

# How to win in Embedded Finance?

# The intro guide for non-financial brands

# Basically every company has been transformed by

- 
- 1. Internet
  - 2. Cloud
  - 3. Mobile

## Is this the next one?



**Embedded  
Finance**



**Will your company be a fintech  
company too? Let's find out**

Lars Markull – Founder Embedded Finance Review

# What is embedded finance?

Who is offering it already?

How can you build it?

Do you need help?

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# **When brands seamlessly integrate financial products to increase customer value**

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Not re-directed or a marketing partnership

Not a fintech company or a bank

Creation of new products, not open finance

When **brands** seamlessly integrate **financial products**  
to **increase customer value**

Customer value needs to be the starting point

# The bank with a coffee business

- Starbucks launched a payment card in 2001 and mobile app in 2009.
- Around these two products, Starbucks built a loyalty and reward super machine.
- Today, customers store more than \$1.6 billion on their Starbucks wallet.



Brand



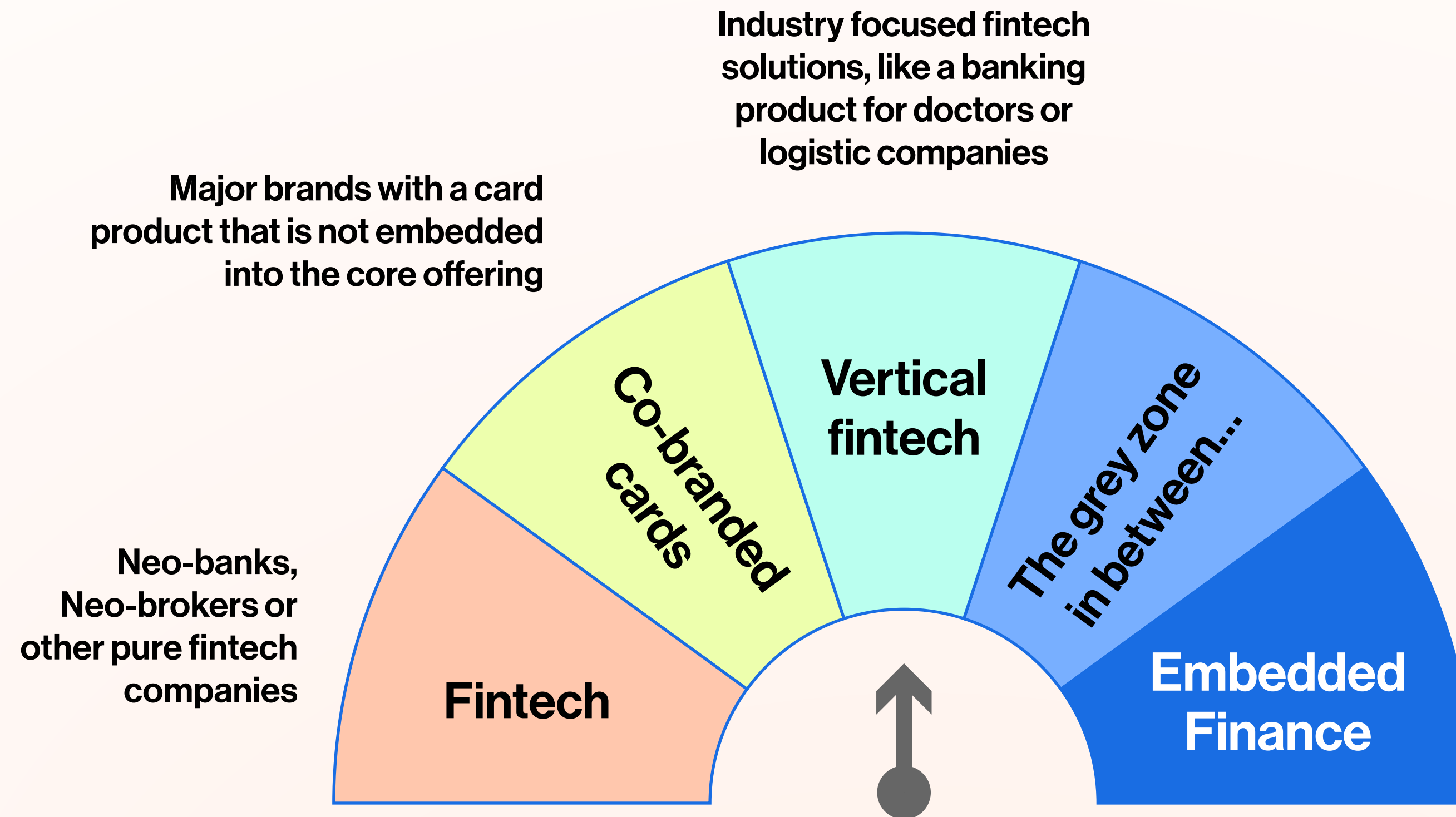
New financial products



Seamlessly embedded



# Is this embedded finance?



**Rule of thumb:** Find out why a customer started using a provider in the first place. If it was to use a financial product, then it is likely not embedded finance.

