

Summary

1. **Volume of investments required – \$ 4 824 thousand.**
2. **Production** – software products (CAD), intended for computer-aided design of wooden houses and joiner's products.
3. **Trade marks** – HouseCreator, WinCreator, StairCreator, DoorCreator.

Company profile

Date of establishment – March 14, 2007. The enterprise was allocated from the “Design Buro Module” LLC (“DB Module Ltd”) – the company that has a big experience in design of woodworking and house building, programming in this field, and also in production and sales of the woodworking equipment.

Signs of public recognition – the bronze medal of the All-Russian Exhibition-Fair “Russian Timber” for scientific development in the woodworking field (December 2006); the Diploma issued by the Board of Vologda Chamber of Industry and Commerce for contribution in development of innovations in Vologda Oblast timber complex. A great attention was paid to intangible products promotion. With this purpose the employees took part and made speeches at the different regional, Russian and international forums and conferences.

Number of employees – 28 persons.

Team

The team of Liability Limited Company “Modul CAD” is a group of persons aimed to work for the result. Average age is about 35 years old. Improvement of professional skills and training is one of the main trends of the team development. The basic figures are:

Pogoreliy Viktor – Chairman of the Directors’ Board, 40 y.o. Master of Business Administration (MBA). Has a successful experience in creating of business-structures in the field of construction and building industry.

Sergeev Sergey – Director, 49 y.o. Has a huge practical and scientific experience in working out and application of complexes for mechanical wood working and house construction; he is good at programming.

Products characteristics

Computer-aided design is contributed in improving the quality of worked out project documentation, and also it allows to reduce terms required for design and financial expenses and as a result the productive efficiency is improved and the quality of houses construction and joiner's products is getting better.

LLC “Modul CAD” offers its own way to solve the problem of automation of design in a field of wooden houses construction. It's a family of software products under the family name “Creator”. At present, the family Creator consists of four programs indented for computer-aided design:

- Wooden houses made of cylindrical logs and solid glued beams — **HouseCreator**;
- Windows — **WinCreator**;
- Wooden staircases — **StairCreator**;
- Wooden doors — **DoorCreator**.

The main *idea* in this software products family is *the complex approach* to the issue of computer-aided design for wooden houses and joiner's products.

Each of the family's programs can be used as an independent software product or a component of the uniform complex where **HouseCreator** is the basic element.

The software products of the **Creator** family have the following possibilities and advantages when compared with the analogue products:

- Complete automation.
- Three-dimensional visualization during the whole cycle of the design.
- Simplicity and convenience of the interface.
- Adaptability to a real situation at the Russian woodworking enterprises.
- Integration with other software products applied at the enterprise.
- Significant price advantage.

There is a Certificate about official registration of the computer program (№ 2007611380) **HouseCreator** issued by the Federal Body on intellectual property, patents and trade marks.

Current state

The following programs have been worked out and tested: **HouseCreator** и **WinCreator**, programming of **StairCreator**, **DoorCreator** is started to be developed.

Development strategy**Use of funds**

1. R&D	\$ 964 ths	20%
2. Acquisition of fixed assets (building, equipment)	\$ 9. ths	40%
3. Marketing	\$ 3.2 ths	0.5%
4. Acquisition of current assets	\$ 1567.7 ths	32.5%
5. Other	\$ 339.8 ths	7%

Prospective outcome of investment

1. The production of the software products **HouseCreator**, **WinCreator**, **StairCreator**, **DoorCreator** will be organized.
2. Market for CAD in wooden houses construction and production of jointer's products will be developed. Its share will take 20%.

Marketing & Markets

The target market segments are:

- Large, middle and small house construction companies.
- Large, middle and small producers of jointer's products.

Geography – Vologda Oblast, the North-West regions. In the near future the market is planned to get wider because of sales to Central and Eastern Russia, Moscow and St. Petersburg. Also, development of foreign markets is planned.

Sales management is defined by high innovation techniques of the software products **Creator**. In this connection, the strategy of retraction and neutralization is used. Direct or short (single-level) trade channels are applied. Customer Relationship Management WinPeak CRM 2.8.8. ADD is used.

Management of dealers' activity is carried out. The system of product quality control and level of satisfaction of customers servicing is applied. The market includes all regions of Russia, subsequently development of the markets of CIS countries and abroad is planned. Volume of the market is \$ 82.9 mln. To the year 2010 the market volume will take \$ 180 mln. Our share is 0% in 2007, to the year 2010 it is planned to be 2%–5%, to the year 2012 – up to 8%–20%.

Interaction with investor

Variants:

1. Granting the credit for the term of 5 years.
2. Share holding with further redemption of shares made by managers.

Investments efficiency indicators:

- Net present value (NPV) of the project – \$ 646 ths.
- Normal payback period – 49 months.
- Discounted payback period – 57 months.
- Internal rate of return (IRR) – 27%.
- Profitability Index (PI) – 1.13.
- Annual profitability per investments – 35%.