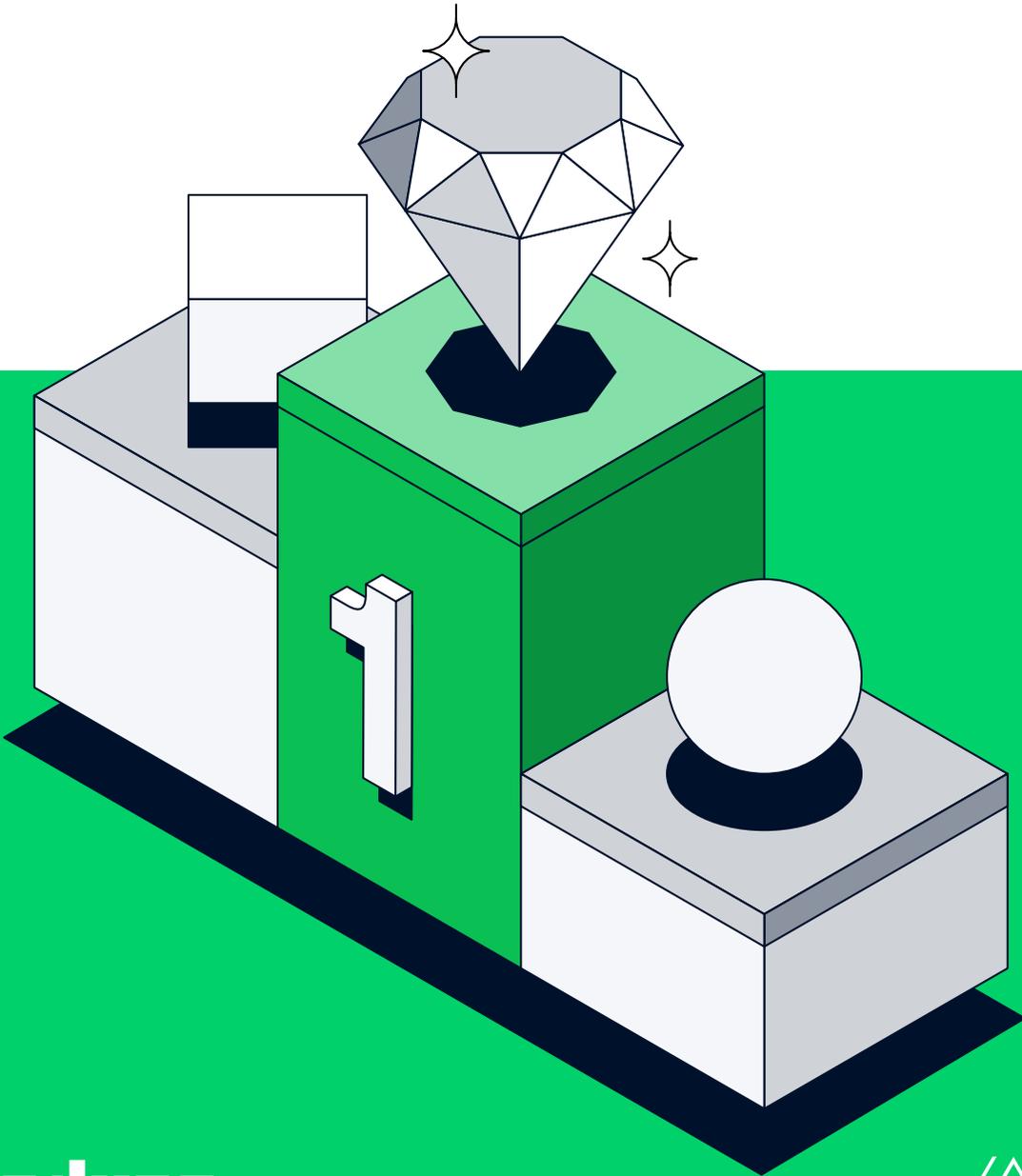


Hong Kong

# Winning on value

Why platforms are embracing embedded payments



**adyen**

 Bessemer  
Venture  
Partners

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# Foreword: A note from Eric Kaplan, investor at Bessemer Venture Partners

As an investor in high growth startups, I've seen firsthand how embedded payments can empower vertical software businesses striving for market leadership in their industries.

