

# Lexia Glossary of Terms

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## **Add-On License**

If a customer owns one or more software licenses with current maintenance for a given title, s/he can buy additional (or “add-on”) licenses, often at a reduced unit price. If 5 licenses are owned, one additional license can be purchased at the 5-station unit price, or 5 additional licenses can be purchased at the 10-station unit price. Be aware that purchasing additional licenses is completely different from purchasing an upgrade (defined below). However, resellers will often say “they want to *upgrade* from a 5-station to a 10-station” and mean that they want to buy 5 add-on licenses.

## **Alpha Testing**

After we create a new product, or a new version of an old product, we test it in-house and/or at a testing company. That is called “Alpha Testing.” The goal is to find and eliminate bugs.

## **Beta Testing**

When the product works properly in house, Product Management sends it out to customers who have agreed to be Beta Testers. They use the product with its manual, usually in a school setting, and report any problems they find on a form. If they find any significant problems, we fix them and then the product goes through the testing process again. If no problems are found, the product goes to final testing.

## **Bug-Fix Updates**

Bug-fix updates are made available to customers who cannot get a program to work properly, usually as a download patch. Sometimes customers are sent a different, “higher” version of the product than the one that they purchased; sometimes customers are sent custom CDs with a fix for their particular problem. Bug-fix updates are almost always sent free of charge irrespective of whether the customer has a current Software Support Plan. *Only the Vice President of Technical Operations is authorized to determine that a bug-fix update is appropriate and should be made available.*

## **Concurrent License**

A concurrent license (also known as a simultaneous user license) is a product license that can be used on any machine on the network up to the number of simultaneous users specified in the license file. A license file must be created on the network to utilize this configuration.

## **Co-Terminate**

To have the same bounds on service agreements. A person with multiple software support agreements can request a single start and end date.

## **Conversion from Stand-Alone to Network**

Customers on an active support plan can convert their stand-alone licenses to network licenses for \$50. They are obligated to destroy or return their CDs when they install the software on their network. The fee covers only the conversion to network; it does not add any licenses, and it does not pay for any upgrade to a higher version of the software. Nonetheless, resellers will typically say, “They want to *upgrade* to the network version,” meaning that they want to convert their existing licenses from stand-alone to network. Quite often resellers will not know if their customer owns the current version or not.

### **Cross-Trainer Programs versus Suite Licenses**

Ideally, the Cross-Trainer suite of programs is used together on a single workstation, so that all of the student's cognitive skills can be developed in parallel. However, each program can be run individually. Lexia sells Cross-Trainer to institutional customers only as a complete suite of all programs currently available including one controller per license. Add-on programs will be made available in the future for integration with the suite. Such add-on programs will not ship with a controller.

Lexia sells Cross-Trainer to families as individual programs, or as a suite. The suite currently costs \$299 and ships with a controller. The first individual program is currently priced at \$199 and comes with a controller. Each additional program costs \$99 and does not ship with a controller.

### **Current Version**

From a literal standpoint, our "current version" is the version we are currently shipping to new customers. For the purpose of determining if a customer can buy a Software Support Plan without buying an upgrade, or can buy add-on licenses without buying an upgrade, the customer's software is "current" if they are entitled to the current version free of charge.

### **Final Testing**

Final testing is performed by the Lexia department heads responsible for product quality. They test all aspects of product effectiveness, usability and function, including the correlation of the manual and the product.

### **Gold Release**

A product "goes gold" after it has passed all testing and been approved for release by all required department heads. A "gold disk" is passed to operations for duplication, and the accompanying manual goes to the printer.

### **Market Testing**

Beta releases or released products may be sent out to user sites for evaluation by the sales or marketing departments. The goal of this testing is to evaluate market acceptance and to set prices. No technical feedback is collected, except ad-hoc bug reports. While Product Management may provide product for market testing, the sales and marketing departments are responsible for all data collection. In rare cases, Beta Testing and Market Testing may be performed at the same site.

**Network** Two or more computers linked together so that they can share resources.

**LAN (Local Area Network)** Interconnected system of computers and/or peripheral equipment (e.g., printers) that is confined to a limited area, such as a room, building, or campus, enabling connected users to communicate and share information and resources.

**WAN (Wide Area Network)** Interconnected system of computers and networks (including local area networks) that surpasses local area networks in scope (e.g., WANs can span building to building, city to city, nationally, and internationally). These data communications linkages (e.g., dedicated lines and radio waves) are designed to allow large numbers of users within an organization to communicate and access information.

## **New Product**

A new product is a product that has never existed before. Any product with a new name is considered a “new product,” even if some of its content existed in an old product. For example, if we break up Reading S.O.S. into two programs, the result will be two new products. Software Support Plans do not typically include new products for free. However, if the new products include content from an old product, customers who hold current Software Support Plans will typically be offered the new product(s) at a substantial discount as a Software Conversion.

