

**PROPOSAL FOR
POSITRON**



TECHNOLOGY GROUP INTERNATIONAL, LTD.
14 February 2008
Prepared By: Dave Litzenberg

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EXECUTIVE SUMMARY

Technology Group International (TGI) proposes that **Positron** utilize the strengths and experiences of TGI as it works through business process improvements and implementation of new information systems to support these improved processes. We propose the implementation of our **Enterprise 21** application system to handle the business requirements of **Positron**. Implementation is expected to take 6-9 months from the date of contract signing. When **Enterprise 21** is purchased, TGI's **Enterprise Warehouse Management System (WMS)** and **Enterprise Decision Support System (DSS)** come along with **Enterprise 21**.

The proposed applications operate in a Graphical User Interface (GUI) environment and can utilize any major ODBC-compliant database (i.e., Microsoft SQL Server, Oracle, IBM DB2, Informix). For implementation at **Positron**, we recommend the use of the Windows 2003 operating system and Intel architecture computing platforms for the application server environment.

The total cost for the **TGI Software** implementation for a **10-concurrent user license** is estimated to be US\$85,000-\$105,000. The cost for this solution consists of: (1) US\$35,000 for the application software and **associated source code**; and (2) project management, training, data conversion, implementation services and installation of the application estimated at US\$50,000-70,000.

There is no charge for Annual Maintenance for the first 12 months from software installation (i.e., first year free). After the first year, the annual maintenance fee will be US\$5,250 for the application software (15% of the software licensing fees). Travel and expense costs must be pre-approved by **Positron**, and will be billed in addition to the above.

TGI will install all application software components, and insure correct operation of the application software over the **Positron** network as well as the Windows Server. The system can be accessed through direct (local) connection (thin or thick client mode), externally via modem, and externally via the Internet.

We propose the utilization of the Crystal Reports software for any necessary custom reporting. The cost for Crystal Report would generally run less than US\$200 per user license. This software is fully integrated with the proposed Enterprise 21 applications.

Finally, the proposed applications are fully bar code and radio frequency (RF) enabled. This means that RF technology can be implemented in a manner that minimizes the cost impact upon **Positron**, while at the same time maximizes the organizational benefits. The software component of the RF/Bar Code application is included as part of the base TGI application software. RF and Bar Code hardware components can be purchased at any time, or not at all.

Please note that this proposal is valid for 90 days from the proposal date of Tuesday, February 14, 2008.



SECTION 1 – TGI COMPANY BACKGROUND

Technology Group International was formed in 1990 by Scott E. Smith. Throughout the past decade, the flagship product, Enterprise 21, has been developed and installed in the United States, Canada, Europe, Asia and South America. Our customer set ranges from small companies to multi-billion dollar international corporations.

It is the mission of Technology Group International to provide Tier I application software functionality at a price that can be readily absorbed by organizations of all sizes and implemented in a short period of time without creating a disruption in the on-going daily business operations of the organization. Enterprise 21 is unsurpassed in scalability and offers the most diverse selection of technology platforms on the market today. It also uses a totally integrated architecture defining all of the major business processes, which can then be activated by setting switches according to specific customer needs. These features and the navigation architecture of Enterprise 21 set a very high standard integrating functionality and ease of use.

SECTION 1.1 – GENERAL INFORMATION

| | |
|---------------------------------------|--|
| Name | Technology Group International |
| Address | 6800 West Central Avenue Building I Toledo, OH 43617 |
| Telephone Number | (800)837-0028 (419)841-0295 |
| FAX Number | (419)327-9017 |
| Internet Address | www.tgiltld.com |
| Type of Company | Limited Liability Corporation |
| Date of Original Incorporation | 01 April 1990 |
| Number of Installed Sites | > 200 |
| Number of Distribution Sites | > 100 |
| Number of Manufacturing Sites | > 100 |
| Number of Employees | 20+ |



SECTION 1.2 – BUSINESS PHILOSOPHY

At Technology Group International, our business philosophy is very simple. We focus on providing value to our customers from the onset of their software selection processes, through implementation and go-live, and as a highly-valued technology and business partner for the long term, well after the software is implemented. This philosophy has manifested itself in four key principles.