But true market leadership begins with customer-centric innovation. In my conversations with Adyen, we've explored many stories where payments have been key to a business' product strategy not only in better serving customers, but also influencing a business' growth trajectory.

For example, at Bessemer, we've witnessed iconic companies – including Toast, Shopify, and Procore – discover and build financial products that drive deeply engaged customers within their platforms. It's this type of retention that goes on to transform the revenue profiles of SaaS businesses.

When companies embed payment solutions into their core products, it creates a powerful flywheel effect: delivering more value to customers, increasing average revenue per user (ARPU), and strengthening customer retention.

**81% of small and medium businesses (SMBs) are looking to invest in more SaaS solutions in the next year to optimize business performance.**

The classic case study we often point to is Shopify. When Shopify launched payments in 2015, they grew their annual recurring revenue from US\$50 million to US\$150 million within a year and a half, and went on to have a successful IPO.

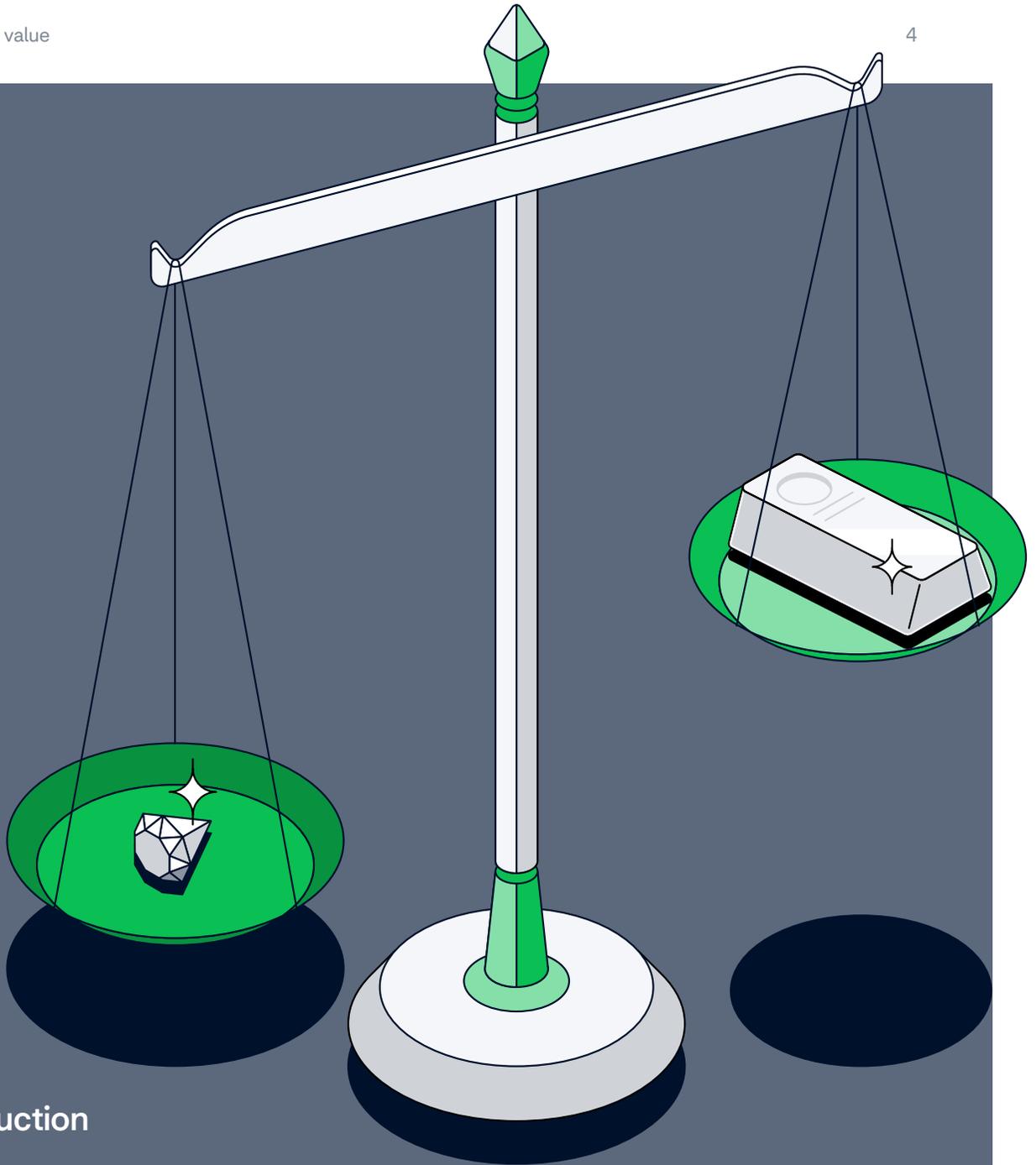
But keep in mind that different customer needs require different adoption strategies. Companies may bundle payments upfront or use software as a foundation before introducing payments and financial products. Take Toast, which focuses on point-of-sale transactions and fees for processing restaurant customer payments. In contrast, Procore streamlines accounts payable and receivable workflows while offering working capital to facilitate subcontractor payments.

