

Optimal Management

Legal entity in the form of "OOO" (Ltd.), Moscow, Russia

Business Stage

- Proof of concept
- Product development
- Revenues, before breakeven
- Revenues, profitable

Skolkovo Status

Project Stage	→ Stage 1 (to do proof of concept) Stage 2 (to do early testing) Stage 3 (to do late testing) Stage 4 (market entry)
Cluster	IT
Foresights (priority R&D directions)	• Analytic Software
Grant Financing	\$1M grant application being developed

Market

Target Market size	\$3B (global)
Target Market	Supply Chain Management (SCM) systems; Enterprise Asset Management (EAM) systems; Master Data Management (MDM) systems

Financials

	2011	12	13*	14*
Revenues	-	-	-	.65
Net Income	-	-	-	-
Free Cash Flow	-	-	-	-
Tangible Assets	-	-	.06	.06

* forecast

Patents

Received	-
Pending	-
PCT	-

Funding background

Financing Round	Seed round
Invested to-date	-
Expected pre-money valuation	tbd
Funding needs, current round	\$1.2M
Equity investment needed, current round	\$0.4M
Expected share of the investor	minority

Contact details

Optimal Management	Andrey Sukhobokov, CEO +7 (903) 577-9667 andrey.sukhobokov@optimalmngmnt.com
Skolkovo Investment Office	Dmitry Schigolev +7 (495) 967-0148(x2390) dschigolev@sk.ru

Optimal Management integrates mathematical models and optimization methods into enterprise management systems. The products target Optimization of Internal Supply Chains and Optimization of Asset Management. Products act as add-ons for SAP applications and utilize SAP HANA platform in combination with Hadoop cluster. The key mathematical components come from the works on Robust Maximum Principle of Dr. Alexander Poznyak, company's CSO.

The Market

The worldwide Supply Chain Management (SCM) software market reached \$7.7B in 2011, which represented 12.3% growth (Gartner, Inc.). SCM segment for multinational companies is estimated at 25%+ and will grow further. ARC Advisory Group reported that EAM (Enterprise Asset Management) market will grow from \$2.2B in 2011 to \$3B in 2015 (6.7% CAGR). At least 50% of EAM customers have a large number of fixed assets and represent the target customers group for Optimal Management. MDM (Master Data Management) market was estimated by Gartner at \$1.5B in 2011 with 20% CAGR for 2010-2015. New segments such as MDM of Assets grow at 50%+. 20,000+ companies in this segment are the target customers. Detailed analysis on competition is available upon request.

The Company

Company/Business Concept

Optimal Management will sell software globally through SAP, SAP partners network and direct channels. The price will be around €4M per license that is considerably lower than prices of same class SCM and EAM solutions.

Project/Technology

The two main problems that are to be solved: 1) Optimization of Budget Allocation for Asset Development and Maintenance; 2) Optimization of Supply Chains with simultaneous variation of Transfer Prices and Flow of Goods. For resource-intensive calculations SAP HANA will be utilized and its integration with Hadoop cluster. Their integration with SAP Business Suite applications will be realized by standard SAP tools.

Expected advantages of the technology over main competitors

Proposed deep level of optimization in Enterprise applications has not been previously performed, so the new products have a potential to deliver up to 5% increase in profit.

Current R&D Status

Company entered SAP Startup Focus Development Accelerator. A prototype of the system for master data management of the assets has been developed and implemented. It has since been tested on several millions of asset representations in power transmission sector that were loaded into prototype and uploaded into SAP. Mathematical models and architecture of the optimization products have been defended in the Ph.D. thesis of a Co-Founder. A prototype of the Module that provides revenue optimization for multinational corporations through manipulation of Transfer Pricing and Flow of Goods is currently in development.

Intellectual Property

The developed prototype of the system for master data management of the assets has been registered with Russian Bureau of Patents. Preparing PCT applications (Numerical algorithms; Parallelization of the algorithms; Data Models; Architecture).

Team

The team of 9 led by Andrey Sukhobokov, CEO. 10+ years of SAP applications experience, 60+ management systems implemented. Led a company and possesses a wealth of experience in new business unit creation. Alexander Poznyak, CSO, Regular Member of Mexican Acad. of Sc. and System of National Investigators. Dr.Tech.Sc., Prof. of Math. 160+ publications. Valeriy Chernenkiy, Head of Imitational Modeling, Dr.Tech.Sc., Prof. and Chief of IU5 Dept. at Bauman State Univ. 50+ publications. Rustam Khairullin, Head of Supply Chain Optimization, Dr.Phys.Math.Sc., Prof. Vitaliy Baklikov, Business Dev., 10+ years of experience in interacting with clients in USA software industry. Olga Sukhobokova, Dir. of Project Management, certified SAP consultant, 5 certificates in other ERP systems, managed / participated in 50+ projects.

Investment Opportunity

Seeking \$0.4M for development of the first module that provides revenue optimization for multinational corporations. Additional \$0.8M needed for this phase will come from RVC Seed Fund (pending). R&D and product design of other modules will be covered by \$1M Skolkovo grant (application being developed) and VEB Innovations - \$0.5M.