

CR&R - CONTRACTS, RIGHTS & ROYALTIES

Klopotek Standard Software for Publishers

- Klopotek is the software provider trusted by over 200 publishers. 7,500+ publishing professionals use the system daily.
- Klopotek is the most comprehensive and integrated standard enterprise software created for publishers by publishers. It covers all work processes in the publishing business and enables publishers to highly optimize and automate workflow.
- The solution is designed so customers can implement modules in a flexible approach to achieve centralized data and process integration.

Why Buy Klopotek?

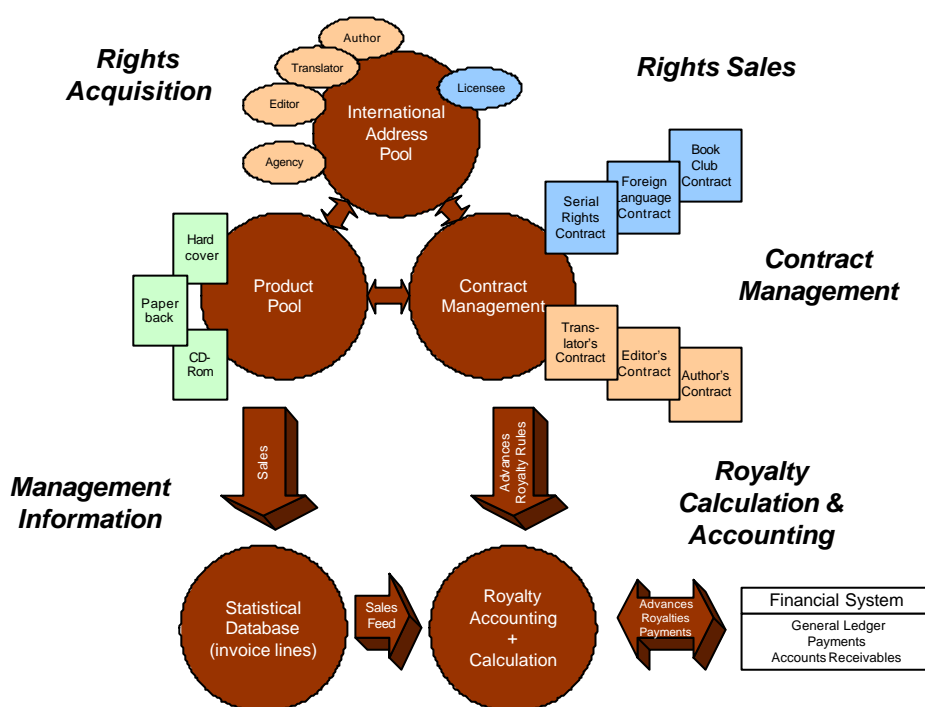
- As more editors, authors, and their agents demand greater visibility of information on a timely basis, publishers need a system providing up-to-date management analysis.
- Klopotek adheres to all current publishing standards such as ISBN-13, the EAN barcode, ONIX, EDI, and will incorporate all future industry standards.
- Publishers who use Klopotek save significant time, lower IT investment and streamline processes in every aspect of their business.

CR&R Benefits

- Centralized data and integrated processes allow clear and successful negotiations with your business partners.
- Contract management provides a complete inventory of rights.
- Synchronization between contracts and royalty calculation reduces risk of wrong statements drastically.
- The overall payment schedule, the preview calculation functionality, and the royalty write-off tool provide a precise liquidity planning method.
- Integrated marketing and tracking functionality delivers additional power to rights sales to ensure optimization of your opportunity.

Integrated Processes - Centralized Data

The Klopotek CR&R system integrates contract creation and management with royalty calculation and accounting, rights acquisition, rights sales and marketing.



Editorial and Rights Acquisition

The rights negotiation requires accurate data and transparency throughout the whole process. Knowing the competitive publications, planning the future sales in the respective markets and being aware of the financial risks allow you to securely decide whether to print or not.

Finding the right author for your new publication might be the first step. Next, you will want to keep track of all the correspondence, the phone conversations, emails and the offers you have made. Dealing with agents is another issue. You should be able to see the full history of the previous agreements and how you got there. You want to be the leading party in the negotiations.