Regardless of the strategic differences, vertical-specific software providers are uniquely positioned to address the end-to-end needs of their customers, as compared to generalist "horizontal" payment vendors. Those that address real pain points thrive, while those that compete on price find themselves in a race to the bottom.

This guide unpacks the key strategies for embedding payments and outlines what drives long-term success for product teams. Our goal is to help you develop your embedded payments strategy, avoid common pitfalls, accelerate growth, and build a payment solution that will power your platform's future.

Forge ahead,

**Eric Kaplan**  
VP, Bessemer Venture Partners



Introduction

# The price vs. value challenge

# Why embedded payments matter

## SMBs in Hong Kong

# 78%

report that their primary SaaS platform offers consolidated reporting, which is important to their workflow.

# 80%

still rely on multiple SaaS tools, adding complexity to their workflows.

SMBs often operate on tight margins and look at payment processing as a commodity. By only looking for the lowest price, they often overlook hidden costs from 'cheaper' providers – chargeback fees, payout delays, monthly fees, time spent on reconciliations, etc. Over time, these costs can add up to significantly more than any discounts from the lowest advertised sticker price.

Software platforms offering embedded payments have the opportunity to do the opposite, offering value via a modern solution tailored to a SMB's specific workflows and needs.

Vertical software platforms with a modern solution and seamless integration improve SMBs' daily operations, including quicker customer checkouts, better cashflow reporting, and faster access to funds. By embedding payments, these platforms can also expand into higher-margin financial services such as business loans, accounts, and cards, addressing SMBs' more complex banking needs. Deepening their relationship with SMBs, the platforms enjoy higher levels of customer retention and lifetime value.

Instead of playing by these competitors' rules, platforms must focus on value creation. Vertical software platforms' strength has always been a deep understanding of customer needs. Platforms must leverage this to create higher-value payments products and tailored messaging, to help their SMB customers see beyond sticker costs and understand how embedded payments can drive long-term growth.

This guide explores how platforms can adopt a value-based approach to building and selling embedded payments, highlighting strategic value over price.