# What can be embedded?

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## Embedded payments

Payments directly in the service without referring the customer elsewhere

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## Embedded insurance

Protecting a good or person with an insurance at the point of need

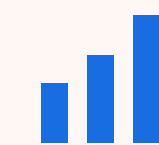
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## Embedded banking

An account and/or card seamlessly embedded to perform banking activities

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## Embedded investments

From ETFs to crypto, investment products as part of a non-financial user journey

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## Embedded lending

Providing a consumer or business customer with a financing product when they require it



## Embedded anything?

Any other financial product one can think of...

One stop solution with  
a better user experience

User is made aware of  
financial products at the  
point of need

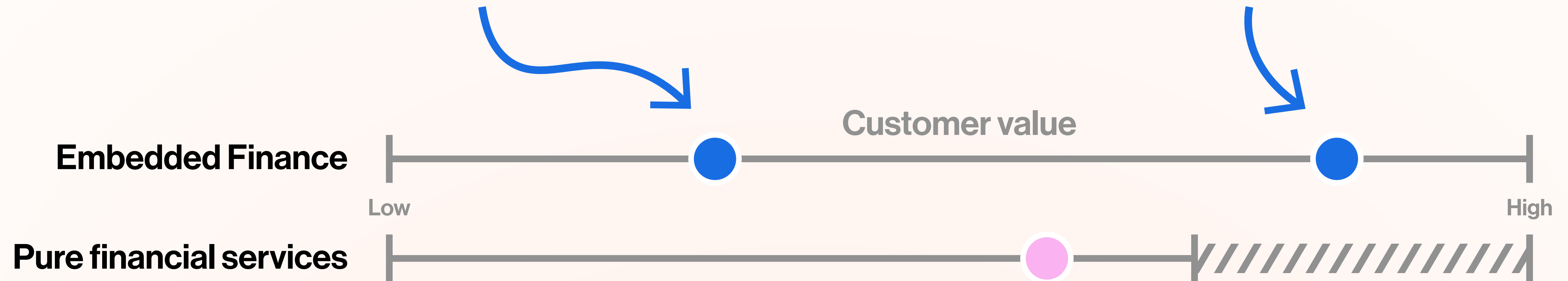
# How does a user benefit from an “embedded” product?

Lower costs due to better  
data access and/or cross  
monetisation

Tailored products can  
address user needs better

It is not better **just because**  
it is embedded finance...

... but it can be better  
if it's **built well**



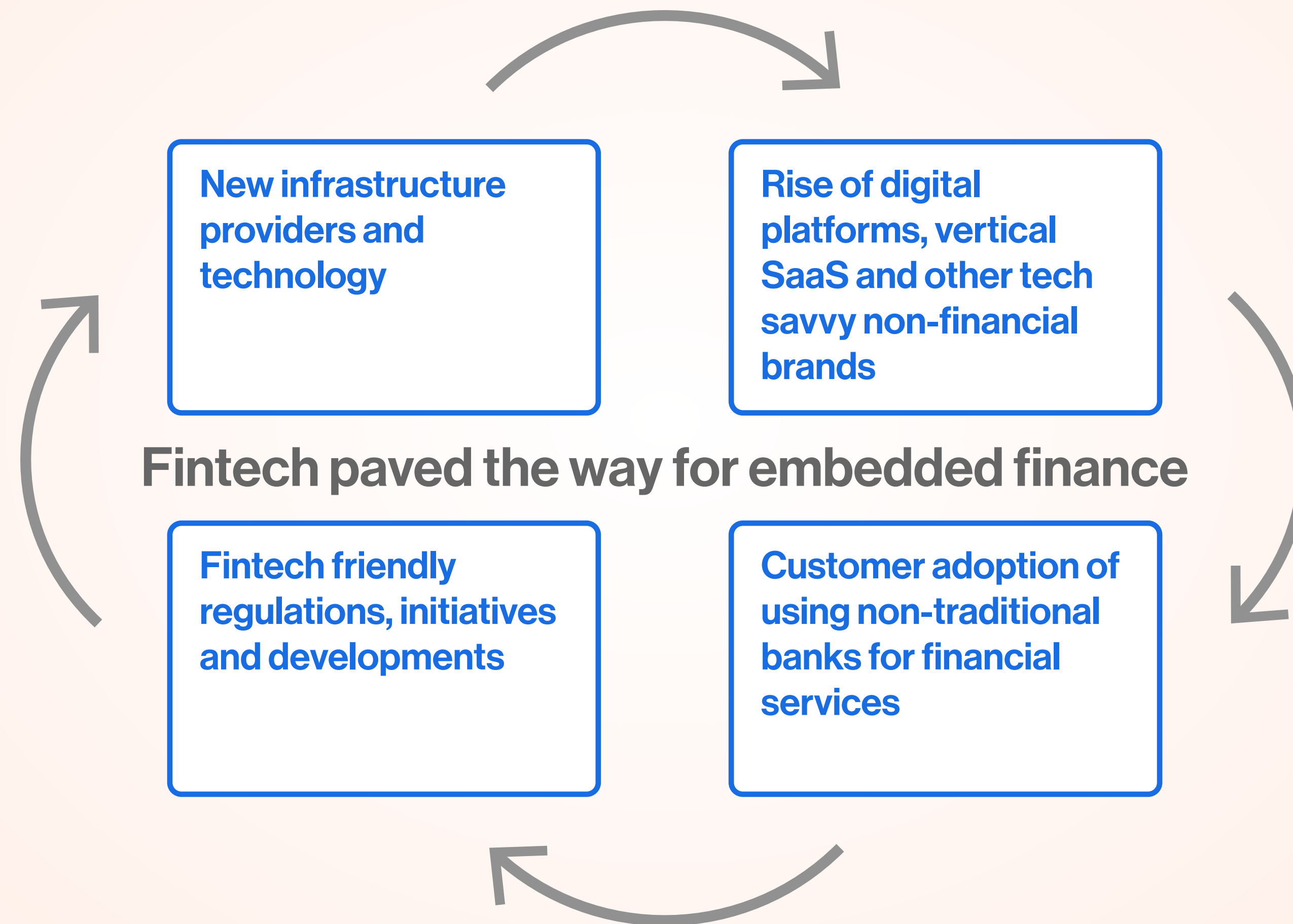
What is embedded finance?