First, we encourage you to compare TGI as a company, and the features, functionality, and value proposition of our **Enterprise 21** software, to our competitors and their software. When we are not a strong fit to your requirements, we will tell you so. However, when we have a good fit, we have absolute confidence that we can compete effectively for your business.

To help you navigate through the evaluation process in a structured manner, we have developed the Software Selection Tool Kit, which provides a collection of tools for you to use. The tool kit includes, among other things, a suggested evaluation process, requirement templates, sample RFP, sample script for a scripted demo, and associated data template. This tool kit is available free of charge, either by downloading it from our Web site, or by requesting a tool kit CD from us.

Second, it is an all too common occurrence that companies find out the true features and functionality of the ERP system they've just acquired, after they've signed contracts and installed the software. It is only then that they find out their new software falls short of what was portrayed during the sales process. It is TGI's view that our role in the selection process is to portray the capabilities of **Enterprise 21** honestly and accurately - helping the customer to fairly evaluate us against their business requirements. It does neither party any good to misrepresent the capabilities of the software, as this will lead to an implementation disaster where nobody wins.

To insure that there are no such issues with TGI, every customer who purchases **Enterprise 21** receives a no-risk Software Acceptance Period. During Software Acceptance, if there is any feature or function of the software that was misrepresented during the sales process, or should you feel that you were misled in any manner regarding the software's capabilities during the sales process, TGI will take back our software and refund 100% of the price you paid for the software, no questions asked. Based on working with the many potential customers and consultants we've met through ERP software selection initiatives over the years, we believe that TGI is the only ERP software supplier in our industry to provide such a guarantee to its customers. This guarantee underscores TGI's commitment to insure your complete satisfaction with your selection.

Third, at TGI, we believe that we should continue to earn your business, even after you have selected and fully implemented our software. It is our philosophy that you should want to continue to do business with us, not that you should have to do business with us based on a one-time software purchase. This view is why we provide our customers full application source code at no additional cost, each and every time we sell our software. While TGI wants to continue to do business with you for the long term, since you receive



the full source code, you are not required to do so. As a result, we must continue to earn your business everyday.

Finally, it has become a software industry norm to charge customers for software maintenance day 1 when an organization buys software. However, TGI recognizes that some reasonable portion of the first year will be spent in implementation, and you will not yet be receiving the full benefit of the software. Therefore, it is TGI's belief that you should not have to pay for maintenance while you're in the process of implementing our software.

This is why, when you purchase software from TGI, annual maintenance is free for the first 12 months from the date of software installation. After the first 12 months, annual maintenance charges are based on the price you paid TGI for the software - not the list price of the software, future list price of the software, or some other value used to inflate the price of software maintenance. The cost of annual maintenance for TGI software is 15% of what you paid for the software. And, in the history of TGI, we have never increased the maintenance charges paid by any customer.

We believe that you will find these basic philosophical tenants make TGI unique in the ERP software industry. After comparing us against our competition, we think that you will come to the conclusion that Technology Group International and our **Enterprise 21** software represent the right choice in an ERP system for your business.

SECTION 1.3 – QUALIFICATION OF PERSONNEL

Our programming staff has a minimum of 4 years experience working with our package, and the senior staff has at least 10 years of experience with our package.

When choosing an ERP supplier, it is important to note that Enterprise 21 is a product that was designed and developed by our company. We are not selling somebody else's software. As a result, you will be dealing directly with the staff that developed and currently supports our products. This same staff provides any necessary modifications that may be required by our client set, and when necessary have developed the add-on applications to meet our clients' needs, or interfaces to other application packages that our customers may have.