## Notes from the field

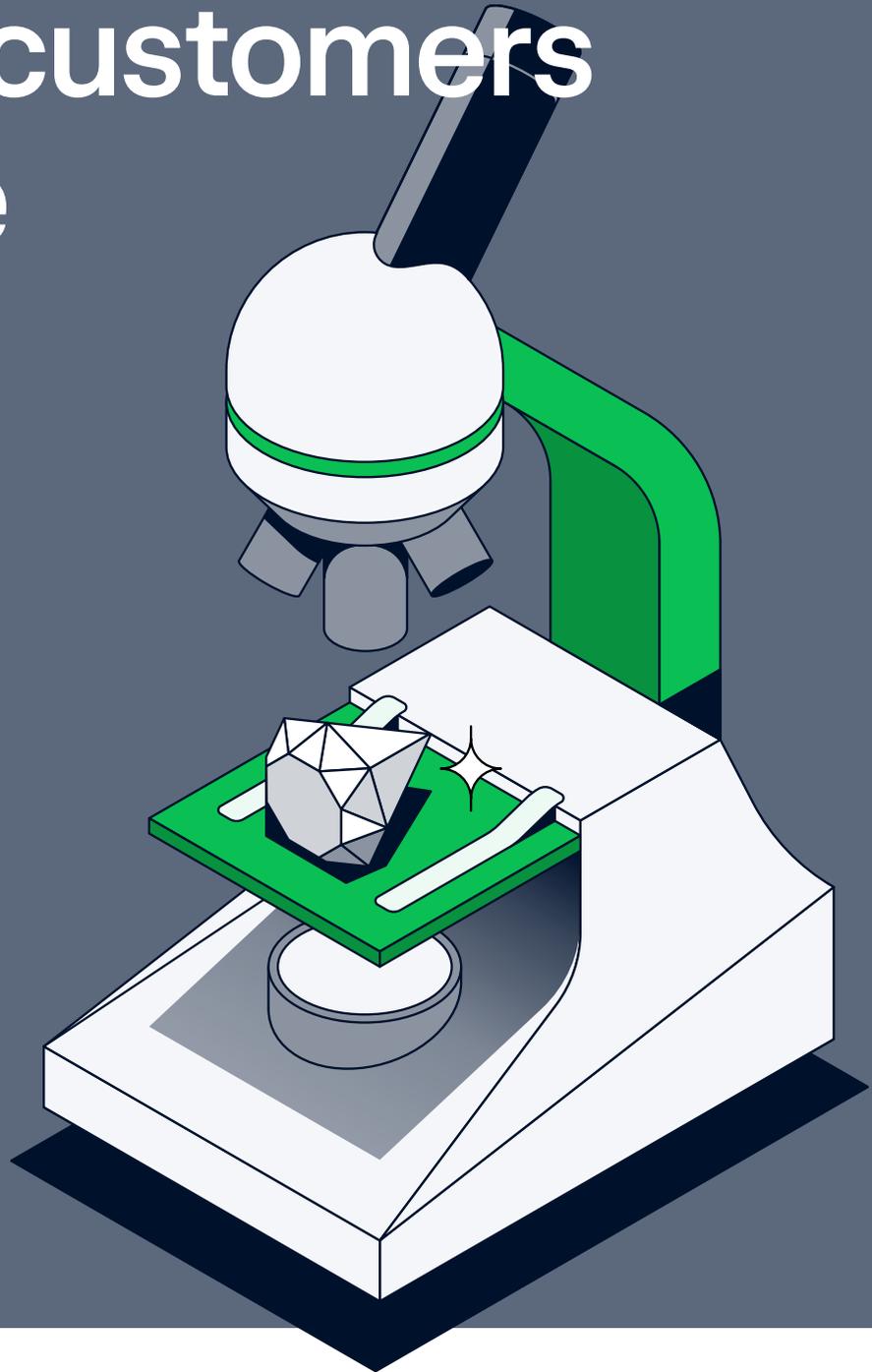
"As one customer put it: 'Toast is, in essence, free' – because the value it creates far outweighs the cost."



**Molly Donaher**  
SVP and GM, Payments

Chapter 1

# Understand what your customers value





## Customer-centric payments

To create a compelling embedded payments solution, platforms must deeply understand their role as their customers' operating system. By aligning payment solutions with their customers' workflows and specific needs, platforms can deliver tailored solutions that drive efficiency and satisfaction. This approach goes beyond just providing payments; it's about creating a seamless, integrated experience that supports the customer's broader business, and ultimately accelerates it.

In this section, we'll explore insights from industry experts, key questions for platforms to consider, and practical examples to guide the development of customer-centric embedded payment solutions.