**Who is offering it already?**

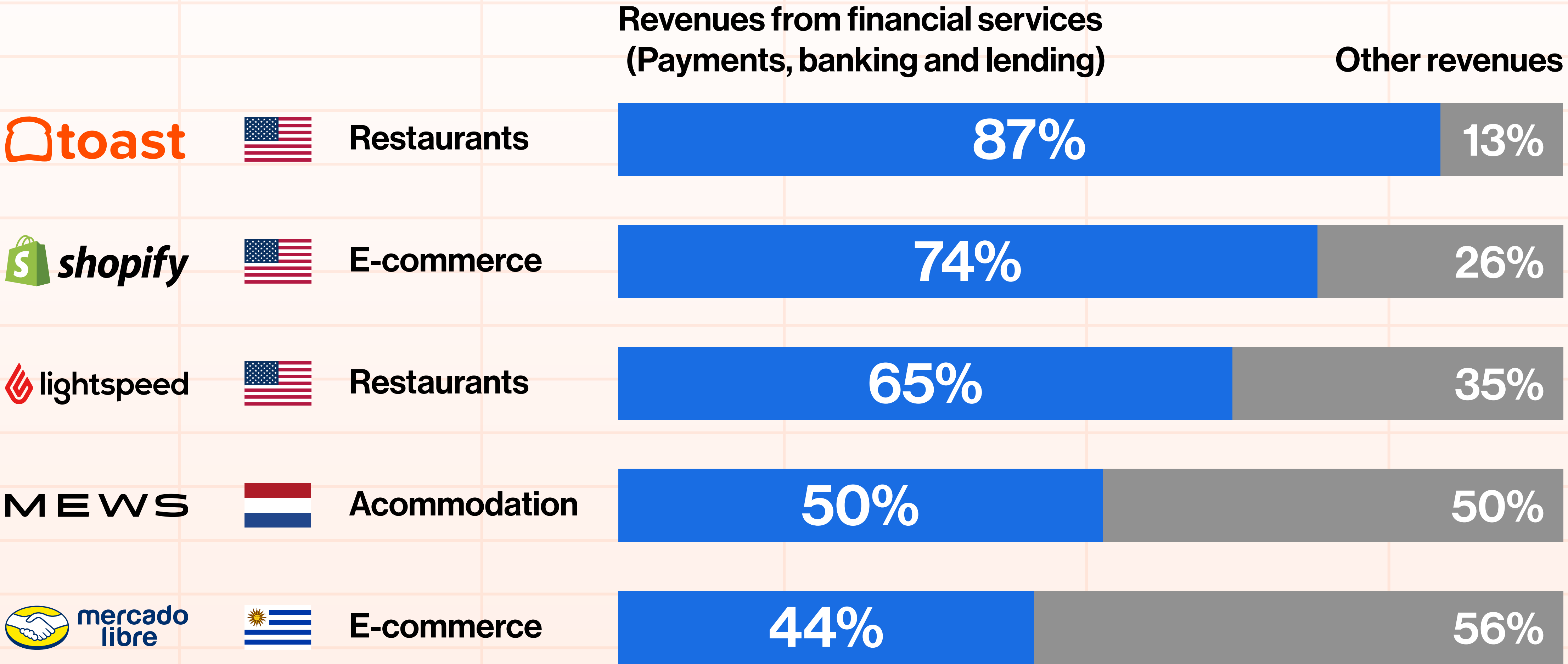
How can you build it?

Do you need help?

