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AN INITIATIVE BY ANIMA INVESTMENT NETWORK & THEIR PARTNERS



ANIMA Investment Network
Together for a competitive Mediterranean



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- Our mission is to effectively serve the Arab region by catering for its users' needs – by impacting the way in which an Arabic user searches.
- ALKhawarizmy's innovative Arabic search engine (KSearch[©]) provides “a search solution beyond the words”.
- The problem: Traditional search engines (including the famous internet search engines) do not cater for the intricacies of Arabic search, thus rendering the search incomprehensive and redundant.
- The solution: ALKhawarizmy's search engine technology, based on a small team working for 20 years in Arabic NLP research and development, provides linguistic (morphological) and meaning (semantic) search, as a first step towards a search solution for the Arabic semantic web.
- The great need to search through exponentially increasing Arabic content (e.g. websites and especially eBooks) has spurred the Egyptian Ministry of Communications and Information Technology to partner with ALKhawarizmy, to adopt this solution.



I. Targeted needs

Needs & opportunity

- Arabic – as language:
 - Is highly inflected
 - Morphology has a set of unique features
 - e-Content processing is deficient
- Arab users are unable to take full advantage of Arabic e-content, compared with other languages
- Arabic content is exponentially increasing, and so are the number of Internet users
- MENA region has the largest rate of increase of Internet users in the world (*please see next slide*).

WORLD INTERNET USAGE AND POPULATION STATISTICS						
World Regions	Population (2008 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Users Growth 2000-2008	Users % of Table
Africa	975,330,899	4,514,400	54,171,500	5.6 %	1,100.0 %	3.4 %
Asia	3,780,819,792	114,304,000	650,361,843	17.2 %	469.0 %	41.3 %
Europe	803,903,540	105,096,093	390,141,073	48.5 %	271.2 %	24.8 %
Middle East	196,767,614	3,284,800	45,861,346	23.3 %	1,296.2 %	2.9 %
North America	337,572,949	108,096,800	246,822,936	73.1 %	128.3 %	15.7 %
Latin America/Caribbean	581,249,892	18,068,919	166,360,735	28.6 %	820.7 %	10.6 %
Oceania / Australia	34,384,384	7,620,480	20,593,751	59.9 %	170.2 %	1.3 %
WORLD TOTAL	6,710,029,070	360,985,492	1,574,313,184	23.5 %	336.1 %	100.0 %

NOTES: (1) Internet Usage and World Population Statistics are for December 31, 2008. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the [US Census Bureau](#). (4) Internet usage information comes from data published by [Nielsen Online](#), by the [International Telecommunications Union](#), by [GfK](#), local Regulators and other reliable sources. (5) For definitions, disclaimer, and navigation help, please refer to the [Site Surfing Guide](#). (6) Information in this site may be cited, giving the due credit to [www.internetworldstats.com](#). Copyright © 2001 - 2009, Miniwatts Marketing Group. All rights reserved worldwide.

Needs & opportunities/3 Market size

- The population of the Middle East is 179 Million
- Excluding Palestine, Iraq, Sudan, Morocco reduces to 137 Million
- MENA Internet users= 45 Million
- 19 Million do not perfect English language
- 17 Million can't read or speak English
- 36 Million are targeted to search in Arabic language
- Within 5 years, we expect to have sold to 6588 customers, with sales of €12.3 million and profits of €8.7 million. The projected growth of sales is shown in the following chart (*please see next slide*):

KSearch is an Embedded Search Software Installed in Enterprises and Websites

Product Editions

- Enterprise Edition:
 - Company's documents and databases are indexed on a centralized server;
 - Connected to the company's intranet;
 - Accessibility through company's network:
 - ◆ Searching these documents via a browser,
 - ◆ Using internal web application
 - ◆ Accessing the KSearch search engine
- Website Edition:
 - Databases (MySQL, MS SQL Server & Oracle) indexed and stored on site's server.
 - Users search via a browser, using the KSearch search engine

Geographic Focus:

- MENA Region with focus on:
 - KSA – Jordan – Libya – Syria - Qatar - UAE - Sultanate of Oman
 - Kuwait - Bahrain - Egypt
- Population Size = 137,614,262

Product Evolution in the coming 3 years:

- Technical Aspects

- Cross platform support, to become truly platform independent.
- Semantic Web support, by developing Arabic ontology, in order to search for concepts.
- True multilingual support to search English morphologically; presently languages with Latin characters are supported only through wildcard search.