### Notes from the field

"Rather than monetizing payments directly, we focused on solving a fundamental customer pain point – streamlining the complex invoicing and payment process. Instead, we charge software rates, ensuring value even if customers don't use our payment system."

**PROCORE**

**Geoffrey Lewis**  
SVP, Product Management

"When we first embedded payments, we focused on technology – offering different payment methods and integrating them seamlessly – but we didn't fully appreciate our customers' biggest challenge: cash flow management."

**zenoti**

**Vamshi Reddy**  
Sr. VP and GM, Payments

## Features that SMBs in Hong Kong value

30%

of SMBs rank consolidated reporting as the most important SaaS platform feature

27%

of SMBs rank risk management as the most important SaaS platform feature

25%

of SMBs rank the ability to add new payment methods as the most important SaaS platform feature

19%

of SMBs rank business lending as the most important SaaS platform feature

## Questions platforms can ask SMBs to uncover their payment needs

### What are all the different ways shoppers pay you?

Small businesses in each vertical have unique checkout flows. For instance, restaurants may require seamless tipping and the ability to split a tab, while a retailer may need to accept payments both online and in-person for pickup. Depending on the establishment, they may prefer the customer to pay at the counter or need the terminal to be portable and rugged.

### What is your experience as a business accepting an in-person payment today?

Many SMBs rely on frontline employees to facilitate payments, whether at a retail counter, a service visit, or a food truck. If the process is clunky, requiring multiple devices, slow processing times, or manual entry, it can lead to longer wait times, frustrated staff, and lost sales. It is critical to gain insight into operational bottlenecks to introduce solutions like integrated POS systems, streamlined checkout experiences, or mobile payment options to enhance efficiency.

### How do you streamline reconciliation to simplify bookkeeping for SMBs?

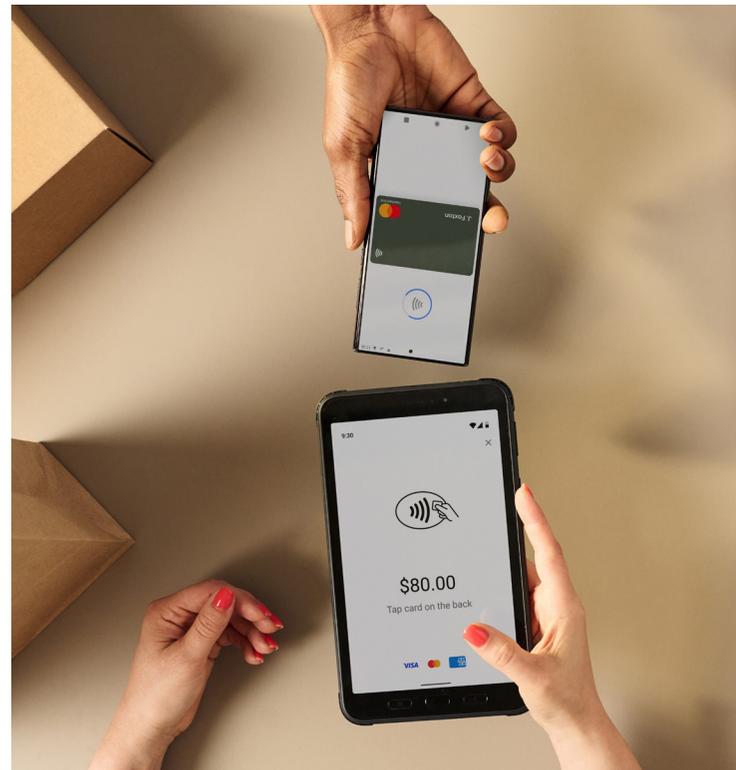
Accurate financial records are critical for SMBs, but manual reconciliation – relying on spreadsheets or unclear transaction breakdowns – creates inefficiencies. Platforms can ease this burden with embedded tools like automated reconciliation and real-time transaction visibility, helping SMBs manage their books with confidence

### Where do you source payments from currently?

Understanding where customers get payments from currently helps identify your competition and refine your sales strategy. Are your SMBs using a clunky terminal from a legacy provider? Or a modern, but generic solution? They might even be considering a vertical SaaS provider (your direct competitor) or receiving offers from sales reps.