# Why has embedded finance reached a tipping point?



# Role models in embedded finance



Numbers based on latest available reporting

# B2B brands with an Embedded Finance offering in Europe

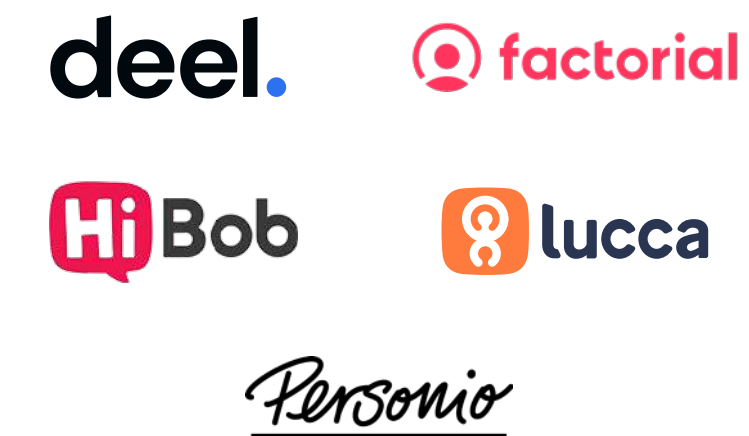
## Accounting/ Bookkeeping



## Employee benefits



## HR software



## Industry solutions

### Logistic



### Automotive



### Medical



### Hospitality



### Construction



### Sport



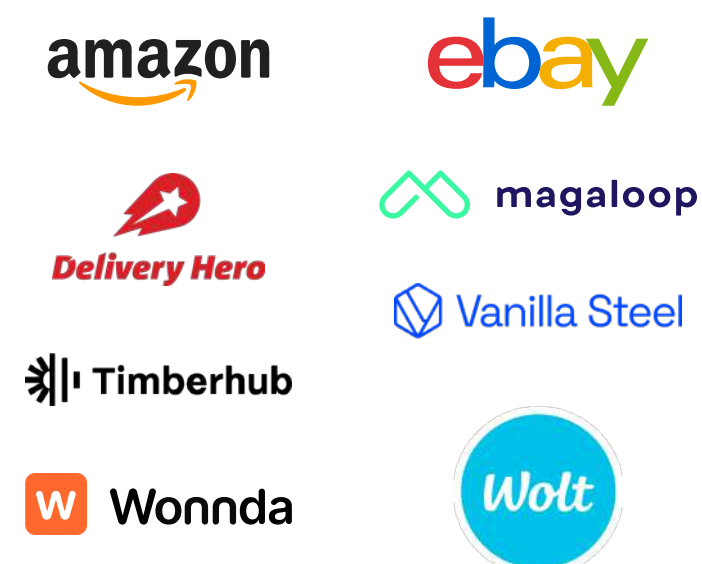
### Travel



## Ecommerce



## Marketplaces

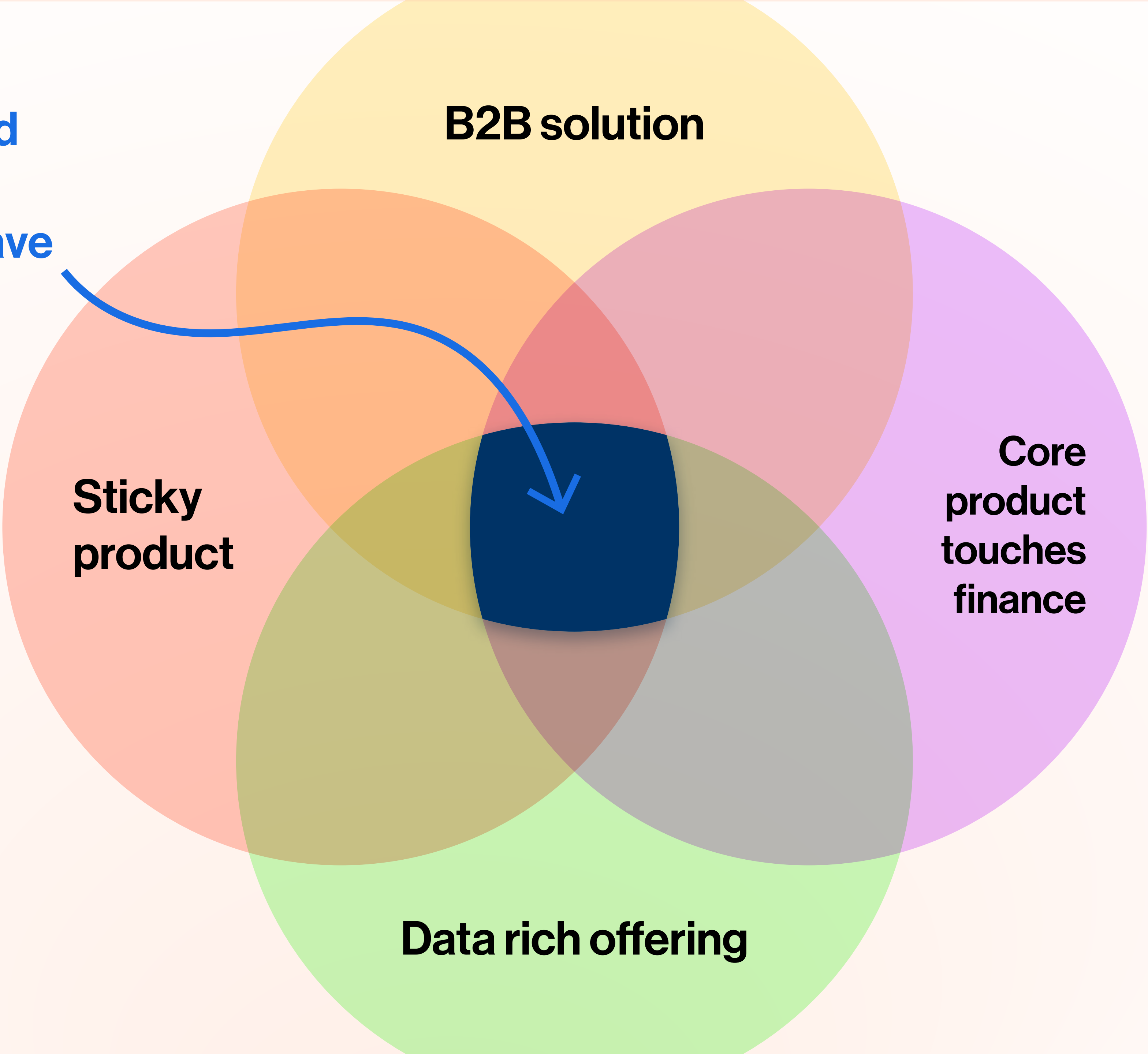


## Wholesale

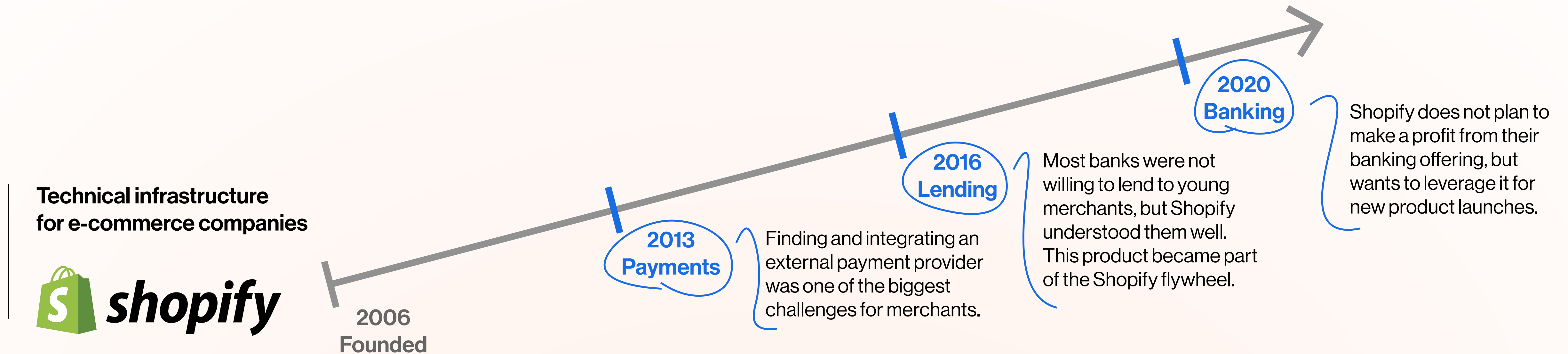