SECTION 1.4 – SENIOR MANAGEMENT AND ASSOCIATED BIOS

Technology Group International

Scott Smith
President & CEO

Dennis Schmedlen
Vice President of Consulting
Services

Bob Goldstine
Manager of New Technology

Dave Litzenberg
Vice President of Sales

Executive Bio: Scott attended both Harvey Mudd College and the University of Toledo, graduating with a Ph.D. in Physics. After exploring a career in academics and receiving research awards such as the Thomas Benjamin Brown Memorial Physics Research Award, Scott left the world of academia and joined Owens-Corning Fiberglas Corporation. At OCF he held various positions in information systems, sales and marketing, finance, purchasing, and strategic planning. In his last position with OCF, he ran a \$150 million transportation and logistics group for the Construction Products Group.

In 1990 Scott left OCF and co-founded TGI with Dennis Schmedlen and Bob Goldstine. After sixteen years, Scott still remains an active member of TGI's staff by leading both the overall company direction and by staying actively engaged in various levels of customer activity.

Executive Bio: Dennis attended Oakland University where he received a B.A. in Business Administration. After holding positions as a System Analyst and Project Manager, Dennis joined Owens-Corning Fiberglas Corporation and served as their Director of Corporate Systems Development.

After a fifteen year career at OCF, Dennis left to join Scott Smith and Bob Goldstine in starting TGI. At TGI's origin, he was instrumental in forming TGI's consulting services department and guiding application development and the evolution of system architecture. Today Dennis manages both TGI's technical and project manager staff.

Executive Bio: Bob attended Bowling Green University and graduated with a bachelors degree in Management Information Systems. Bob immediately began his tenure with TGI as an intern and has remained an active member of the staff ever since. From his start in 1990, Bob has held various positions in technical support, system design, project management, and sales support. Currently Bob is responsible for leading TGI's development of new technology.

Executive Bio: Dave serves as Vice President of Sales of TGI. In his previous assignments, Dave has served in various sales and marketing roles for IBM Corporation including International Account Executive for the Ford Motor Company, Business Development Executive for Meritage Technologies, and in business and technical roles for Marathon Oil Company. Dave holds a Bachelor of Science degree in Mathematics and Computer Science from Bowling Green State University.



SECTION 2 – PRICING STRUCTURE

Pricing for the application software modules appears in Tables 2.1. Total software pricing is for an unlimited-user license.

SECTION 2.1 – APPLICATION SOFTWARE

We have provided pricing for the applicable TGI modules. Annual maintenance costs are also provided and include bug fixes and software updates.

| MODULES | COST OF MODULE | NUMBER OF USERS | COST PER USER |
|---|-----------------|-----------------|---------------|
| Application Software | | | |
| General Ledger | | 10 | |
| Accounts Payable | | 10 | |
| Accounts Receivable | | 10 | |
| Order Management | | 10 | |
| Inventory Control | | 10 | |
| Manufacturing | | 10 | |
| Purchasing | | 10 | |
| Warehouse Mgmt | | 10 | |
| Decision Support System | | 10 | |
| MODULES COST | \$35,000 | | |
| ANNUAL MAINTENANCE (AFTER FIRST YEAR FREE) | \$5,250 | | |

Table 2.1 Application Software Pricing in US\$

Enterprise 21 software includes full source code.
Maintenance is billed after the expiration of the contractually defined warranty period.



SECTION 2.2 – SERVICING THE *POSITRON* ACCOUNT

In order for the implementation to be successful, we have found that TGI personnel need to be readily available to respond to questions and issues posed by the client organization. As a result, a “project team” will be assigned to the *Positron* account. This team will consist of a number of programmers and a project manager. In addition, each of our projects is assigned to a senior staff member who oversees the entire process. We also require that, at a minimum, monthly meetings are held with the total project team assigned to the project. This would consist of both TGI and *Positron* personnel. The *Positron* personnel would consist of an end-user, information systems, and management “steering team”. Their responsibility is to insure that the product meets the requirements of the *Positron* organization. In addition, they are responsible for insuring that information needed by TGI personnel to effect a timely implementation of the system is made readily available.