The Klopotek CR&R Rights Acquisition tool helps you win successfully, by providing detailed information, while allowing you to view the overview. Finally, an analysis tool for break-even-calculations completes the toolset.

When everything is fixed, you easily generate a contract document. You can use the approved templates and input all the data you collected: authors and agents, addresses, conditions, agreed volume rights and sub rights, special terms. Prepare the proper document with just a double click and forward it automatically to the legal department for further negotiation on legal terms and details and final approval.

In parallel, a project is created by the system. Throughout the entire editorial and produc-

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tion processes, all product descriptions such as: the bibliography, production specification, marketing and advertising texts, planning data and other terms, will be assembled centrally in this powerful information pool. All product details may be exported into XML files, and automatically converted into ONIX without any additional effort.

Contract Management

Contractual agreements are delicate pieces of work. In order to have full governance, you want to be aware of the history of previous negotiations, the exceptions to the usually agreed legal terms and the full change history of your document. Inserting a new paragraph by just clicking in boilerplates and merging in the database fields provides added comfort in editing contractual documents.

"What you see is what you get." And complexity is not limited. Multi-title deals, different contributors and agents, and differing splits for advances and royalties, are easily handled by the system.

Editing the various contract drafts and the final contract print, incorporates the latest MS-Word functionality. And once the contract is signed, the data will be frozen. Contract scans, all correspondence relevant to the agreement and all versions are available upon a simple mouse-click. And even addendum negotiations and the changes of the original terms are fully tracked from the very beginning of the validity of the document.

Royalty Calculation

Keying in new contracts and changes by addenda is no longer an issue for the royalty department. Using the same data for the contract document generation and for royalty accounting and calculation is the key for optimizing the processes that previously took significantly more time.

Once the contract is signed it will automatically be posted into the general ledger according to the legal necessities and the diverse company rules. Whenever an advance payment becomes due on signature, manuscript

acceptance, or on publication, it is shown in the list of due payments. And a simple double click will process the payment for all the recipients. Of course, this will happen only if you are authorized to do so.

Bonuses, depending on bestseller lists or for reaching a number of copies sold, will also be tracked and shown automatically in the dues list.

The basis for the royalty calculation on sales is the single sales lines from the invoices. On this level, the calculation routine has access to all the relevant information like country of delivery, market channel, discount (for sliding rates on high-discount sales) and even customer type for special agreements on specific customers. The daily import of sales data is accompanied by a validation procedure that proves accuracy in the royalties.

Daily accrual postings and monthly preview statements allow you to have your contracts and statements under control. And when it comes to your real royalty run, you can be sure to get it at the touch of a button. Royalty lists sorted by titles and by recipients allow you to do your final checks in an efficient and user friendly way. And after having done your corrections and manual additions, you may start your statement run.

The royalty letters will be generated according to your CI and the level of information you want to provide. And in parallel, the postings will be transferred to your general ledger. When the royalties are due to be paid, the correct payment information is transferred to your financial system, respecting tax rules and exemptions, differing payment currency and payees on hold.

Royalty Accounting

Although the Klopotek CR&R system delivers a maximum of automated processes, sometimes manual intervention cannot be avoided. Klopotek allows for this basic fact of the publishing business. Partial payments or authors' invoices to be paid against their future royalties are only two examples in the diverse catalogue of options in a royalty

accountants day. Posting facilities allow processing every exception within the royalty system, carrying forward the relevant information for the following automated steps. And last but not least, all manual and automatic postings are synchronized with your financial system.

Rights Sales and Marketing

Rights sales is the primary vehicle for publishers to increase their revenues. You generate individual marketing materials and automated catalogues for your licensees' specific requirements. Informing them regularly about new titles, open rights, and options is simple with the Klopotek CR&R Rights Sales tool. Keep track of all offers and permissions. Be sure not to sell a right you do not hold or you have already sold. Create sales contracts with the same comfort as your editorial colleagues and link the acquisition contracts to them. Control the due payments and periodical statements, the numbers of copies sold, and send out automatic reminders.

The Klopotek CR&R system enables a number of best practice processes: collecting the license revenue and transferring the authors' splits to their royalty accounts, reporting your authors on the sales cases and options, and showing them all the effort you are running to maximize their royalties.

**For further information,
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