- Notes:
1. Focus on payment, banking and lending; insurance and investment are not included.
  2. Graphic is non exhaustive. Feel free to share brands that are missing to include in the future.
  3. A graphic with B2C brands is work in progress.

Many companies can succeed in embedded finance, but these companies tend to have it easier than others.

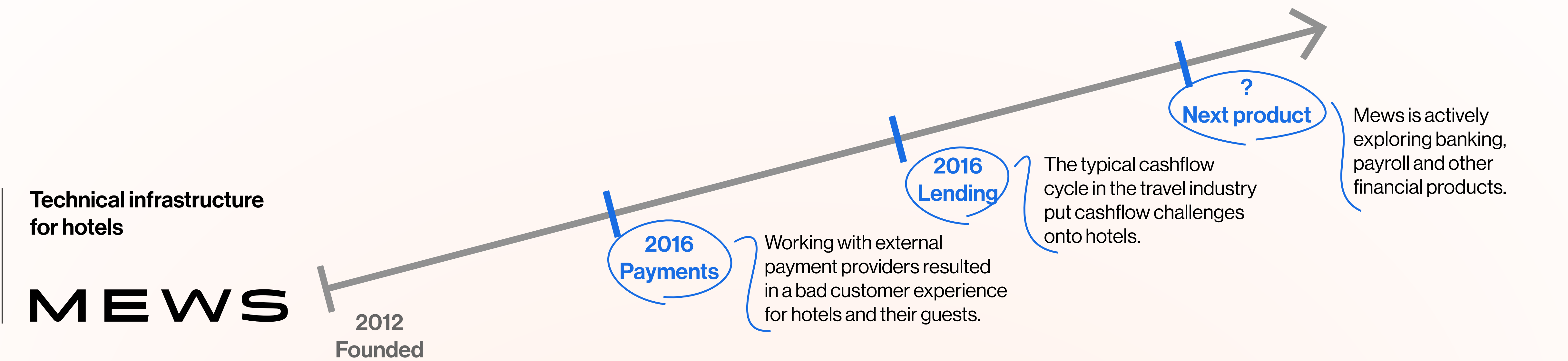


# Every journey starts with the first step...



## ... and comes with its own unique challenges

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... and comes with its own unique challenges