A typical implementation of Enterprise 21 takes between 6-9 months. The following are typical implementation services included during the process: software installation & certification, project management, software configuration, functional training, technical training, data migration assistance, forms & reports customization, and software modifications. An estimated breakdown of these services appears in Table 2.2 below. While not included in the estimates in Table 2.2, project-specific travel and living expenses would additionally be billed as incurred.

| Service Type | Est Hrs | Cost per Hour | Total Price |
|---|---------|---------------|-----------------|
| Project Management & Application Consulting | 160 | \$145 | \$23,200 |
| Training | 80 | \$145 | \$11,600 |
| Software Configuration & Implementation | 160 | \$125 | \$20,000 |
| Data Conversion | 40 | \$125 | \$5,000 |
| Software Installation & Certification | 24 | \$125 | \$3,000 |
| Total Services | | | \$62,800 |

Table 2.2 – Estimated Services Pricing in US\$

The above estimates assume a train-the-trainer approach to end user functional training. Additional training could be provided at the above rates. Also, we would be happy to provide on-going Internet-based training if so desired.

SECTION 2.3 – HARDWARE

Precisely what hardware is utilized will depend upon exactly how *Positron* chooses to operate (i.e., in a thin client, thick client or mixed mode environment). Below, we provide the base characteristics of Windows 2003 servers for the database server, application server(s) and thick client PC's. The suggested configurations represent the



minimum recommended characteristics. Based upon transaction volumes, the database server can be upgraded to a quad processor machine.

A database server capable of handling the volume at **Positron** will need to have the following **minimum** characteristics (please note that while TGI's Enterprise 21 software will work with any ODBC-compliant database management system, since Microsoft SQL Server is a common platform between Enterprise 21 and Mobiquity Route, **Positron** would be able to leverage this common technology by selecting it for your implementation.):

Dual / Quad Processor – fastest available
Windows 200X Server
4 GB RAM Memory
200 GB RAID 5 +Hot Swap Disk

The Enterprise 21 applications can run in either a thick client (individual PC's on each users desk actually run the application and communicate directly with the database server) or a thin client (each user has an 'appliance' which communicates with one or more application servers, the application server actually runs the application and communicates directly with the database server) environment.

In a **thin client** environment, each application server is typically capable of handling between 15-50 users (based upon transaction volumes). Each application server should have the following **minimum** configuration:

Dual Processor – fastest available
Windows 200X Server
4 GB RAM Memory
100 GB RAID 5 + Hot Swap Disk

In a **thin client** environment, each desktop workstation can be any device with the following characteristics:

Windows XX / CE / Mobility
Minimum 800 X 600 Screen Resolution.

In addition, in a **thin** client environment, any Windows based PC's can also be used in a thin client environment as a terminal appliance.

In a **thick client** environment, each individual user PC should have the following characteristics:

Processor – as fast as affordable
Windows XP/98/ME/2000/Vista
1 GB RAM
Any size IDE hard drive



SECTION 3 – IMPLEMENTATION SERVICES

We are proposing that **Positron** select Technology Group International as its "partner" in the implementation of this project. This "partnership" will be established through the selection of the Enterprise 21 software as the application suite to handle the "Base Technology" requirements.

Upon execution of the contract, the "Base Technology" applications would be installed (in un-modified form) on the proposed **Positron** hardware (along with the necessary Server applications). We would then begin an aggressive 30-day program to familiarize the end-user steering team with the application software. It is our experience that the end-users need to become familiar with the new software to the extent that they become capable of defining requirements for modification of the applications. Too often organizations tend to rush into the modification fray without attempting to utilize the un-modified application to perform the tasks required. We believe that the number of modifications made prior to initial installation and system shakedown should be held to a minimum. Once the users have had some hands-on experience with the software, and have attempted to actually perform their daily jobs using the software, they are in a far better position to define the enhancements necessary to make the software fully functional and to bring value to their environment.