### What fees are you paying for your payments?

Understanding the fees SMBs are currently paying helps platforms position the value of embedded payments by clearly demonstrating how they can reduce costs or offer more transparent pricing. Different fee structures, such as flat-rate fees or variable fees, can significantly impact a business's bottom line.



## To sell value, platforms must shift the conversation from cost to benefit

### What SMBs want

**Cash flow and faster access to funds**

**Less administration time and easier operations**

**Avoid hidden costs**

**Better customer experience**

**Growth opportunities**

**Trust and security**

### How embedded payments deliver

Embedded solutions provide instant or faster payouts, reducing reliance on external financing.

Integrated payments remove manual reconciliation, automate compliance, and save paper (no more receipt skewers).

Legacy providers often sneak in hidden fees (e.g., monthly terminal rental fees) while underperforming on fraud prevention or chargeback defense.

Seamless, native payments tailored to the industry or vertical improve checkout conversion and reduce friction.

Embedded finance (e.g., capital, business accounts) help SMBs expand without external lenders.

As with any financial service, trust is table stakes. Platforms have a long-standing relationship with their customers.

## Terminals: Turning SMB needs into an advantage

For SMBs that accept payments in-person, terminals can be a key differentiator for many vertical software platforms.

According to our survey with BCG, SMBs' top in-person payment pain points include terminal upgrades (41%), PCI compliance (39%), and integrating customer data (37%). To solve these, platforms must map out payment flows, keeping in mind both customer experience and staff operations.

Adyen's terminal range helps platforms support seamless in-person checkouts across industries:

**For food and beverage businesses, such as restaurants**

Mobile terminals (like the S1F2) with receipt printing enable tableside orders and payments, reducing staff trips. Alternatively, the SFO1 terminal's customer-facing display supports tipping and loyalty.

**For beauty and wellness businesses, such as salons and barbers**

Tap to Pay via SDKs cuts hardware costs while allowing stylists to accept payments effortlessly.

**For ticketing or outdoor businesses, such as tour operators**

Durable terminals with cellular and offline capabilities ensure reliable payments anywhere.

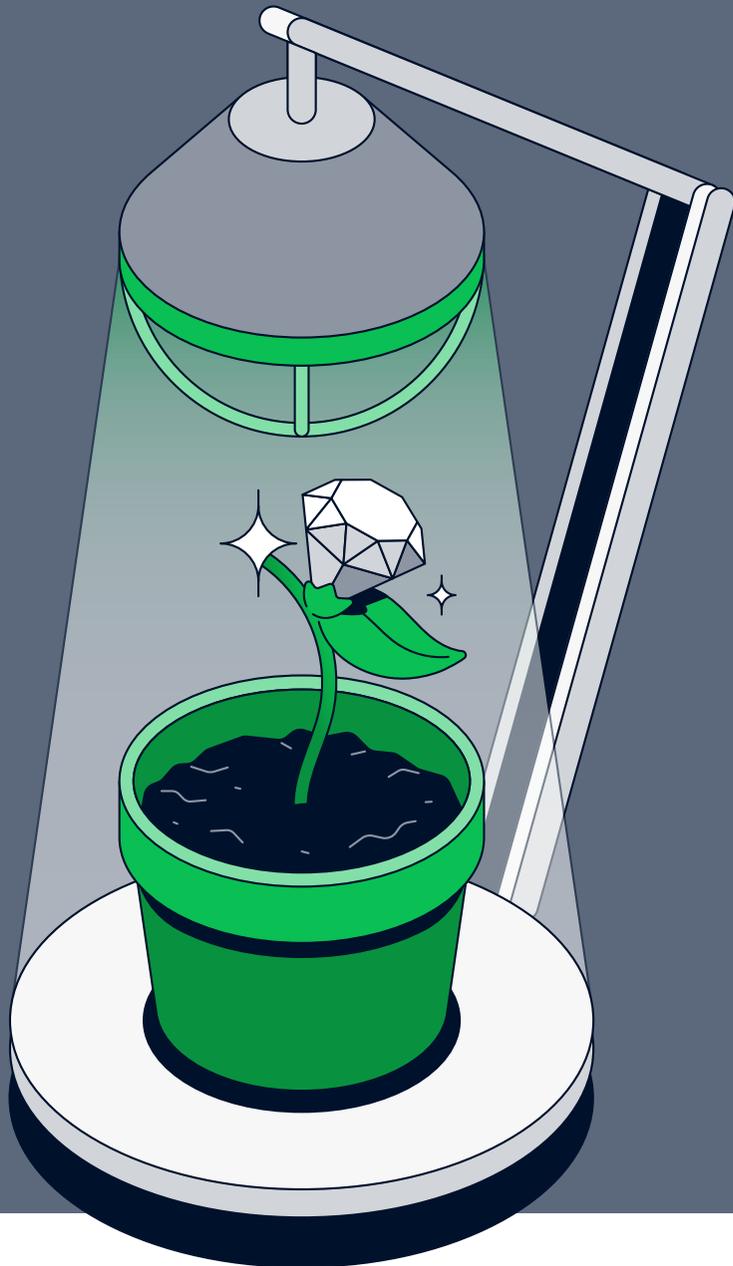
**For service-centric businesses, such as retailers and hotels**