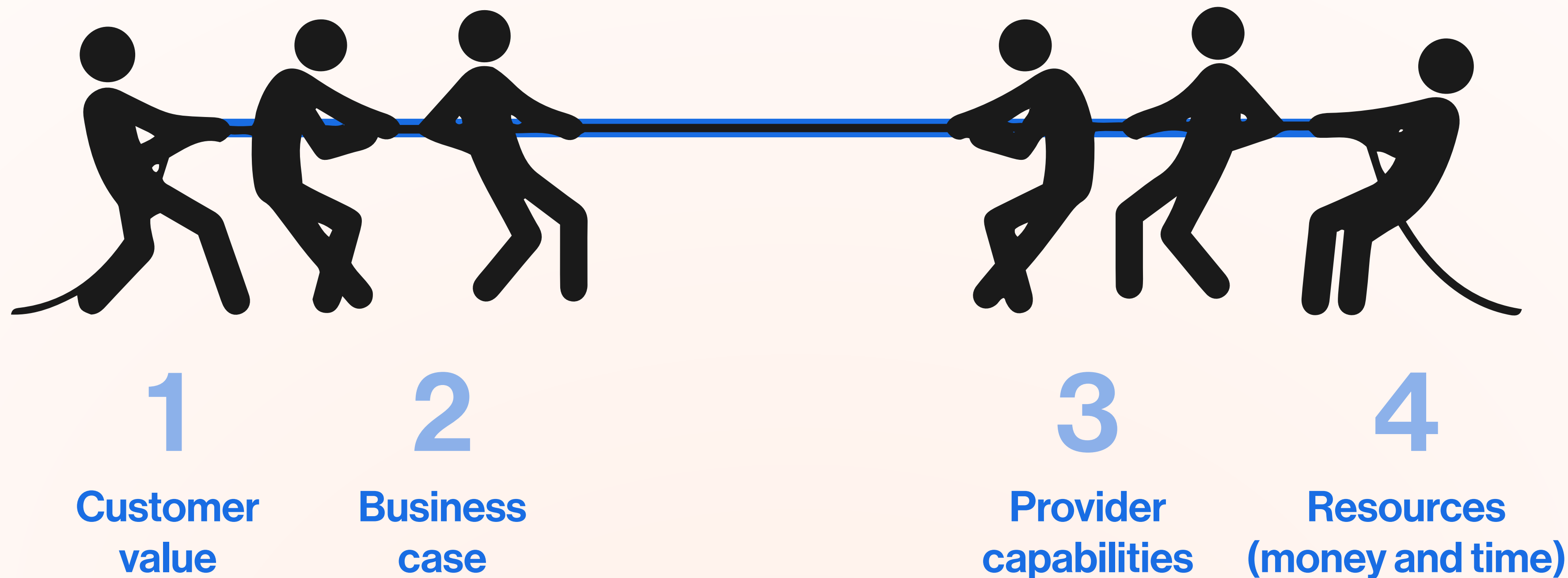
What is embedded finance?

Who is offering it already?

**How can you build it?**

Do you need help?

**You can't build the perfect embedded finance product on day one.  
So you have to come up with a plan**



Your non-financial product offering

Your financial product offering

$$1 + 1 = 3$$

Brands need to create  
“magical customer value”

€

# How do brands make money with embedded finance?

\$

£

Attract  
new customers

Reduce churn

Increase  
revenue  
per existing  
customer

Increase usage of  
main product

Kickbacks from  
financial products  
(e.g. interchange)

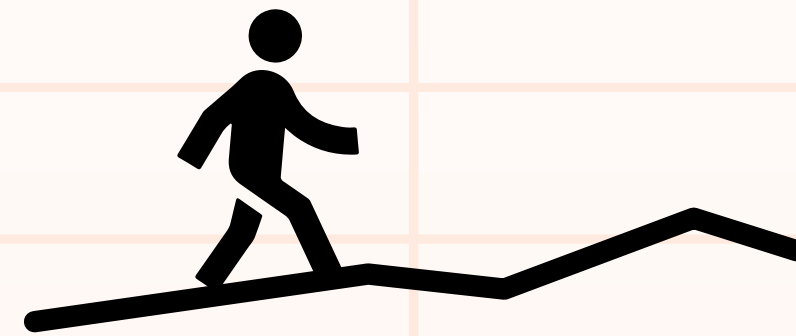
Leverage data (e.g.,  
improve pricing)

Direct charging for  
financial product



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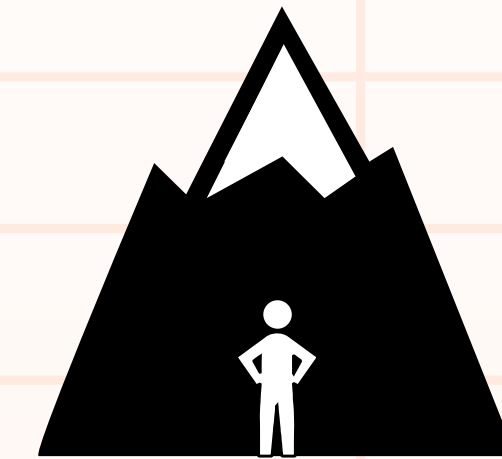
# How can you build an embedded finance product?



