

## Reducing e-commerce risk: the Real TSP business model

Real TSP's commercial terms ensure that we, rather than our clients, carry the risk of building your online channel. We are able to provide our services on these terms because we have:

- in-depth experience and strong competencies in the implementation of e-commerce solutions and the development of online sales channels
- a broad portfolio of clients who trade online, thus increasing our capacity to syndicate the individual risks

Our risk-mitigating business model for the design, development, implementation and ongoing management of e-commerce solutions brings together two core philosophies:

- clients should pay for results, not technology and services
- the structure of commercial terms should align the interests of both parties

An innovative revenue-share scheme, which replaces upfront/fixed fees, allows our clients to develop and run their online channel on a variable cost basis. By tying costs to revenue, clients enjoy the benefits of a relationship with a fully incentivised supplier.

### Revenue share in lieu of upfront fees: Real TSP carries the risk

In stark contrast to traditional software and services suppliers, Real TSP does not require any significant upfront investment from you to design, develop and implement your e-commerce solution. Instead, we earn our fees by taking a share of the online revenue generated by your site. This delivers two major benefits:

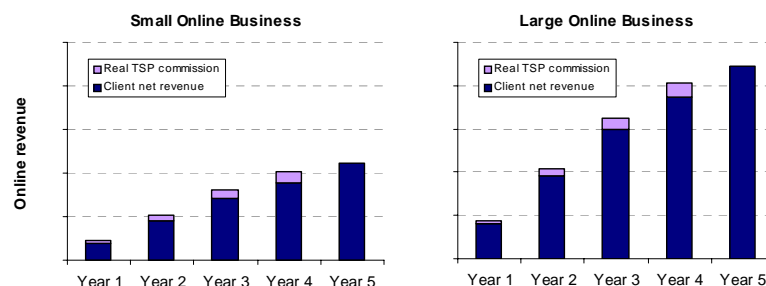
- any risk associated with launching a new venture is shifted from you to us
- we are strongly motivated – both from a business and financial stance – to ensuring that your site is as successful as possible.

Real TSP's commission level depends on a number of factors including:

- the jointly agreed revenue forecast
- the committed marketing budget
- the division of responsibility
- the duration of the contract

Companies often need to make difficult investment trade-offs between online operations and other opportunities. Real TSP recognises this and has a flexible approach towards the division of responsibility, taking as much of the online operation as required by you. This ensures that no-one need miss out on the higher rate of return on investment which is typical of online operations (compared with expansion of high street operations) simply as a result of lack of financial or management resources.

Revenue share structure



The time frame for a revenue share scheme is typically limited to four years. After this period the code and data belong to our clients who continue to enjoy the full value of their online sales channel, either independently or with Real TSP under renegotiated terms.

If development of the online channel is successful everyone wins. If, on the other hand, levels of success are less than expected, our client's loss is limited with Real TSP carrying the burden of our investment in time, services and technology.

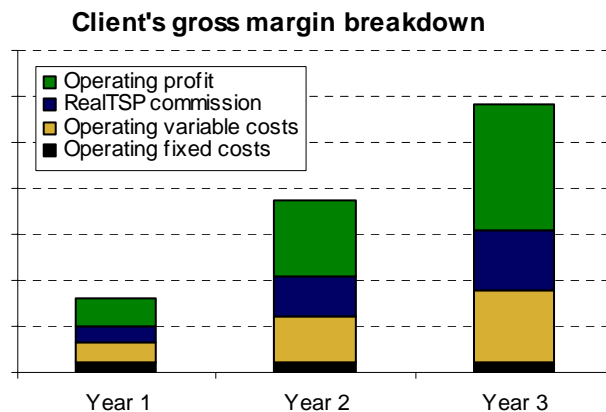
### Variable costs: outsourcing to Real TSP

Real TSP provides a portfolio of operational and technical services which eliminate the bulk of the effort and time required to establish and run an online channel.

Combining at will these services with the power of our technology platform ensures that our clients are presented with a complete e-commerce solution, which can start to generate online revenue instantly.

Set-up Services	Ongoing Services
<ul style="list-style-type: none"> <li>✓ Shop design</li> <li>✓ Platform customisation</li> <li>✓ Catalogue building</li> <li>✓ Business process design</li> <li>✓ Pre-launch marketing</li> <li>✓ Project management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Online marketing campaigns</li> <li>✓ Hosting and technical services</li> <li>✓ Sales functionality improvement</li> <li>✓ Fulfilment and customer support</li> <li>✓ Strategy and operational advice</li> <li>✓ E-commerce manager secondment</li> </ul>
<ul style="list-style-type: none"> <li>✓ <i>Real Commerce</i>: Real TSP's state-of-the-art e-commerce platform</li> </ul>	

By outsourcing the majority of the development and running costs of the e-commerce operation to Real TSP (rather than bearing these in-house), fixed costs can be kept to an absolute minimum. This limits the financial burden and risk of our clients, whilst at the same time allowing fast access to high margin online sales.



Real TSP's services will always focus on quality and reliability. Indeed, revenue sharing is a strong incentive for us to ensure that our client's online sales channel is successful and a leader in its segment.



**Don't miss the online opportunity: offload the financial risk and the operational burden to Real TSP!**