The end result of this process is a series of specific modification requirements and a detailed cost estimate for each modification. This allows the client organization to prioritize their modification requirements based upon available funding. We are also developing individual process review teams during this phase of the project. These teams are ultimately responsible for insuring that the process requirements of **Positron** are being addressed in the software. These teams will meet on a weekly basis during the development aspects of the project, and every other week once the product is installed until the team determines that there is no further need for meetings. The steering team will also be charged with insuring that the appropriate base table information and set-up criteria are entered into the system. Generally speaking, the members of the steering team should expect to spend an average of 4 hours per week during an implementation phase lasting between 4 and 6 months. The last phase of this implementation is the training of the actual end users. This training would occur immediately preceding the actual go-live date. End-users are trained based upon functional areas.

In addition, the internal IT organization should plan to spend a total of 1 week involved with application technical training (database layout, program structure, customization areas, etc.) and an additional 1 week involved in actual technical training. This includes training as outlined above, data conversion, EDI set-up, etc.



SECTION 3.1 – HIGH-LEVEL IMPLEMENTATION SCHEDULE

A typical implementation of Enterprise 21 takes between 6-9 months. The following are typical implementation services included during the process: software installation & certification, project management, software configuration, functional training, technical training, data migration assistance, forms & reports customization, and software modifications.

A representative high-level implementation schedule is shown below in Table 3.1. The schedule will call for completion of the implementation of all aspects of the system within a 6 month (180 day) time frame.

| Item | Start | End |
|---|---------|---------|
| Phase I - Core System Implementation | Day 1 | Day 180 |
| Assemble Project Team | Day 1 | Day 5 |
| Define Project Charter | Day 1 | Day 5 |
| Define Project Check Points | Day 5 | Day 30 |
| Install Hardware / Software / Network | Day 10 | Day 30 |
| Team Review and Training | Day 12 | Day 40 |
| E21 Acceptance | Day 30 | Day 46 |
| Train IS Personnel | Day 46 | Day 60 |
| Finalize Business Processes | Day 46 | Day 76 |
| Define Business Codes | Day 46 | Day 76 |
| Establish Systems Policies | Day 47 | Day 117 |
| Define Initiatives | Day 60 | Day 115 |
| Develop Interface Requirements | Day 60 | Day 145 |
| Configure E21 | Day 46 | Day 145 |
| Configure Reporting | Day 46 | Day 145 |
| Configure Forms | Day 46 | Day 145 |
| Data Conversion | Day 60 | Day 145 |
| Develop Procedures | Day 120 | Day 165 |
| Develop Training Procedures | Day 120 | Day 180 |
| Perform Integrated Testing | Day 90 | Day 155 |
| Benchmark System Performance | Day 140 | Day 170 |
| Go / No-Go Live Decision | Day 165 | Day 165 |
| Implementation | Day 180 | Day 210 |
| Post-Implementation Review | Day 240 | Day 240 |

Table 3.1 - High Level Implementation Schedule



SECTION 3.2 – DESCRIPTION OF SERVICES

Section 3.2.1 – Project Management

Project management includes all customer and TGI meetings to determine the status of the project. Status reports and the scheduling of TGI personnel are also part of the standard project management process. Rates for project management are as stated above.

Section 3.2.2 – Training

This includes training at the customer site for all modules for individual operators or customer trainers. Generally speaking, for an organization with the number of users specified at **Positron**, we recommend a train-the-trainer approach that will take approximately 10 days of training. These 10 days can be divided by module at the discretion of the customer. However, a typical mix of training would be:

| | |
|--|----------|
| Order Management | - 2 days |
| Inventory Control & Warehouse Management | - 2 days |
| Manufacturing | - 2 days |
| Purchasing | - 2 days |
| Accounting | - 2 days |

TGI has professional full-time trainers that perform this training at the customer site, using customer data.

Section 3.2.3 – Implementation

The implementation includes, but is not limited to, answering customer application and design questions, software set-up, on-site help, identifying software modifications, and designing interfaces and customer historical load mappings.