Easy



Medium



Hard

● APPROACH

● BUILD WITH

Fullstack  
provider

Multiple smaller  
providers

Own license  
& tech stack

● BENEFITS

Better unit economics

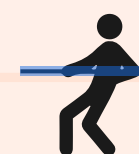
More control

Lower dependency

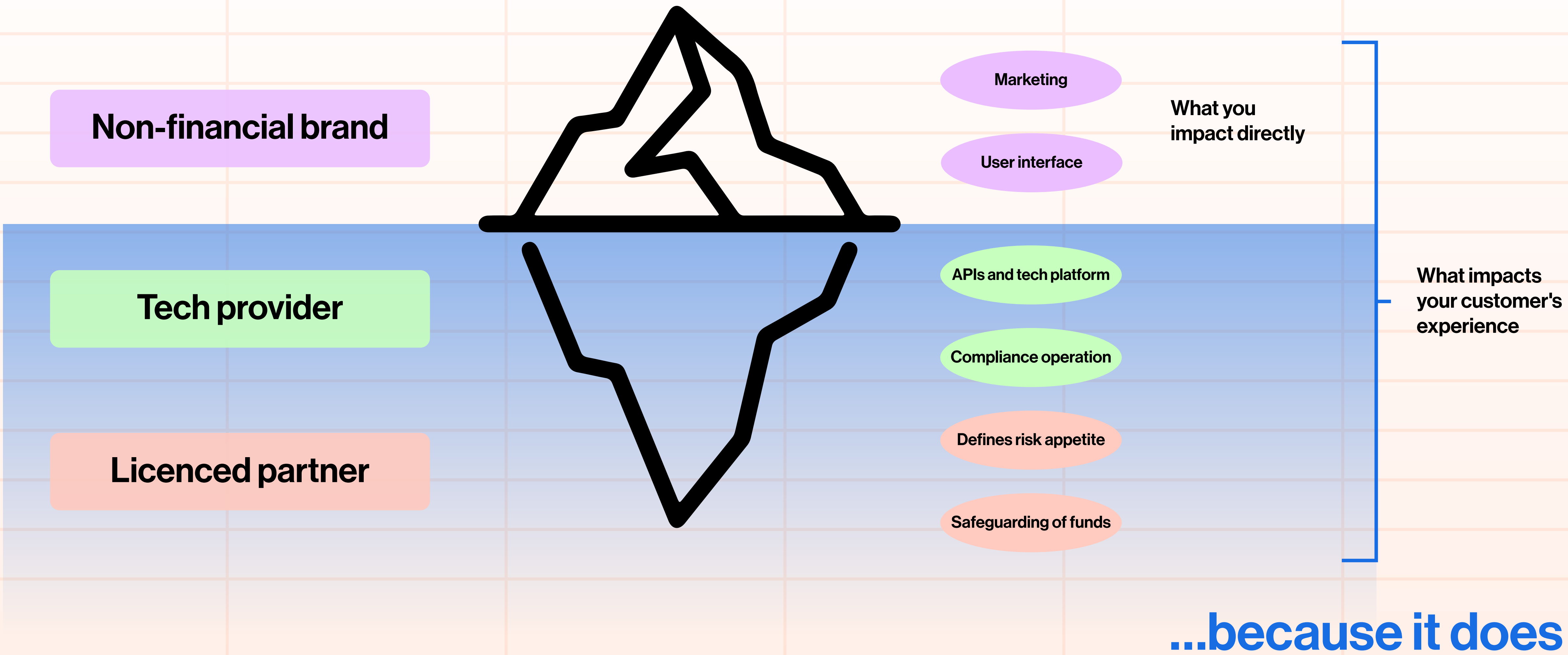
Launch faster

Iterate faster

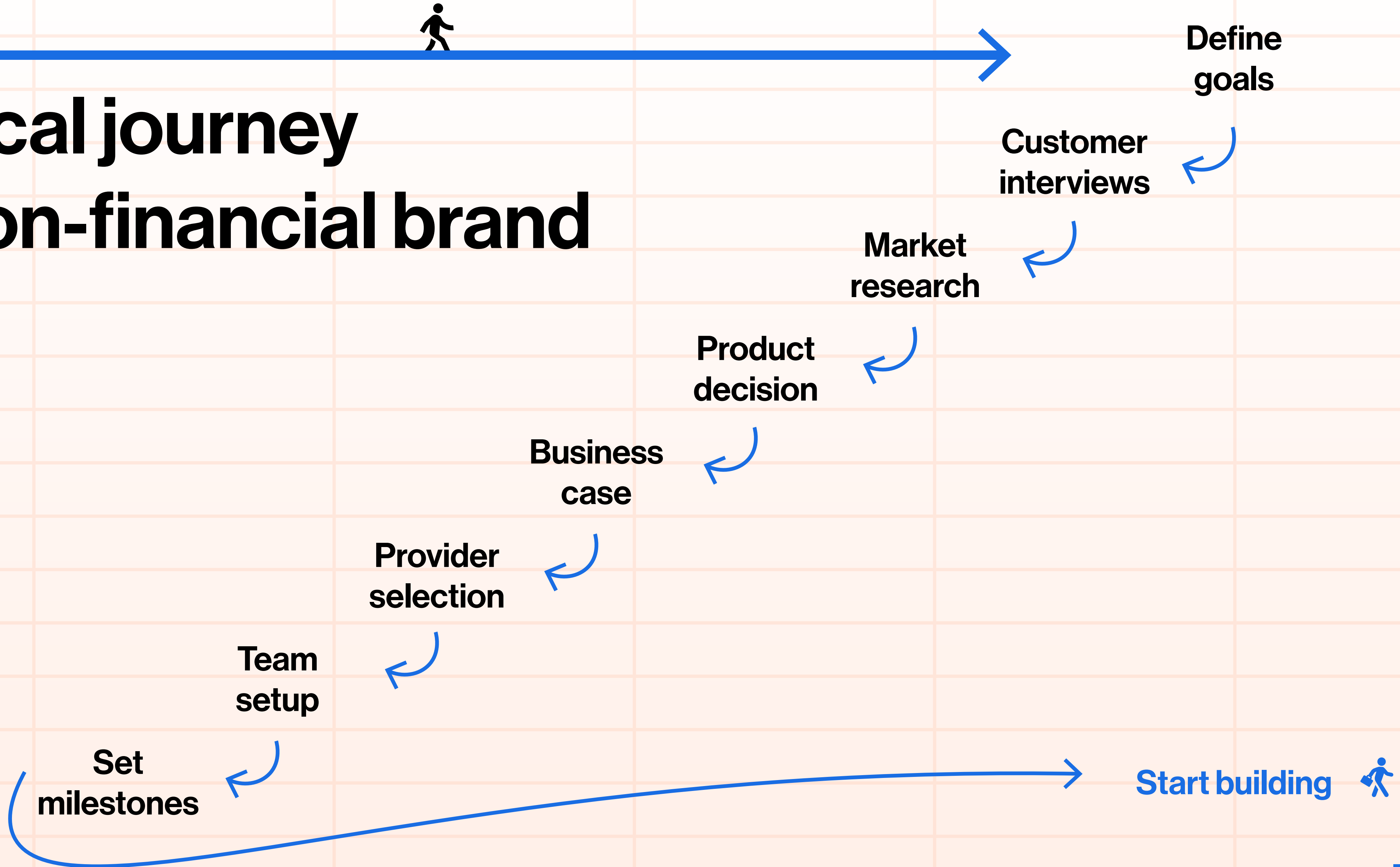
Lesser initial investment



# Select your providers like your life depends on it...



# A typical journey of a non-financial brand



# Questions for companies building embedded finance products\*

## Customers

- ☐ What are your customers' pain points w/ current financial setup?
- ☐ Are your customers willing/able to leave their existing bank/provider?

## Team

- ☐ Can you keep your current team setup or does it require changes?
- ☐ How can you ensure leadership support until you the product is a success?

## Product

- ☐ What are touching points between your product and financial services?
- ☐ Which financial product is best for you to launch first?

## Market

- ☐ What are your competitors (domestic & international) offering/building?
- ☐ What providers are available in your markets? How do they differ?

## Financials

- ☐ How can you generate revenue with your financial products? How much?
- ☐ When will the project be profitable? How much to invest until then?

## Expertise

- ☐ Is your team sufficiently skilled and experienced with building embedded finance products?
- ☐ How can you close knowledge / experience gaps?

\* Simplified version. Get in touch for the full version.

# How embedded finance has already **transformed** European brands



**Matthijs Welle**  
CEO – Mews

“

Once we started being a SaaS and a Fintech business, our revenues were double, triple of what a competitor does. So we were able to raise more money to do more inorganic acquisitions. That model works really well where we buy a SaaS company and then we migrate the SaaS to Mews, and then we add embedded finance on top.

