

Russia, Yoshkar-Ola

**Summary**

1. **Volume of investments required – \$ 4 500 thousand.**
2. **Production** – FlashSpring Online – an Internet portal for sharing PowerPoint presentations and videos online. FlashSpring – PowerPoint to Flash converter. Custom software development services.
3. **Trade marks** – FlashSpring, US Copyright Office, TX 6-494-924, TM USPTO SN 77-077,016.

Company profile

Date of establishment – doing business as CPS Labs since 2001, CPS Labs, Ltd – since April 30, 2002.
Number of employees – 50 persons.

Team

Alexander Galochkin – Director, 32 y.o. Great experience in software projects management, organization of Internet marketing campaigns. Responsible for company finances.

Yury Uskov – Director of Business Development, 34 y.o. Great experience in software projects management, team training, product development and marketing. Responsible for involvement of new talents, R&D and products marketing.

Current state

CPS Labs is a high technology company with great innovation capability, reputation of reliable software services provider, established customer base and growing product line. Stable fast growth of more than 70% yearly during last 5 years.

Products characteristics

The online.flashspring.com is a multimedia portal for sharing PowerPoint presentations in the Internet in the manner of youtube.com. After publishing on the portal a presentation is available for everybody in the Internet. It can be aggregated in social networks content, blogs, web sites and e-learning systems. By the end of 2007 the portal will support publishing of various video formats converted to Flash video.

The portal is built on FlashSpring core – a desktop product for PowerPoint to Flash conversion. FlashSpring exceeds other similar products in terms of speed and quality of conversion, compactness of created Flash files. It has been chosen by several OEM partners for integration into their Web Conferencing software, Learning Management Systems and Digital Signage applications. Currently the possibility of OEM integration of FlashSpring into Microsoft PowerPoint is being elaborated.

New Products

FlashMaximum is an Integrated Development Environment (IDE) for Flash programmers. A number of Flash IDEs are available on the market, but most of them aren't fully comfortable for coding habits of professional developers. The situation is probably caused by institutional Flash technology orientation to designers and lack of programming facilities in Adobe Flash, the leading Flash product.

Currently the Flash technology has significantly grown in terms of applications development and allows to build sophisticated software. Great number of programmers who switched to Flash need state of the art IDE. And Flash maximum offers them professional environment for comfort coding. FlashMaximum functionality significantly exceeds the best offer from Adobe, Flex Builder.

Development strategy**Use of funds**

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| 1. R&D | 30% |
| 2. Acquisition of fixed assets (office, computers) | 10% |
| 3. Marketing | 50% |
| 4. Acquisition of current assets (hosting and other software/hardware services) | 10% |

Prospective outcome of investment

Currently the growth of Flash technology products at CPS Labs exceeds 100% yearly. Investors' funds will allow to enforce product functionality development and engage marketing professionals to extend the product market share.

Marketing & Markets

Market shows a trend to migration of desktop applications to the web and this sector is expected to have dramatic grow during nearest 3–5 years up to 50%–100% yearly and more. Most probably we will have popular desktop products such as Microsoft PowerPoint migrated to the web portals. Currently such portals offer presentation sharing only, but in the nearest future they can acquire content development features and will avoid the need in desktop products.

The FlashSpring market base is more than 5 millions of PowerPoint users worldwide. Significant and growing part of them is interested in sharing their presentations in the Internet using some web friendly format: Flash, PDF, video, etc.

Competitive products (more than 10) offers conversion of PowerPoint presentations to Flash format, some of them has a portal for presentation sharing. The main competitors – Articulate Global Inc., with about \$ 10 mln yearly income and Wondershare Software Co. Ltd, and yearly income less than \$ 1 mln. FlashSpring was late to the market, but the team managed to develop excellent product in a short time which significantly exceeds competitors in terms of conversion quality and support of Microsoft Office 2007 and Windows Vista. Competitors have much more strong marketing with good budgets for advertising. Articulate has good offline sales channels, mostly in e-learning area. Wondershare products are currently being sold mostly via online channels as well as FlashSpring.

Interaction with investor

Investor share in the company will be 30%. Investor will be engaged in the board of directors. Most probable exit strategy – acquisition by one of the industry leaders 3–4 years after investment. Acquisition sum can be from \$ 50 mln to \$ 150 mln with ROI from 50% to 150% yearly.