

SECTION:	Software Services and Support		
POLICY #:	ESS 8	PAGE:	1 of 7
SUBJECT:	Enhancement Process		
DATE:	4/05	SUPERSEDES:	10/02

TITLE: ESS8, Enhancement Process

POLICY: StoreNext provides support for its software products by providing Enhancement services for system software

SCOPE: All StoreNext Dealers, StoreNext Field Personnel, StoreNext Technical Personnel, Commercial

PROCEDURES:

StoreNext provides a policy and process for user and Dealer-requested software enhancements.

1. Policy: StoreNext products are open for changes and enhancements:
  - a. Software changes fall into the following general categories:
    - i. Software “faults” (bugs, problems) are not considered enhancements. These are dealt with by the Fault Handling Process – see [ESS 6](#) above.
    - ii. “Shortfalls” are worked through the Enhancement Process. A “shortfall” is when the product works as designed, but the design is agreed to be faulty or lacking in some critical way.
    - iii. “Enhancements” refer to capabilities, features or functions that the product has not yet been designed to provide. These are handled through the Enhancement Process.
  - b. StoreNext enhancements are normally available to all users of the enhanced product.
    - i. Enhancements will typically be included in a standard StoreNext product release, and available to all users.
    - ii. StoreNext will not consider “Requestor IPR” enhancements.
      - 1) Such enhancements assume that the requestor acquires Intellectual Property Rights for the enhancement.
      - 2) All enhancements performed by StoreNext remain the IPR of StoreNext or of its development partners.
      - 3) StoreNext, may, at its sole option, license any enhancement or feature to the requestor or other users.



- 4) If an enhancement will be eventually licensed and sold to end users, StoreNext will consider negotiation of modified license fees for the enhancement to requestors who have fully or partially funded development of that enhancement.
  - 5) StoreNext will not consider future royalties paid to requestors for enhancements when these enhancements are licensed to other parties.
- iii. StoreNext may consider, when appropriate, certain “strategic” enhancements that may not be licensed to other parties for a designated period of time (Market-Delayed Enhancements).
- 1) Market Delayed Enhancements will normally carry higher development costs due to lost opportunity cost for StoreNext development to further leverage these enhancements for the benefit of StoreNext, its Dealers and its end users.
  - 2) Market-Delayed Enhancements may also be designated with a higher per-store license fee than would normally be charged to compensate StoreNext for lost opportunity cost.
- c. StoreNext welcomes Enhancement Requests (“ERs”):
- i. All enhancement requests must be submitted on a StoreNext ER form. The current version of the form is available on the StoreNext Dealer Support Web site.
    - 1) If an ER form is not used, the request will be rejected and not considered.
    - 2) ER’s are submitted to a StoreNext Field Systems Engineer, who is responsible for working with the Dealer or customer to ensure that:
      - a) The system cannot already accomplish the task using existing capabilities
      - b) The ER as submitted will have the desired operational benefits without critical problems in other areas,
      - c) That the assumptions and expectations are properly documented
      - d) That the ER is complete and provides sufficient information for development to provide a ballpark quote of the work involved.



- 3) If an ER form is submitted incomplete, or if an obsolete form is used, StoreNext may reject the ER or request that the ER be updated or completed.
  - 4) StoreNext may accept an ER but require additional documentation, detail or data, in which case the ER will be returned for that information with a "RAD" status.
    - a) Requestors need to keep in mind that the ER is normally the only document available to Development in order to size and respond to the request. Because of this, the ER needs to be complete including all system ramifications, and include sufficient information for Development to complete the project.
- ii. ERs may be resolved in the following ways:
- 1) StoreNext may notify the requestor that the ER will be fulfilled or partially fulfilled in a future release at no charge. This is most likely to be the case when an ER is in response to a shortfall or general market or competitive requirement.
    - a) The release number and date for the enhancement may or may not be available at that time.
    - b) If the requestor cannot wait for the enhancement to be developed in due course at no charge, a quote may be requested to implement the enhancement in an earlier release.
  - 2) StoreNext will normally respond with a "ballpark" quote, normally a dollar figure +/- 30%, after which the requestor can ask for a firm quote if the ballpark is acceptable, or the requestor may make changes in the ER that will alter the quotation.
  - 3) StoreNext may respond that the enhancement cannot or will not be considered.

## 2. Process for an Enhancement Request:

- a. Using the current ER form, the requestor will complete the ER and provide it to the StoreNext Account Representative or Systems Engineer.
- b. The StoreNext Systems Engineer will examine the ER for understanding and completeness and work with the requestor and/or the relevant account to ensure the ER makes business and development sense and provides



SECTION:	Software Services and Support		
POLICY #:	ESS 8	PAGE:	4 of 7
SUBJECT:	Enhancement Process		
DATE:	4/05	SUPERSEDES:	10/02

proper detail. If at any future stage the ER is found wanting in this regard, it will be marked as "RAD" for "Returned for Additional Documentation/Detail/Data" and returned to the StoreNext S.E.