## **Outcome (s) Testing**

Products may go through outcome testing at any stage of their development. Outcome testing involves performing formal statistical analyses of product-use outcomes against a control group. It may be conducted at Lexia, at an outside lab, or in a school. It may be conducted by Lexia, by an academic institution, or by a government agency—even a school. Outcome testing is not required for product release, but it is required for marketing purposes in many markets.

## **Software Conversion**

If Lexia produces a new product that incorporates and substantially expands upon an old product, customers who own the old product may replace it with the new product by purchasing a software conversion. Software conversions typically provide the customer with considerably more content than they had before. Conversions can be purchased at **60% of list price** (40% for the conversion, 20% for a 2-year Software Support Plan). Software conversions do not give the customer any additional licenses. They provide new software to *replace* the old software, and they provide a new Software Support Plan on the licenses. If the licenses are already under a Software Support Plan (or maintenance contract), **the additional two years begins the day their old plan ends**. Resellers are permitted to sell the conversion alone, for **40%** of list price, if the customer has a substantial amount of time left before their old Software Support Plan (or maintenance contract) expires.

**Software license** Agreement that allows an individual or group to legally use a software program.

**Concurrent License** A concurrent license (also known as a simultaneous user license) is a product license that can be used by any machine on the network up to the limited specified in the license file. A license file must be created on the network to utilize this configuration.

**Single Station license** A single station license is a license that may be executed on one specific machine at a time.

## **Software Release or Product Release**

A new release is a new version of existing software. When we say a product has been or is going to be “released,” that means released to the public for sale with product in stock. When a product is still in Beta testing or in production, it has *not* been “released.”

New software releases always change the version number. In general, minor “bug-fix” releases increase the version number in the hundredths digit (e.g. from 3.21 to 3.22), and these releases are available to everyone via download, free of charge. More significant *updates* increase the version number by *at least* one tenth (e.g. from 2.2 to 2.3), and these releases are available to customers with current Software Support Plans. If a new release includes more substantial changes, such as new architecture or new activities, the version number is increased to x.5 or the next whole number, if necessary (e.g. from 1.1 to 1.5 or from 2.53 to 3.0). These new releases are usually free under Software Support Plans.

### **Software Support Plan**

A two-year Software Support Plan comes with the initial purchase of all Lexia products except family products. A one- or two-year SSP can be purchased after the initial Plan expires, or as a part of software conversion.

Software Support Plans expire on the last day of the month in which the software or plan was purchased. For instance, if an initial two-year plan is purchased September 5, 2004, it will expire on September 30, 2006. The software support plan provides:

- Unlimited technical support – 24 hour telephone support, email support, web support
- Software updates – downloadable from our web site, or on CD, by request
- Software upgrades – downloadable from our web site, or on CD, by request
- Discounted pricing for replacement CDs

Unlike our previous “Maintenance” plan, Software Support Plans do *not* guarantee that at least one upgrade or update will be shipped to the customer. We *do* plan to include our new architecture products, other than Primary Reading, as a free update under the Software Support Plan.

### **Software Update**

A software update is a new release that fixes bugs and/or includes changes to accommodate new operating systems, but generally doesn't add major new activities or features. Software updates are made available for free under our Software Support Plan. Updates can be downloaded from the Internet, if the file size for the update is small enough. If the customer cannot download the file, Lexia will send an update CD at no charge upon request.

### **Software Upgrade**

A software upgrade is a new release that fixes bugs, includes changes to accommodate new operating systems, and/or adds new features. Software upgrades are made available for free under our Software Support Plan (unlike Software Conversions, which must be purchased). Upgrades can be downloaded from the Internet, if the file size for the update is small enough. If the upgrade is too large for downloading, or the customer cannot download the file, Lexia will send an upgrade CD at the customer's request free of charge.

### **TCO (Total cost of ownership)**

Model for calculating all of the expenses associated with deploying, maintaining, and troubleshooting a personal computer and application software in the workplace or educational setting over time. Strategic decisions on how to build, support, and control costs of technology can be made with this information. In education, these costs include the purchase cost for all elements including training and software support, technical support, required connectivity and replacement costs.

### **Unit Price**

Unit price refers to the cost of one license at a given volume level

### **Usability Testing**

During or after the development process, a product may be given to selected experts, customers or test subjects who evaluate the product. Feedback on user interface, feature effectiveness, additional needed features, and other suggestions are provided to the design team for incorporation in the product. The results of usability testing may be incorporated before the software release if they are important. If they are not important, or if they would substantially delay the release, the feedback may be held for a later release.