

Update Bulletin

\$2 Million Commitment to ISS45 Quality

October 16, 2004

StoreNext is pleased to announce a reorganization of its Technical Support and Quality Assurance operations. The changes have been expressly designed to provide ISS45 dealers and users with improved service and software quality. StoreNext will spend over \$2 million to implement these new measures and quality policies over 12 months to ensure ISS45's leadership position in software stability as well as in flexibility and function.

We are delighted that with the moves and changes described in this bulletin StoreNext will not lose any of the priceless knowledge and experience gained over the years of experience with ISS45. In fact, all current StoreNext software and Q/A staff will continue with the company in current or new roles or locations.

StoreNext would like to thank the members of the StoreNext Business Council for many of the recommendations that led to these steps. In addition, StoreNext is reinforcing our commitment to better serve our dealers with the formation of the StoreNext Dealer Technical Council, holding its inaugural meeting early next month. We look forward to the increased cooperation and understanding, plus recommendations to correct the gaps and glitches that are almost certain to occur as StoreNext implements these new support methods and processes.



Below are descriptions of the changes StoreNext is making in the Software Quality, Technical Support and Systems Engineering areas. Formal descriptions of the revised processes will be provided presently in the Policies and Procedures Manual as well as an updated StoreNext Support marketing bulletin (1060).

SOFTWARE QUALITY AND RELEASE

- StoreNext hereby announces a *"fix them all"* policy with respect to ISS45 software faults in both V7 and V8. The increased investment and resources is expected to enable StoreNext to diagnose and fix all software faults of consequence. Of the active V8 issues, for example, all high-priority faults will be addressed in the January 8.10 release or earlier, and the remaining consequential issues will be scheduled and roadmapped into future releases.
- Furthermore, fixes for new software issues as they occur will be *immediately scheduled* to a specific release on the ISS45 Open Roadmap once diagnosed. Dealers will be able to see where all software fixes are scheduled through either the Open Roadmap or the ISS45 Software Fault status listing.
- Early this month StoreNext moved its certification and Q/A lab from Sunnyvale to our new headquarters in Plano, Texas. With this function now located only a few feet from the ISS45 software development group, we have already seen the benefits of proximity. Engineers and Q/A specialists now work together on the same machines to understand and fix software issues in real time, *eliminating delays* from files and telephone communications.
- StoreNext and Retailix have *increased the Q/A staff* for ISS45 software validation.
- Additional gains in quality can now be made by moving the critical pre-release regression testing process closer to the software engineers. StoreNext has developed a new Q/A

This document and information are supplied to StoreNext Retail Technologies personnel and third parties to assist them in doing business with StoreNext. They are not to be used or distributed for any other purpose.

StoreNext Retail Technologies LLC endeavors to ensure that the information in this document is correct and fairly stated, but does not accept liability for any error or omission.

system with Retalix: besides adding personnel to the regression-testing process, we will now **require a full regression** from Retalix software development before software is turned over to StoreNext for final Q/A and Acceptance testing.

- The first release to use the new Q/A process will be 8.10. To ensure unusually high quality in this “transition” release, both StoreNext’s Q/A team and the Retalix team will **independently regression-test** the 8.10 release. We expect this “dual validation” with 8.10 to result in an extremely stable software base for dealers and users.
- StoreNext intends to continue the tradition of **two “major” releases per year** with maintenance releases as required between the major releases. Increased software quality should reduce the number of maintenance releases, and Code Distribution will further reduce the cost to dealers of maintaining the software in the installed base. The major V8 releases will normally be scheduled for January/July while the major V7 releases will be offset by three months, taking place in the spring and fall.

TECHNICAL SUPPORT

- StoreNext has **added considerable resources** to the Technical Support staff for ISS45 by incorporating Retalix V8 Technical Support into StoreNext’s support system.
- Technical Support calls for V8 will now be handled by a combination of StoreNext and **Retalix V8 specialists**. Calls will come in to the same 800 number, but V8 calls will be routed to a specialist group.
- This change dramatically **adds to the expertise** available to ISS45 dealers, but also again places the Technical Support representatives next to the development resources required to diagnose and address high-level issues. All V8 Technical Specialists are now located in Plano together with Q/A and development resources. Not only will this add horsepower to fault-resolution, but it eliminates handoffs that cost time and credibility with the grocers.
- **ISS45 V7 issues** will continue to be handled by the current StoreNext Tech Support staff.