- c. The S.E. or StoreNext Account Representative will forward the ER to StoreNext Marketing. An ER number will be assigned and the ER will be forwarded to the appropriate Development group.
- d. Development will examine the ER with the following outcomes:
  - i. A ballpark quotation in Developer Days, including validation and management, provided to StoreNext Marketing.
    - 1) StoreNext's target for ballpark quotations is 10 business days after receiving a proper ER.
    - 2) There are typically no StoreNext charges for producing "ballpark" quotations.
    - 3) On complex enhancements, Development may also quote a cost for developing a firm quotation.
      - a) This quotation fee is often refundable in the form of full or partial credit toward the enhancement price assuming the requestor goes through with the project.
      - b) In the case of a quotation cost, the requestor will be invoiced immediately against the requestor's purchase order for the cost to complete a firm quotation.
  - ii. A request for additional documentation/detail/data:
    - 1) Development will contact the StoreNext S.E. for "RAD"-status ERs
    - 2) When the additional information is provided, a new version (incrementing the Version Number) will now be in force, and Development will re-examine the ER.
  - iii. The ER may be declined with no-quote for practical, development or product strategy reasons.
- e. Marketing will contact the Account Manager and S.E. with the Development results.
  - i. If a ballpark quotation has been given by Development, this number will be translated into dollars and provided.



- ii. The requestor will need to respond via the Account Manager if the ballpark quotation is in the satisfactory range, and whether to go forward with a firm quote.
- iii. Ballpark quotations are normally performed via email and no particular form is used for this response.
- f. In cases where the requestor wishes to proceed to a firm quotation, the Account Manager and Marketing will be notified, and Development will be requested to provide the firm quotation.
  - i. If there is no response to the ballpark quote within 30 days, the ER will be marked as "Withdrawn."
    - 1) Such ER's can be re-submitted at a later date and the process will start over since the ramifications of available development, software platforms and schedules may change the effort required.
    - 2) StoreNext makes no assertions whatsoever that the initial ballpark will be the same as that for a resubmitted ER, and does not view any such changes as either arbitrary or inconsistent.
  - ii. If there is a fee to complete the engineering study required to provide a firm quotation, the requestor must also provide a Purchase Order, to be invoiced immediately, for the cost of the firm quotation.
    - 1) The ER will not be returned to development for a firm quote without the Purchase Order.
    - 2) StoreNext will invoice the requestor immediately against this PO for the quotation cost.
- g. Development will return the firm quotation to StoreNext Marketing.
  - i. A Quotation Conference will be held immediately between Development, Marketing and – depending upon circumstances – the Account Manager, Validation/Release and the Requestor. In this QC, the release number and approximate date, if applicable, will be discussed and determined.
  - ii. Marketing will create a formal quotation to the StoreNext Account Representative in dollars, including the expected release date and number.



SECTION:	Software Services and Support		
POLICY #:	ESS 8	PAGE:	6 of 7
SUBJECT:	Enhancement Process		
DATE:	4/05	SUPERSEDES:	10/02

- 1) StoreNext will make all best efforts to meet the schedule and release provided on the quotation form. Requestor must understand, however, that development and business issues may lead to the release dates and release numbers being met differently than is planned on the quote form.
- 2) The quote form will also indicate the required payment schedule for the enhancement:
  - a) Quote Acceptance: this payment must be made for development to commence
  - b) Initial Delivery: this payment must be made once the first version of the enhancement is delivered to the requestor. The enhancement may or may not be in final form for this payment to be due and payable.
  - c) Upon Store Installation: this payment must be made once the enhancement is installed in the first live store.
  - d) Most small or medium enhancements will typically require full payment upon Initial Delivery.
  - e) Larger enhancements will normally require two or three separate payments as indicated above.
  - f) If the requestor has submitted payment for the quotation process itself, this payment may be deducted from the amounts reflected on the quotation form.
  - g) Occasionally, two or more requestors may want the same, or a similar enhancement. If this is the case, the ER is typically negotiated to meet the requirements of all requestors, and the development cost will be proposed as split between the requestors.
- h. Assuming the requestor accepts the quotation, the requestor must supply a Purchase Order for the full amount of the quotation to the StoreNext Account Manager. If the amount is due in several payments, these payments should be reflected on the Purchase Order.
- i. The Purchase Order will be reflected in a Sales Order, and the requestor will be billed appropriately.



SECTION:	Software Services and Support		
POLICY #:	ESS 8	PAGE:	7 of 7
SUBJECT:	Enhancement Process		
DATE:	4/05	SUPERSEDES:	10/02

- i. Development will complete initial development and validation of the enhancement and turn it over to the appropriate final QA group.
- j. The QA group will complete validation, including cycles for corrections with Development, and will release the enhancement to the requestor.
  - i. At this time, the enhancement may also become part of the current General Release.
- k. Appropriate invoices will be created and sent to the requestor
- l. Appropriate payments will be made by the requestor against the invoices

