeds.

There exists dealer network for sales of pumps of type NMSH. It will be used for distribution of the new product as well. Preparation for both own production of the most critical work pieces and units and component production at extraneous enterprises will take at least one year for getting new pump ready for sale. Therefore realize of new products is possible in 2007 with total amount 70–80 pumps per year tending up to 200 pumps in 2009.

Prospects of development

Since the new pump is multifunctional equipment, its applicability are not restricted to oil-extracting industry. It can be used at large oil terminals, oil-pumping lines and district heating plants. Therefore, output of as many as 400 pumps per year may be required and additional investments may be needed.