FIELD SYSTEMS ENGINEERING

- With the increased activity in Tier II and larger Tier III accounts, dealers’ need for **increased backup** from StoreNext has become critical. Not only do these large accounts require more resources than the typical small store, but the required level of precision and planning is greater when working with the IT departments that control the POS systems in these larger chains. Installations require parameter combinations and promotions, for example, that are often far different from a dealer’s “standard” system installed in most of the dealer’s base.
- StoreNext is therefore **beefing up our field Systems Engineering staff**. From a staff of Randy Mans, Mike Kawczynski and Dave Murphy just a year ago, we have since added Rhonda Wall and we now welcome Rick Lydon to the SE group. Rick has been in StoreNext’s Sunnyvale ISS45 validation group for the past several years, and has specialized in Code Distribution and ISS45 Fuel besides his decades in the supermarket business, both from the retail side and in software support.
- StoreNext is also setting up **streamlined support routes** for the SE group in the field. Part of their value to the dealer in big-bet openings and rollouts is their fast access to Level-4 support resources within StoreNext and Retalix and cumulative experience in similar rollouts. This new support model goes a long way to de-risking the largest opportunities in the dealer business, and early experience has proved the benefits in customers’ satisfaction.

RBO

- Development of RBO version 4.4 is now underway. In addition to the new features, 4.4 will follow a similar focus, providing dealers with a major *tune-up release* with considerable effort spent on cleaning up rough edges and introducing high-performance batch processing with ISS45 V8.
- Dealers will henceforth have full and *immediate access* to RBO updates, rather than site-by-site CD-ROM releases. These are now on the StoreNext Dealer Support Web site.
- Visitors to the StoreNext Web site will now find RBO (and PocketOffice) roadmaps and releases *brought under the same scheme* as the ISS45 Web support system for ease of navigation. Dealers are able to go to the RBO Maintenance Page, click on a release and see the Release Table, providing all planned enhancements and fixes. When the software is released, links to the Release Notes and the software itself via FTP download will be added to allow immediate dealer access.

THE DEALER PART...

As we've described here, StoreNext will be going to extraordinary lengths to bring dealers the type of software quality and stability you need to operate a profitable business. You need to be able to install it, get paid, and install the next one. And as a partnership, there are three requirements that StoreNext needs from dealers in order to achieve success in support.

1. **Response with good information** – it's almost impossible to fix a software problem unless it can be reproduced, and it is often impossible to reproduce a problem without files, procedure information or configuration data from the store. Please understand that such requests are not "make-work projects" designed to stall or just put the ball back in the dealer's court. Often, any kind of diagnosis is at a standstill until the Level-1 and Level-2 support from the dealer gets this critical data back to StoreNext.
2. **Training** – StoreNext regularly publishes an education and training schedule. Many installation problems have resulted from lack of knowledge. This is not to necessarily blame the dealer! In fact, to remedy the knowledge gap, dealers have requested an advanced V8 course (something between the current V8 course and the V8 programming school) and StoreNext will respond by developing and adding this course to the course schedule. Please take advantage of these courses.
3. **Time** – even with the expanded resources being applied to Technical Support, it is critical that StoreNext's Support people spend their time on true Level-3 and Level-4 issues. This is impossible if they are on the telephone for hours attempting to lead an untrained support staffer through elementary configuration or system processes. While this might appear to be a favor to the person in question, the cost to all the other dealers in response time and delayed resolutions is unacceptable. Because of this, StoreNext will henceforth be more careful to enforce the policy requiring that only trained dealer support personnel are authorized to contact StoreNext Technical Support.

Despite the unprecedented level of software enhancement and fault-fix activity in the past 12 months, we have too often failed to meet your expectations – and our own. With the change in organization and operations – and with StoreNext's enormous new financial commitment to quality software releases – we are driving a heightened internal awareness to achieving high-quality software and support, and maintaining it as you need us to.

To Your Success,

Cheryl
Cheryl Schroeder

Director, StoreNext Customer Satisfaction