”

With the METRO FS card, we offer 1% cashback and, with our post-purchase credit, we allow customers to actively manage their liquidity situation. Through these products, we generate unique data insights which allow us to get a much better understanding of our customer's purchase behavior inside and outside of METRO to optimize the offering in METRO'S core business.

**Michael Zyber**  
CEO – Metro FS



What is embedded finance?

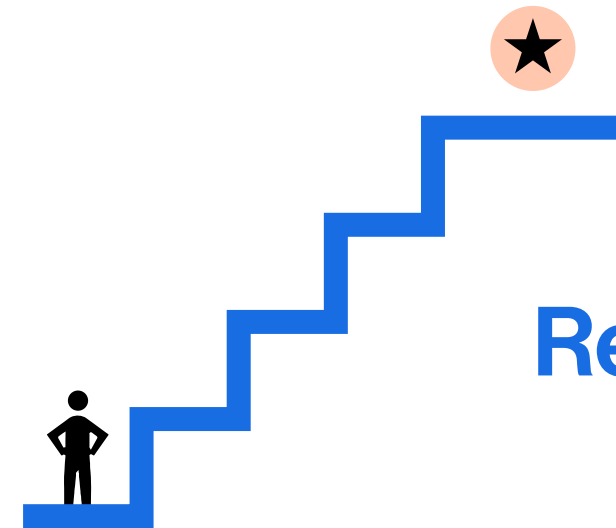
Who is offering it already?

How can you build it?

**Do you need help?**

**While working with an embedded  
finance expert, you can:**

**Increase your chances of success**



**Achieve benefits faster**

**Reduce your investments**



**Book a free call to discuss your  
embedded finance opportunities,  
challenges and questions.**

**Book call**



# My expertise

## Non-financial brands

### Planning

- Research & strategy
- Business case

### Building

- Provider selection
- Flow of funds

### Growing

- Product growth
- Sparring partner

## Infra & tech provider

- Competitive and market research
- Sector analysis

## Financial institutions

- Embedded finance workshops
- Research and partnership validation

## Others

- Speaking engagements
- Fintech recruiting

"We seek Lars knowledge and network whenever we need to search, analyse, and/or select a new payment provider."

"Lars provided us with a well-researched analysis of the European and US embedded lending provider landscape."

"Lars helped us navigate the banking infrastructure provider market and we continue to work with him."

# Thank you!

**Embedded  
Finance  
Review**

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