The all-in-one S1F2 terminal, with barcode scanning and printing, allows receipts to be printed anywhere without returning to the counter.



Chapter 2

# Invest in embedded payments expertise early



# The crucial role of expertise

Winning platforms treat payments as a core product and business, not just a feature. However, payments can be complex and knowledge required for success is often not publicly available (e.g., interchange benchmarks, reconciliation processes). Conversely, the consequences for making mistakes when moving money are high. As such, investing early in payments expertise both in leadership and among the team is critical.

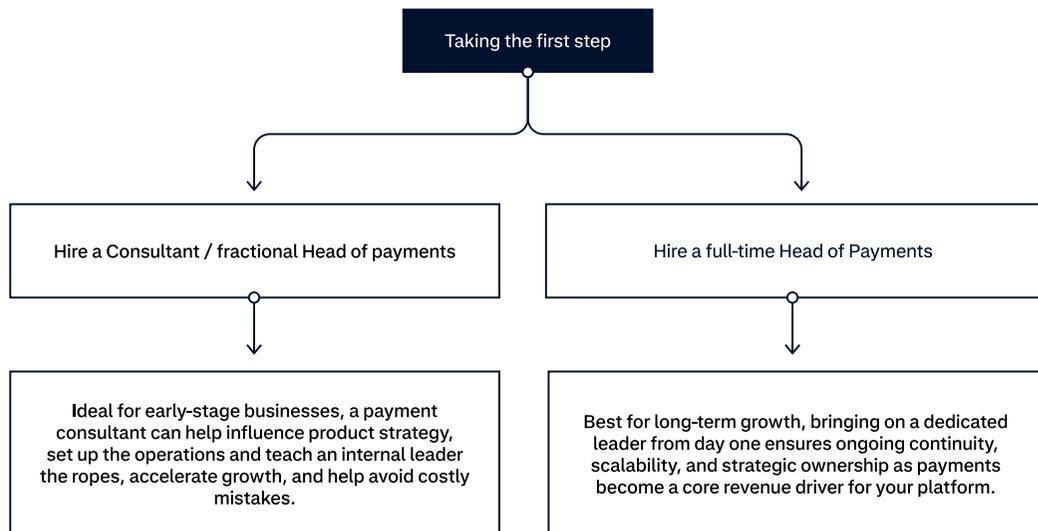
## Adyen tip

You don't have to make these types of decisions solo. Lean on your payment partner to help you translate payment insights into business strategy.

## Head of Payments

While the exact role varies, the best vertical software companies almost always have a dedicated Payment Product lead or GM/Head of Payments accountable for success.