Section 3.2.4 – Software and Network Installation

TGI will install application and database software if desired by the customer or will help the customer install all the software. The cost shown is for TGI to do the complete installation. In addition, the cost includes the cost associated with TGI's contractual certification process in which TGI personnel perform all the standard TGI tests to insure that the application software is performing correctly at the customer location and is in conformance with the stated software specifications.



Section 3.2.5 – Data Migration

The process of data conversion would generally be “owned” by the customer. TGI is involved to assist the customer in the data conversion process. Specific data to be converted is determined by the project team. The following is a representative list of common candidate data for conversion:

- Open AR Invoices
- Open AP Invoices
- Open Customer Orders
- Open Purchase Orders
- Customer Data
- Price Sheets
- Product Data
- Bills of Material
- Routings
- Customer Notes
- Order Notes
- Vendor Data
- Sales History

There are standard processes with corresponding user-updateable mapping file processes to pass data in and out of the Enterprise 21 system in a standard and controlled manner. These processes are used in conjunction with initial data load from legacy systems and with EDI processing.

The project team (customer and TGI representation) maps the old data to the new system data. A series of file formats for the extraction of data from the old system are defined, and data is extracted from the old system.

Generally, the process of data extraction from the old systems and data loading into the new system is performed two to six times during the implementation process, each time making incremental improvement to the resulting data quality.

Section 3.2.6 – Modifications

TGI and the customer will define any modifications or enhancements to the system needed to meet the customer’s requirements. These changes will be priced per modification by TGI for the customer’s approval. Specification of modifications is billable at listed rates. All modification specifications include a guaranteed **upper limit cost** for TGI to make the modifications. This represents the **maximum** that the customer will have to pay for the modification, assuming no subsequent change in the specification. The customer is billed actual time and materials at the stated rates for each modification. Thus, if less time is required to make the modification than is given in the specification, the customer will be billed for only the time actually



required. Should the modification require additional time, then TGI absorbs any incremental cost.

SECTION 3.3 – ESTIMATED PROJECT CASH REQUIREMENTS

The information shown in Table 3.2 illustrates the anticipated cash requirements for implementation of the Enterprise 21 system. This table illustrates the anticipated requirements assuming a 6 month implementation period. This includes all costs associated with the application and database software, as well as the accompanying implementation charges. Implementation costs reflect anticipated terms of Net 30 so that cash requirements are shown in the month following the month during which the work was performed. The only items not included in this table are costs associated with hardware and infrastructure (Internet connections, etc.) as well as any internal costs incurred as a part of this project.

| Item | Mo. 1 | Mo. 2 | Mo. 3 | Mo. 4 | Mo. 5 | Mo. 6 | Mo. 7 | Total |
|----------------|----------|----------|----------|----------|----------|----------|----------|-----------------|
| E21 Software | \$17,500 | \$17,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,000 |
| Implementation | \$0 | \$10,467 | \$10,467 | \$10,467 | \$10,467 | \$10,467 | \$10,467 | \$62,800 |
| Total | \$17,500 | \$27,967 | \$10,467 | \$10,467 | \$10,467 | \$10,467 | \$10,467 | \$97,800 |

Table 3.2 – Estimated monthly cash requirements for implementation of Enterprise 21 software in US\$

SECTION 3.4 – FIVE-YEAR COST OF OWNERSHIP

The information shown in Table 3.3 illustrates the anticipated five-year cost of ownership of the Enterprise 21 system. This includes all costs associated with the application software, as well as the accompanying maintenance charges. The external costs associated with the implementation of the system are also included.

| Item | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|-------------------------|----------|---------|---------|---------|---------|------------------|
| Enterprise 21 Software | \$35,000 | \$0 | \$0 | \$0 | \$0 | \$35,000 |
| Implementation Services | \$62,800 | \$0 | \$0 | \$0 | \$0 | \$62,800 |
| Annual Maintenance | \$0 | \$5,250 | \$5,250 | \$5,250 | \$5,250 | \$21,000 |
| Total | \$97,800 | \$5,250 | \$5,250 | \$5,250 | \$5,250 | \$118,800 |

Table 3.3 – Five-year cost of ownership of proposed Enterprise 21 software in US\$



SECTION 3.5 – INVOICING

Our standard terms for the software license are 50% of the license fee with the agreement and 50% net 30. All implementation, training, services, travel expense, etc. costs will be billed as incurred with net 30 day terms.



