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Volume of investments required – \$ 350 thousand

Summary

1. **Production** – the company is engaged in development and deployment of software, system integration (creation of complex solution with use of diverse technologies). One of the projects of the company is learning management system i.Logos, on the basis of which it's planned to provide the access to i.Logos Learning Management System (LMS) as a service (i.Logos SaaS).
2. **Trade marks** – "i.Logos", "i.Point"; the trade marks are not registered.
3. **Sales 2007** – \$18 ths.

Company profile

Date of establishment – the company was founded in 2007 by group of enthusiastic graduates of Irkutsk State Technical University which have developed and have introduced several software systems.

Description and value of capital assets – \$10 ths.

Previous rounds of investments – \$ 0.5 ths in 2007 – money were funded by the "i.Point rus LTD".

Signs of public recognition – in 2008 the company took part in competition "The Best Entrepreneur of Irkutsk" and received a diploma.

Number of employees – 13 persons.

Structure of ownership

Legal entities (Companies)	0%
Natural persons (2)	100% (50% + 50%)
Aggregate share of government property	0%

Team

Kiselev Sergey Sergeevich – Director General, 25 y.o. Despite of young age has experience of managing a team of IT-experts, the co-author of i.Logos system.

Ulyanov Dmitry Aleksandrovich – Director on Marketing, 31 y.o. PhD, co-author of i.Logos LMS.

Lebedev Cyril Sergeevich – Technical Director, 26 y.o. PhD, co-author of i.Logos LMS.

Production

Production of the company is the content management system i.Portal, LMS i.Logos, catalogue management system i.Catalogue, etc. Now the company receives the main income from providing services of system integration for Russian and foreign customers. The i.Portal system has received a prize for the first place in competition of projects on Java as most commercially perspective project. Competition was conducted by Sun Microsystems inc. with the official support of the Ministry of information technologies and communication of the Russian Federation. i.Logos LMS let the company to become partners with Sun Microsystems in the program Sun Advantage Partner. Also, in realization of i.Portal and i.Logos, scientific achievements of employees of the company where used. These achievements reflected in the defended PhD dissertations. Now searching of investments is directed on introduction and promotion to the market of i.Logos SaaS.

Distance learning is more and more actively used by educational institutions and companies for conducting educational programs. Deployment of Distance Learning (DL) demands great material costs to support a technical platform and personnel for making adjustments to the system. The offered i.Logos SaaS will let to avoid such expenses. i.Logos SaaS is a rent of a place in the already set up environment on a separate server. A customer receives his own LMS with an opportunity of the full control over it. Safety and confidentiality is guaranteed. The fact that LMS is deployed on a developer's platform, provides the resiliency and the timely updating of the software. Thus, the consumer of the service does not worry about the technical support and resiliency of the DL platform.

Initial expenses are not required for installation and adjustment of the system, as well as constant expenses for its support.

- Using of international SCORM standard (Sharable Content Object Reference Model) 2004, that allows to use already existing materials of course of many Russian and foreign authors.
- In comparison with analogues, it has easy import and export of SCORM courses to and from the system.
- Presence of forums and internal mail.
- Simplified mechanism of registration of users.
- Built-in mechanism of learning plans.
- Built-in editor of SCORM compatible content.
- Simple, convenient interface of the user.

- Low requirements for computers of clients on which access to the Internet should be set up and one of the widespread browsers is installed.

Current state

i.Logos LMS on the basis of which i.Logos SaaS will be offered, it is introduced and successfully functions in Irkutsk State Technical University, in State university of improvements of doctors. There is a dealer agreement about the sale of the courses, developed by one of the universities.

Development strategy

Use of funds

1. R&D	10%
2. Acquisition of fixed assets	3%
3. Marketing	60%
4. Acquisition of current assets	20%
5. Other	7%

Prospective outcome of investment

After reception of investments, adaptation of i.Logos LMS to use it as a service, the organization of sales of the given service, providing of uninterrupted work of the system is planned. Also the organization of a hot line for support of the users on technical issues, questions on organization of the distance learning and development of training courses is planned.

Marketing & Markets

i.Logos SaaS is focused on the organizations, not ready to invest significant amounts to purchase computer facilities and the software, and also having significant staff of experts for keeping working capacity.

The volume of the market of such services can be estimated proceeding from the quantity of educational institutions in Russia (for 2005 – 2637). At a share of the market of 10% and cost of the service within the limits of \$ 250 a month, volume of the market makes more than \$ 50 ths a month. At the moment, the number of Russian companies developing their own systems of distance learning totals more than ten. Basically, they offer ready online courses or services for their creation, instead of the solutions intended for independent development, creation and administration of the resources. From such companies which offered similar services, there are only three officially promoted. Average cost of such service varies depending on quantity of trained students and is from \$ 5 ths a year. Our company is planning to enter into market with significant price advantage, offering rent of the system for \$ 3 ths a year at quantity of the students up to 2000.

Except for receiving of the service it is required to rent or purchase the courses. Average cost for purchase of a course is \$ 1.5 ths. Our company can act as a intermediary on a sale or a rent of such courses. The share of the company in the market at the moment is insignificant, as the market is in the stage of formation.

For distribution of i.Logos SaaS it's planned to use the dealer networks of distributors of the software as for them already have the partner agreements with the majority of potential users.

Interaction with investor

Share of the investor in the company is up to 70%. The time of payback of the project is 2.5 years. The investor can take part in work of the company as a direct participant, and as a supervising body. At the moment of the investor leave (in 2.5 years) cost of its share – 70% from a turn of firm in \$700 ths.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2004	2005	2006	2007	2008	2009	2010	2011
Sales	-	-	18,9(for 4 months)	100	500	500	700	800
Operating income	-	-	0	0	50	200	300	500