

## Summary

1. **Volume of investments required – \$ 1 000 thousand.**
2. **Production** – base line of training machines “Heyvus”, designed for the different groups of muscles developing, that for the first time in the world solve the problem of accelerated restoration after stressful physical strains without pharmacology or special rehabilitation procedures.
3. **Trade marks** – Heyvus.

## Company profile

**Date of establishment** – April 2006.

Initiative group has been working on the problem of safety in training process and abolition of trauma risks during more than 10 years (1994–2005). The idea of creation and usage of the “Heyvus” inertialess training machines has been formed, the constructive solutions have been worked out and patented, the prototypes have been built and tested with more than 1500 clients of the training club “Heyvus” participating in the tests in the city of Naberezhnye Chelny.

**Signs of public recognition** – favorable expert opinions on use of the training machines “Heyvus” have been expressed by specialists of the Kazan’ Medical Academy; the Kamsky State Institute of Physical Training (Naberezhnye Chelny); the “EAM Sport Service” CC (Moscow); the Chaykovsky State Institute of Physical Training; the Ministry of Youth, Sports and Tourism Affairs of the Tatarstan Republic.

**Number of employees** – 4 persons.

## Team

**Ostrovsky Eugeny** – Director General, 35 y.o. Six years experience in organizing commercial and marketing services in enterprises, including innovational directions. Among his achievements is a 2.5-fold increase of sales within 1 year. His field of action in the company is marketing.

**Akmaletdinov Rinat** – Chief Designer and the author of the idea of training machines “Heyvus”, 36 y.o. Higher education in physical training; postgraduate student of the Kamsky State Institute of Physical Training. 10 years experience in engineering, manufacturing and testing training machines, as well as training instructors and working with clients in gym/training halls.

**Shemuratov Fyodor** – Research Supervisor of the project, 60 y.o. Professor of biomechanics in the Kamsky State Institute of Physical Training, Candidate of technical science. Has an experience of managing a fitness-club (director of the “FitLand” fitness-club – 2003–2006), and is widely known in the sports circles. Master of Sports of the USSR in weight-lifting and bodybuilding. Repeated champion and prize-winner of international, national and republican competitions. Organizer and arbiter of many All-Russian and international competitions. Has an experience in the sphere of training scientific personnel.

## Products characteristics

Base line of the training machines “Heyvus” allow to solve the following problems:

- professional athletes can improve their achievements and reduce practically to zero the traumatic risks;
- for patients (including active professional athletes) the rehabilitation processes can take shorter periods of time and won’t involve losing the optimal physical shape;
- clients of fitness-clubs can exclude the discomfort that usually goes along with the fitness trainings, because the training machines allow to discharge the residual muscle tensions and as a result there is no pain in the muscles after the training.

The base line “Heyvus” consists of 14 training machines for different groups of muscles, developing both contractive (tension) and relaxing functions of the human neuromuscular apparatus, and training users’ relaxation skills.

Restorative processes start immediately in the course of performing an exercise, not after the exercise, and so the results are achieved 30–60% faster than in traditional systems of training and rehabilitation.

Besides, the training machines “Heyvus” do not limit the speed of performing an exercise regardless of the load involved, effectively reduce fat deposits and train the groups of muscles which are difficult of access.

The construction of the training machines “Heyvus” is protected by the patents of the Russian Federation (№ 2105582, № 2287353).

Manufacturing of the training machines employs the standard engineering technologies.

Compared to traditional power- and cardio-training machines (Cybex, Ikarion, Tehnogym etc), the training machines “Heyvus” being at the same price level (\$ 1500) provide new functions: relaxation, accelerated strength trainings, possibility to work on endurance and joints’ flexibility. The growth rate of strength, endurance and speed indexes is 30–60% higher; restorative time after training decreases in 2–3 times.

Compared to rehabilitation equipment ATROMOT (Germany, cost of one machine – from \$ 4000), the training machines “Heyvus” allow to perform exercises involving any load in the required range, while using the ATROMOT equipment presupposes strict limitations of the loads involved.

Compared to other rehabilitation equipment (iso-kinetic dynamometers by Biodex Medical System, USA, cost of one unit – from \$ 60 000), the training machines “Heyvus” are many times cheaper, do not require highly qualified personnel, and have higher (6-7-fold) carrying capacity.

### **Current state**

Nineteen experimental models of the training machines have been built, experimental industrial estate for producing the training machines has been organized, commercial activity on selling one of the models is being conducted, scientific experiments confirming the effectiveness of the training machines "Heyvus" in the system of athletic training have been carried out. Russian and world markets of the power training machines have been researched.

### **Development strategy**

#### **Use of funds**

1. R&D	40%
2. Acquisition of fixed assets	15%
3. Marketing	25%
4. Acquisition of current assets	20%

#### **Prospective outcome of investment**

- development of the commercial product – base line of the training machines "Heyvus";
- conducting researches confirming the efficacy of the training machines;
- creation of the manufacture, volume of output – up to 3000 training machines per year;
- penetration into the Russian market of training machines, rehabilitation and fitness equipment;
- achievement of the target share in the market of sports and power training machines – not less than 0.9%.

#### **Marketing & Markets**

The volume of the Russian market of sports goods is estimated by the experts at \$ 1 mlrd per year and is characterized by an increasing dynamics – in 2005 the growth made up 25% (according to the data presented by "Sport Communications Group"). Sports, power- and cardio-training machines' share in the market is 18.2% (\$ 182 mln per year). Target share of the closed corporation "Heyvus" in the Russian market of training machines by 2011 – 0.9%.

*Consumers of the product:* professional and amateur sports clubs and schools, fitness-clubs; medical institutions, rehabilitation centers, sanatoria and preventoria; educational institutions of all levels; individuals, including professional athletes.

*Strategy of penetrating into the Russian market* consists in activities in its following segments:

1. Sports/athletic training machines (high motivation of the athletes, their interest in accelerated restoration after the physical strains, moderate claims regarding design). Here the product will be sold directly to the consumers.
2. Rehabilitation equipment (does not require obtaining special licenses, is a vacant segment of the market). Here companies specializing in providing the rehabilitation equipment will be engaged in the sales.
3. Equipment for fitness-clubs (steady demand, high standards of design, increasing need in the rehabilitation programs for clients not able to use the traditional training machines due to their health condition). Here both specialized providing companies and direct sales will be involved.

After fixing positions in one of these fractions we are planning to sell the licenses for manufacturing the training machines and simultaneously penetrate in the market of fitness services. After fixing our positions in the Russian market we are planning to penetrate in the world market.

#### **Interaction with investor**

Our offer to the investor is up to 51% share in the closed corporation "Heyvus", and a position in the board of directors. The expected cost of the company in 4 years is not less than \$ 12 mln. The retirement of the investor will be conducted via selling the shares to the strategic investor or placing the shares in the stock exchange. The shares of the investor can also be bought back by the founders of the company.