SECTION 4 – SUMMARY

It is our belief that once **Positron** has completed its software evaluation process – looking in-depth at the functional and technical requirements, as well as the business philosophies of the potential suppliers – Technology Group International will emerge as a clear-cut selection to be **Positron**' partner moving forward with the implementation of our **Enterprise 21** software.

Our proposal is to establish Windows Server as the principal operating environment to be utilized by **Positron**. We believe that this will insure the maximum in flexibility, continued growth in technology and competitive leverage from a price/performance standpoint. For the database platform, we will support **Positron** to select the best ODBC-compliant database management system for your implementation based on factors including performance, pricing, and available technical skills. From a programming language standpoint, we propose Delphi for database independent applications for a pure GUI environment.

The total cost for the implementation of the proposed software is expected to be US\$85,000-\$105,000, which includes US\$35,000 for a **10 user license** of **Enterprise 21** and **associated source code**, and US\$50,000-70,000 for estimated implementation services and training. Annual maintenance costs for the Enterprise 21 software after the first year would be US\$5,250 (15% of the software licensing fees). Implementation is expected to take 6-9 months from the date of contract signing. Travel and expense costs must be pre-approved by **Positron**, and will be billed in addition to the above.

We look forward to working with **Positron** to implement our **Enterprise 21** software to become the transactional and informational backbone for your business.



APPENDIX A – INTRODUCTION TO “THE 15 QUESTIONS”

Picking an Enterprise Resource Planning (ERP) software package is a difficult and time consuming task. It is something that both organizations, and individuals within those organizations, do rather infrequently. As a result, the typical organization is not very efficient in how they go through the ERP software evaluation process.

Most organizations tend to spend the bulk of their time documenting their business requirements, and analyzing how the various software packages in consideration fit those requirements. While this is a highly important aspect of an ERP software evaluation, most organizations spend little or no time focusing on another aspect that is at least as critical as the functional match.

When you select an ERP package, you are selecting both the package itself and the organization that supplies it to you. In the software selection process, finding out what an organization will be like to do business with is easily as important as their software's functional capabilities. While the ERP software can possibly be modified to more closely align with the functional requirements, the likelihood that a software vendor will change its culture and its underlying business philosophy is highly unlikely.

In most business operations, it is likely that some sort of partnerships or alliances with key suppliers have been formed. When you select an ERP supplier, it is imperative that you are able to establish a true win-win partnership relationship with that supplier. You will be tightly coupled with that software supplier, in many cases betting your business on them, throughout the entire life of that ERP system's existence within your organization. This period can generally run 10 to 15 years, or longer.

As a result, TGI has authored the white paper, “The 15 Questions to Ask Every Software Vendor Before You Buy or Regret Later that You Didn't.” The 15 Questions are intended to help you, as a buyer of ERP software, to insure that you ask all of your potential ERP software providers some highly critical questions that will help you define whether or not you want to do business with them, as an organization. These questions are not functional in nature. Rather, they are designed to help you understand, prior to purchasing a system from a software provider, what it will be like to do business with them.

As you go through your selection process, and decide to require answers to these questions, it is important to insure that the software providers provide specific examples, to substantiate their answers. This should include sample anecdotal stories that you can validate, through your customer reference checking process, as well as documentation used by the supplier in the process.

Whatever you do, you're encouraged not to let the suppliers off the hook. These questions are tough. Most suppliers will not want to provide good, solid answers to them, because they do not want to have to deal with the ramifications of the answers they would have to provide. However, they represent the best means available to you, to ascertain ahead of time, what doing business with a given ERP supplier will be like, over the long haul.

TGI is providing “The 15 Questions” along with TGI's answers along with this proposal.

