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Go-to-Market Best Practices in Embedded Finance

**This is the first in a three-part series in which we examine best practices for success in embedded payments and finance. In this first part, we focus on go-to-market and commercial success: how leading platforms distribute and sell embedded financial products, drive merchant adoption and usage, and capture the monetization opportunity. Parts 2 and 3 explore best practices in product and operating model.*

Introduction

For SaaS and other forms of platforms, payments have evolved from a nice-to-have integrated feature to mission-critical to business growth. Payments are typically just one of many financial services capable of accelerating revenue growth. Platforms around the world increasingly lean into financial services as strategic for franchise value creation, although many platforms short arm the transformation required to master embedded finance.

We see a sharp dichotomy between platforms that treat embedded payments and finance as truly strategic vs. those that do not. Embedded payments rarely succeed as a passive feature set within a purely software focused business. The strongest platforms reinvent themselves to incorporate embedded payments and finance in (1) how they go to market and commercialize, (2) how they build the product, and (3) how they organize themselves. This article addresses the keys to success within the first of these topics: best practices for go-to-market and commercial optimization.

#1: Treat Fintech as a Business

Our first go-to-market best practice is treating financial services as a strategic business, not a passive revenue stream. Platforms that treat payments as a passive referral stream achieve passive results. Whereas platforms that treat payments as strategic throughout the organization generally achieve outsized performance.

Successful platforms make a strategic commitment to payments even if the initial setup is relatively lean. This starts with clear ownership and focus, investment commitment, a strategy roadmap, and defined commercial objectives. A dedicated business line, P&L, and specialist capabilities may develop over time as the opportunity scales, but the strategic intent needs to be there from day one. We encourage a longer-term focus on franchise value creation which might come with longer initial investment break-even as the platform invests along the embedded finance learning curve.

#2: Treat Front-Book and Back-Book Selling as Separate GTM Motions

Our next best practice is to distinguish between selling embedded finance to the front-book (new-to-platform merchants) and the back-book (existing platform merchants).

Front-book clients are naturally in the mind-set of change, so steering them towards your embedded payments has less resistance. In the front-book, we recommend deep bundling of the core platform solution with payments and a single onboarding experience with little-to-no incremental friction for payments.

The back-book is more challenging as you are naturally selling change and friction into the client. Back-book clients are often comfortable with existing payment services, which are naturally out of sight, out of mind. Winning the back-book sale requires a value-based sale, e.g., improved transaction outcomes, better consumer checkout experience, or easier reconciliation, etc.

Back-book migration must be actively sold and supported throughout the journey. Simply making payments available will not drive back-book attach and usage. Successful back-book GTM tactics can include:

1. Outbound calls or client visits
2. Value-based selling
3. Migration assistance
4. Proof points and case studies

Lastly, penetrating the back-book requires patience and ongoing investment. In our experience, even platforms with focus and investment may only convert 15-20% of the back-book each year.

#3: Know Your Customers, Know When to be Aggressive

It is important to know your customers and to sell into their behaviors. Talk to your customers to understand their needs and pain points for payments and financial services. And then follow the data: 1) what ideal customer persona (ICP) is most responsive, 2) when and how is the best time to sell, 3) what is the winning message vs. pain points, etc.

For new merchants, the platform's own payments solution should be the default. Platforms that believe their merchants want choices on payments over-estimate the typical SMB ICP. Most small businesses just want ease and convenience and are happy to receive solution bundles that include embedded payments as a default. Success calls for deep embedding of payments into the software proposition with a sign-up process that is virtually frictionless:

1. Own-branded payments pre-integrated into the core software
2. A single onboarding journey covering both software and payments
3. Payments prominently positioned and pre-selected during sign-up
4. Opt-out rather than opt-in activation, where appropriate

Larger enterprises are more sophisticated buyers with stronger preferences to unbundle their solutions and vendors. Enterprises are also more likely to react badly to forced outcomes. Embedded finance GTM requires greater emphasis on value creation and sensitivity to the client's context and reaction. Support for third-party (non-platform-branded) PSPs is often required with larger clients.

