



# Affiliate Networks: 4 Things You Need To Know Before Creating Yours.



## 4 Things to remember when you're creating an affiliate program for your global FX payment business.

In today's highly competitive global FX payment market brokers and payment specialists are all competing for the business of both private and corporate payments customers as well as going up against agile, small payment businesses, enterprise level financial institutions and the big banks alike. One way to spread your reach across the market landscape is to enlist the service of other individuals and businesses to offer your FX products and payment services to their own customers in need.

Finding a good affiliate, introducer or agent is always a key strategy and not always easy. As well as managing the relationship will require a few extra tools and processes that we are going to talk about today in this paper. If you take anything away from this today, my hope is you come out the other side with a solid plan for implementation and execution of your new affiliate network using the tips and tools offered through the e2eFX global payment business management platform.

1. Make sure you have a plan.
2. Define your target affiliate.
3. Develop a commission structure.
4. Manage and monitor your program closely.




A plan, you need one! Think about it, the more thought you put into it now the less problems you are likely to have later on down the road. Be mindful that every plan will probably change as you evolve your program and grow your FX business and services but you still need one and you need to consider the following...

## 2. Your Target Affiliates

Who will you approach, who are the best affiliates to partner your business with?

Who are your best targets? You'll need to put some thought into this as well. Because you'll need to approach them at first before your services start speaking for themselves so you better figure out who and where they are so you can get in front of them.

Will it be businesses that have direct ties to FX requirements like foreign real estate or other industries that use FX payments often? Will you try focusing on individual introducer's with connections for referrals or maybe you don't care you'll just approach anybody who might show some interest. A spray and pray method is not really suggested for this type of network. Relevance is key and relevance builds relationships around your services.



**Business Note** - Try to find affiliates that will continue to find you new business, not just one timers who make a single referral in order to collect their commission never to bring new business again.

## 3. Develop Your Commission Structure

What kind of commission structures will you offer? Long-term, short term, one-time payout, it matters so figure it out!


Commissions need to be laid out in clear and concise terms for your prospective affiliates and should always be in writing to avoid problems down the road.

Things to consider in regard to commissions is how long will the affiliate receive royalties for the business they refer, lifetime, one year, is it based on continuing referrals? A concise and clear commission outline is a must, so all parties can agree up front.

**Business Note** - Shorter payout periods that terminate when new business is not continued are good tools to encourage your affiliates to find new customers to keep those commissions flowing in and reduce the "one and done" types of introducer.

## 4. Management & Monitoring

Keep track of all the deals, details, risks, compliance and business in your network.



**Business Note** - You need to be aware of the deals and quoting traffic your affiliates are generating daily, weekly and monthly so there are no discrepancies of opinion when it comes time to pay out your commissions.

**Business Note** - Consider the items you need to manage and report on, custom pricing structures, risk tolerances, commissions, AML & terrorist financing compliance, deal history, relationship management and pricing standards. Its key to have a platform like e2eFX capable of managing all aspects of the affiliate relationship.

You'll need a platform that affiliates can use to book, report and manage deals that their customers book through your FX payments business. Offering an Online white label application like e2eFX allows your affiliates to have a branded Online FX portal site to trade through your funnel and adds a level of professionalism and brand loyalty for their customers. This is an important factor to consider, does your current system allow you this type of oversight and Online customer interaction?

Reporting capabilities are key to managing your affiliates both short and long term. Tracking commissions, deal histories, customers they signed up and on-going relationship management. Your affiliates will want to also monitor their business or the business done through those customers that were referrals, an Online portal is necessary for real-time updates for both parties to stay on top of their referral traffic.

Ultimately its your business that will be held responsible for any AML or terrorist financing infractions even if the customer is dealing with you through a third party. Be sure your compliance regime takes this into account when processing business from your affiliate network.

In closing, creating and managing an affiliate network is an excellent way to grow your FX transactions and increase revenues, as long as its well managed and monitored properly. Alternatively, moving forward without a well thought out initiative with undefined terms, no governing processes and hoping for the best is a recipe for headache and problems.

For more information on the various features e2eFX can provide you for efficiently starting and managing an ongoing affiliate network please contact us for more details and to arrange an Online demonstration.

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**About the author:**

Nexolink is an FX payments industry leader with over 30 years of experience delivering FX business platform solutions and consulting services. Nexolink has provided business solutions and support, for organizations such as Amex FCS UK, Travelex Worldwide Money, UAExchange Canada, Citibank FCS NY, Currencies Direct, 360 Markets and IPT Africa, as well as others around the world. Our new industry thought-leadership initiative, entitled "FX Insights" will comprise a comprehensive collection of industry reports, articles, industry white papers with news and views tailored specifically for FX professionals. We are most pleased to share our global experiences, business practice advice, as well as field questions from leading FX professionals around the globe.

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