- Market Aspects:

- To become the de facto standard in Arabic search, with a large installed base in enterprises and websites Databases (MySQL, MS SQL Server& Oracle) indexed and stored on site's server.
- To have developed a prototype Internet search engine, based on the existing embedded search engine, with the ambition to becoming the Arabic "Google"; we think the MENA market warrants this.

- **Target segments**
Information & data management - Large publishing houses - eLibraries - e-News and media organizations - Financial organizations - International organizations - Governmental organizations - Recruitment organizations - Medical organizations - Retail sales companies - NGOs
- **Current customers [Market position of Target Segment between brackets]**
 - **Egyptian Ministry of Communications and Information Technology (eBooks) [10%].**
 - **AlAhram (Egypt's national newspaper) – it has the largest Arabic circulation [20%].**
 - **Independent Software Vendors (Website developers): ZAD Solutions (eBooks Website) & SHIFT eBusiness [20%].**
- **Future customers [Market position of Target Segment between brackets]**
 - Egyptian National Library and Archives [10%].
 - Jordanian Ministry of Justice [10%].
 - Bibliotheca Alexandrina [10%].
 - Egyptian News Portal (EgyNews.net) [20%].
 - AlAhkbar newspaper [20%].
 - AlGomhuria newspaper [20%].

- Key benefits provided to customers:
 - 90 days money back guarantee if not entirely satisfied with the quality of the product.
 - Free technical support and product upgrades for the first year of purchase.
 - Unsurpassed customer care; this is a basic culture of the company.



Our competitive advantage

Product	Idrisi	Morphological Search Engine	Arabic Search Plug-in	KSearch
Company	Sakhr Software	RDI	Coltec	AlKhawarizmy Language Software
Website	http://www.sakhr.com	www.rdi-eg.com	www.coltec.net	www.alkhawarizmy.com
About the Company	A Kuwaiti company, which is the largest Arab company developing Arabic NLP applications, for 10 years. It has a wide range of products, including a speller, machine translation system, OCR, etc.	An Egyptian company working with Arabic cultural and Islamic content, using multimedia on compact discs. In the NLP area, they work mainly in the area of speech recognition. Their search engine is mainly adapted to work with their CD products.	An Egyptian company, established in 1992, working on Arabic NLP add-ons on MS Office. They first started by licensing a powerful Arabic speller to MS in 1994. Subsequent versions of the speller were problematic. They also developed a grammar checking system on MS Word, which always suffered from many problems.	alKhawarizmy Language Software was established in January, 2006 by Dr. Hossam Mahgoub. Dr. Hossam Mahgoub wanted to invest his 15 years of experience in the field of Computational Linguistics for the Arabic language, to provide the Arabic user with applications that facilitate the processing of Arabic content and present them in a manner useful both to the Arabic user and to the user of Arabic.
Online Demo	N	N	N	Y
Features				
Morphological Search	Y	Y	Y	Y
Meaning Search	N	N	Y	Y
Proper Noun Search	Y	Y	Y	Y
Thesaurus Search	Y	Y	Y	Y
Stem Search	Y	Y	Y	Y
Database Search	Y	N	Y	Y
Boolean Search	Y	N	N	Y
Wildcard Search	N	N	N	Y
English Word Search	Y	-	Y	Y
Input Query Speller	Y	N	Y	Y
Target Words Highlighting	Y	Y	Y	Y
Contemporary Dict.	Y	-	Y	Y
Index Management	Y	-	Y	Y
Unicode Support	Y	-	Y	Y



Our competitive advantage/2

Strengths

- In-depth expertise in Arabic Computational Linguistics.
- Product readiness
- Features exceeding current competitors
- Currently tested needed by large organizations

Weaknesses

- Limited Resources for: marketing and sales.
- Need for expanding in IT infrastructure (assets to be purchased)

Opportunities

- Existing want for product.
- Technology competitive edge
- Increasing demand for IT applications (as per IDC 2008) within the MENA region
- Scalability to be deployed in mobile applications
- Pipeline fed by companies generated within 6 months

Threats

- New entrants to the market.
- Limited financial resources; continuous enhancements and expansion

User Profile

- Using the channels – through “Independent Software Vendors”, using partners programs, selling to:
 - Medium to Large Organizations
 - Government Bodies

- Search Engine Companies (e.g. Google, as an Arabic language add-on)

