

# Revenue Sharing



WhitePaper on Revenue Sharing / Split Payments

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## Introduction

Revenue sharing involves the distribution of revenue among various stakeholders who participate in a business transaction. This distribution is determined by the terms and conditions agreed upon in the contractual agreement between contractual partners.

Revenue sharing can occur in various scenarios. For example, payments from customers may need to be split up when products from multiple merchants are involved for a single order in a marketplace or when commissions have to be paid out by merchants to their <u>affiliates</u>.

This whitepaper describes how Novalnet simplifies the revenue sharing process for merchants and their sales partners.



Marketplace Provider - Novalnet

**Contractual Partner** - Merchant who registered with Novalnet

**Affiliates** - Sales Partners who register as affiliates in merchant's ecommerce platform

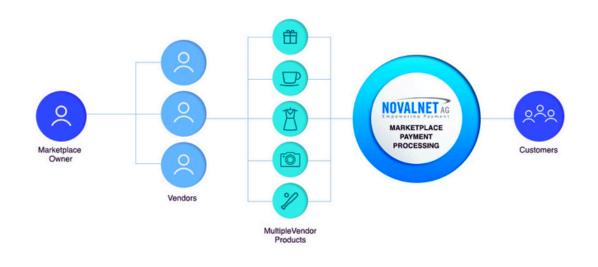
### How Revenue Sharing Works



Usually, payouts are made by service providers to a single contractual partner. If a need to share revenue arises, the contractual partner would then initiate manual payouts to the other sales partners.

This requires extra work to be done by the contractual partner and the process is quite complicated to maintain in general.

### Revenue Sharing at Novalnet



Revenue sharing at Novalnet greatly simplifies the process for our contractual partners whereby the revenue is split up at source by Novalnet and are then paid out directly to all the concerned sales partners.

The contractual partners at Novalnet can manage sales, cost and commission distribution to their affiliates through an interface. Payment distribution is made easy for all types of sales - positive or negative are standardized, where Novalnet shares the revenue in real-time.

### Types of Commission

Revenue sharing at Novalnet can be defined with four configurations based on the contractual partners' business model.





#### Percentage

Percentage-wise commission is calculated as a percentage of the order amount.

#### Fixed revenue sharing to the affiliates

Fixed revenue sharing to affiliates defines a specific amount to be shared to the affiliate irrespective of the order amount.

### Fixed revenue sharing to the marketplace

Fixed revenue sharing to the marketplace defines a specific amount to be shared to the marketplace regardless of the order value.

### Percentage and fixed revenue share

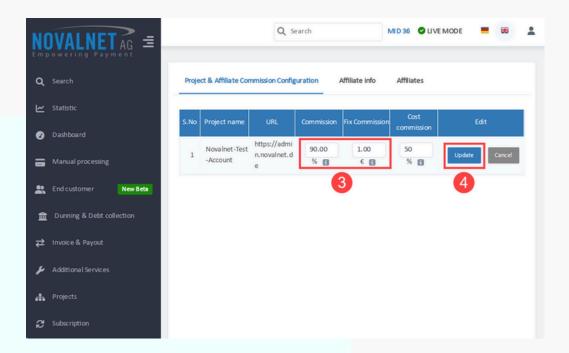
Both percentage and fixed revenue sharing can be configured simultaneously if required.

The steps below explain how to configure commission settings in the Novalnet Administration Portal.

The merchant or contractual partner has to log in to the Admin Portal and proceed to the <u>Marketplace/Affiliate</u> section. Under **Project & Affiliate Commission Configuration**, commission settings can be configured for the project or each affiliate.

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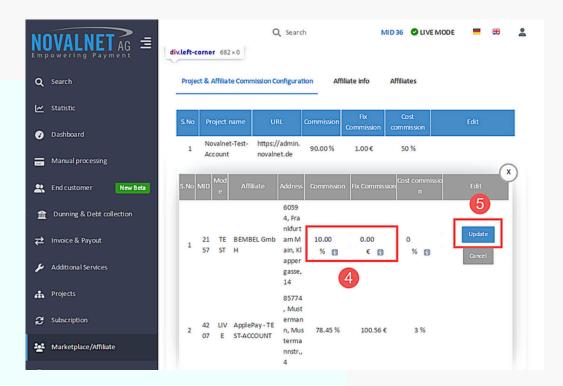
Clicking **Project Commission** shows options to set the commission for each project with Commission, Fixed Commission and Cost Commission settings.



Clicking <u>Affiliate Commission</u> shows options to set the commission for each affiliate with Commission, Fixed Commission and Cost Commission settings.

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Each project may contain one or more affiliates. Updating the configured values will automate regular payouts to the affiliates and the marketplace without hassle.



### Additional Features

The deposit of the general distribution of commissions (percentage, fixed amount or both) for all affiliates can be preset at Novalnet per project.

Additionally, Novalnet provides dynamic commission distribution in real time through our API integration or Batch procedure via SFTP.



## About Novalnet AG

Founded in 2007, Novalnet is a pioneer in all-in-one payment services. Our strength remains in the unrelenting pursuit for perfection, innovation and acceleration, supported by the best people in the industry. This constant drive to innovate and scale keeps our global payment solutions ahead of the game and gives you the business edge. Our belief in exceeding the best of expectations have made us one of the most popular payment service providers in Europe.

www.novalnet.com

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## Thank You

Accept 200+ payment methods in 150+ currencies globally in a highly secure, state-of-the-art environment supported by AI-powered risk management for SMEs & large enterprises. Novalnet hosts multiple valueadded features & services including recurring payments, debt collection, automated marketplace.



India

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