#4: Sell Outcomes, Making It Easy to Buy

When operating outside a default bundled GTM model, best practice calls for clear value propositions and selling. Most merchants will not switch payment services unless a major problem arises or until they are convinced that a new proposition creates more value. Just

having an embedded payments offering is not enough, you must peak a client's interest with a value trigger, for example:

1. Better performance (when the client has experienced problems)
2. Faster money
3. Better customer experience and sales conversion, including more use case or payment method coverage
4. Lower fees
5. Less work, easier reconciliation
6. One point of service for all your needs
7. *Among others*

Platforms must learn to sell the right form of value at the right time or into the right ICP. Making embedded finance easy to sell is just as important as making it easy to buy. Sales teams selling to larger clients or back-book clients need simple, compelling value propositions supported by practical tools:

1. Vertical-specific pitches and merchant case studies,
2. ROI and savings calculators,
3. Clear pricing and objection-handling tools,
4. Targeted outreach campaigns and structured follow-up
5. *Among others*

Once you have the client's attention, platforms must then drive a sign-up and onboarding motion that is as frictionless as possible. In an ideal world, the client can decide yes and be live with the new payment service the same day. This involves a series of well-executed tactics:

1. Simple, digital application (you already know the client)
2. Automated decisioning
3. Digital contracting
4. Seamless communication
5. Passive activation (few or no requirements from the client to get to active)
6. *Among others*

Software platforms have natural advantages to build value propositions as they embed payments into the broader solution. For example, there are natural benefits to having a single dashboard, single customer view, one point of service, etc.

#5: Train and Specialize the Sales Force on Payments and Fintech

Software salespeople and tactics are not naturally effective at selling payments and financial services, particularly to the back-book. Payments and financial services introduce a different set of commercial and technical considerations. Best practice is to either develop a strong training program for selling payments and financial services or (more commonly) to deploy payments and financial services sales specialists via dedicated campaigns. We also see some platforms leverage trained software salespeople to generate leads followed by expert closers.

The right approach to proactive selling will vary based on customer segment and vertical. SMBs can often be won through standardized propositions and inside sales, while larger merchants may require a more consultative, specialist-led approach.

As platforms scale, this typically requires building dedicated payments and fintech sales capabilities. Depending on the business model and target segments, these may include:

1. Specialist inside sales
2. Dedicated payments sellers
3. Vertical payments specialists
4. Sales-assist teams that join software reps on calls

#6: Focus on Activation and Retention, Not Just Merchant Sign-Up

Sales compensation needs to reinforce the business objectives. If software reps are almost entirely compensated on SaaS ARR, payments will underperform. Sales compensation attached solely to merchant sign-up can also create adverse selection and poor longer-term outcomes.

A strong model links compensation to desired merchant behaviors and actual revenue generation, including, for example:

1. Activation bonuses
2. Minimum-volume thresholds
3. Growth and performance bonuses
4. Cross-sell bonuses
5. Ongoing residual incentives
6. Among others

GTM objectives, KPIs, and compensation should all align to the target outcomes, not intermediary achievements. Platforms should actively manage funnel KPIs: sold, onboarded, live, activated, scaled, and retained.

Retention must be a key KPI and part of the incentive scheme for the servicing and relationship management team. Embedded finance clients are naturally sticky, but pockets of attrition are constantly arising as competitors probe for opportunity. It is critical to monitor the data, to measure satisfaction, and to respond quickly when attrition indicators arise.

#7: Own the Commercials, Price Strategically

One of the biggest advantages software platforms have over standalone payment providers is the ability to monetize the entire client relationship across multiple products. Platforms can make deliberate trade-offs across software subscriptions, payments, hardware, and other financial services to achieve desired performance outcomes.

Platforms can use pricing strategically to drive adoption and influence merchant behavior, for example:

1. Subsidizing solution subscriptions to win the bundle (and resulting payment margins)
2. Tiering pricing for different customer segments
3. Discounting new use cases
4. Waiving fees for migration (back-book)
5. Among others

To capture this commercial advantage, platforms must retain control over merchant-facing pricing, even when relying on third-party payment partners. Transparent wholesale

or buy-rate arrangements allow platforms to set prices, design bundles, and adjust margins as the business scales.

The objective is not to maximize the margin on each individual product, but to use pricing to drive adoption, deepen merchant relationships, and maximize overall customer lifetime value.

#8: Win One Use Case Before Expanding

Being strategic towards embedded payments and finance does not mean attacking the opportunity across multiple fronts simultaneously. Most (not all) platforms lack the resources to focus and execute across multiple financial services growth vectors in parallel. Spreading resources thin has the downside of diluting learnings over time.

We recommend a more deliberate roadmap approach, at least for platforms earlier in the learning curve working to establish scaled momentum in embedded finance. Examples of this focus include:

1. First succeeding with one product (e.g. embedded payment acceptance) then the next (e.g. embedded disbursements)
2. First focusing on front-book GTM success, then back book
3. Scaling in the U.S. before tackling international
4. Focusing on GTM success before optimizing the operating model
5. *Among others*

Embedded finance success is a marathon not a sprint.

Conclusion

Embedded finance success requires strong go-to-market focus and investment. Too often we see platforms that underperform due to a lack of commitment across go-to-market success factors. We recommend following the go-to-market best practices defined herein to achieve success.

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