Pricing

	Description	Cost of 1 st GB	Extra / GB
KSearch Ver. 2.0 (Website Edition)	Morphological and Meaning Search in databases and documents in websites	€700	€210
KSearch Ver. 2.0 (Enterprise Edition)	Morphological and Meaning Search in databases and documents in companies' intranets (enterprises)	€1,100	€25

The 5-year impact of our start-up

	Year 1		Year 2		Year 3		Year 4		Year 5		Totals	
No. of Customers (via In-house Marketing)	168		252		756		1512		2570		5258	
Expected Sales	273		651		1957		3919		6666		13,460	
No. of Customers (via Companies)	50		70		210		400		600		1330	
No. of Customers (by Product)	Web sites	Enter prise	Web sites	Enter prise	Web sites	Enter prise	Web sites	Enter prise	Web sites	Enter prise	Websites	Enterprise
	30	20	42	28	126	84	240	160	366	240	804	532
Sales Volume (K€)	12	31	33	66	98	197	187	375	280	561	611	1229
	23		99		295		562		841		1,840	
Total Sales Volume (K€)	255		644		1,810		3,595		6,001		12,304	
Total Cost (K€)	242		294		629		952		1459		3,575	
Profits (K€)	13		350		1181		2643		4542		8729	



II. Our Organisation & International Strategy

- Key members of our company (Founder's CV attached):
 - Every member is a key member in our small company; everyone's voice is heard.
 - Key achievers: Head Linguist – Team Leader and the development team – Administrative Head.
- Requirements to give the company an international dimension:
 - Native or near-native linguists to assist in applying the technology to European languages.
 - Marketing consultant with knowledge of European companies and institutions in need of multilingual (Arabic/European language) search

Our market & distribution strategy

- Distribution Strategy:
 - Direct sales to large customers.
 - Partnerships with software houses:
 - ◆ For the Arabic region, those who have applications that require Arabic search, such as Website developers.
 - ◆ Internationally, those who develop applications that target the Arabic market (specifically Document Management Systems, Content Management Systems and ERP systems ,where Arabic search would be needed)
 - Large distributors of well known applications, such as ERP systems and Content Management Systems.
- Exhibitions we would like to attend to meet with prospective international partners:
 - CeBIT, Hanover, Germany.
 - International Book Fair, Frankfurt, Germany.

Technological & strategic partnerships

- Our solution will remain unique in the next 3 years, due to the following reasons:
 - We have 20 years expertise in research and development in solid Arabic search technology.
 - Vertical building of expertise without diversification.
 - Unique linguistic innovative technology which we have built up from scratch, which leads to high flexibility in adapting to scalability and changing markets in the embedded search area.
 - Unique development team with diverse experience in computational linguistics and computer science.
 - Continuous, ongoing research and development, fostering new ideas, largely contributed to by the linguistic and development teams.
- Partnerships required to develop and boost our international competitiveness:
 - Technology partners who are capable of contributing to the scalability of the existing technology (such as assisting us in developing linguistic support to European languages and providing ideas for developing the existing solution into an Internet search engine).
 - Strategic partners who are capable of tapping in to the European companies who would benefit most from multilingual search in their applications.

Setting up activities abroad

- In order to grow abroad in the next 3 years we will need an investment of €2,000,000 to support internationalization of our product, as well as various marketing activities.
- We plan to set up a representative office abroad to market our product, as well as liaise with partners and customers.

- Organisation and schedule of the company's next steps in the future months and years:
 - Within the first year: This is a critical period for us; we intend to complete the current installations with our current clients, which will establish the technology as the foremost Arabic search provider for websites and e-Books. These clients are: Egyptian Ministry of Communications and Information Technology (e-Books) – AlAhram Egyptian national newspaper (news site) – ZAD Solutions (e-Books).
 - In subsequent years, we intend to expand our installed customer base, while, at the same time working towards expanding the technology towards the semantic web, as well as the other targets mentioned earlier.

Investment needed

- At this point in time, the main shareholder is the company founder, with a 90% share in the company.
- We are looking for an investor who would bring his market and business to us, in exchange for an equity in the company.

- Our technical assistance and support needs:
 - A reliable partner who could bring his market and his business experience to catapult the company to become both a regional and an international multi-million Euro entity.
 - Connections with major software companies (e.g. IBM, Microsoft, Oracle) to provide Arabic search support in their products.
 - Business development in terms of marketing strategy, events, exhibition attendance that would achieve our internationalization objectives discussed earlier.



Why MedVentures?

- MedVentures has a proven track record in supporting startups in the Mediterranean region.