Some companies start internally with promising talent, while others have hired externally. Regardless of approach, prioritizing a rapid infusion of payments knowledge (through hiring or advisors) accelerates business growth and helps avoid costly mistakes.



The first priority of this leader is to ensure any embedded payments offering is seamless, user-friendly, and meets users' vertical-specific needs. An experienced hand can help the product team identify nonobvious pain points for SMBs, accelerating time to 'product market fit' of any new payment product.

### Notes from the field

"Even when a product has strong early product-market fit, go-to-market fit is just as crucial. We take an agile approach, starting with a small, focused team that includes product leaders as core stakeholders. Sales is deeply involved early on to develop a repeatable playbook, ensuring we can scale the sales motion effectively."

**PROCORE**

**Geoffrey Lewis**

SVP, Product Management

## Sales

Most software platforms start selling payments with an overlay team of sales specialists to consolidate experience and refine the pitch quickly. While the general sales team sells the entire solution (including payments as default), specialists can be brought in for specific questions around payments or to upsell existing customers. Once this motion is mature, this overlay team is often reintegrated into the broader sales team and the company invests in broader enablement and team training around payments.

A similar approach can be taken for product-led growth motions without sales teams. A dedicated product manager or growth specialist focused on payments can help accelerate time to build a successful user signup funnel.

### Adyen tip

Measure success in sales and onboarding not just as signing the contract or even passing KYC, but that a customer has made a certain number of transactions in a few days. This shows behavior change and likelihood of continued use.

### Notes from the field

"Our sales reps aren't just selling software – they're trusted advisors in their restaurant communities. That's why our commission structure is tied to long-term customer success, not just initial sign-ups. We also have a dedicated inside sales team focused on upsells, ensuring that as restaurants grow, Toast grows with them. The best part? Many of our customers come back to us asking, 'What's next?'"



**Molly Donaher**  
SVP and GM, Payments

## Operations

Onboarding customers is an example of where payment expertise is essential. Research suggests that a high proportion of new SMBs that sign up to a platform don't end up activating their embedded payments solution. Focus on these actions to optimize onboarding and improve SMB retention:

### 1. Tailor the process

Customize onboarding based on customer needs. SMBs using terminals often need employee training, while those using online payments don't.

### 2. Educate on KYC

Provide clear resources and potentially sales or customer success support for KYC so customers know what to expect and do not get stuck.

### 3. Set clear goals

Define success metrics, whether it's the first transaction or the first 50, to measure if a new customer has truly onboarded and is using payments.

### 4. Incentivize adoption

Consider offering incentives, like free processing, or penalties, such as fees for non-use, to motivate adoption.

### 5. Don't skimp on operations and risk

Certain onboarding challenges will be unique to a platform's specific customer segment. Onboarding calls or webinars can help quickly identify issues, improve the experience, and flag bad actors.

### Adyen tip

A Customer Success Manager or support role is the unsung hero of successful payment businesses. A common churn point is new customers that don't complete onboarding or buy a terminal but primarily still process on their prior provider.

### Notes from the field

"We've really thought about it as: how do we build value for the practice to reduce their accounts receivable over time and then improve their speed to pay? Both of those things are the key metrics we say indicate if ModMed Pay is successful for the practice."



**Ash Forsyth**

GM, Payments and Patient Collaboration

## Unit economics

Improved sales and onboarding are ways to grow the volume of payments processed, but equally important is to optimize the profitability (take rate) of the business. Smart payment routing, such as directing high-value transactions to lower-cost methods like bank payments, helps reduce fees and improve margins.

Tracking profitability is also more than just about interchange and scheme fees; it is also about scaling efficiently. SMBs can be expensive to serve because of high acquisition and support costs, so leading platforms refine their strategy by prioritizing profitable segments and rapidly scaling distribution and self-serve support resources.

### Notes from the field

"Real value is in making a business owner's day-to-day operations easier. Now that we're solving cash flow challenges, our product is stickier than ever. Once a business relies on us for its financial health, it's hard to leave – and that's the holy grail for any SaaS business."

**zenoti**

**Vamshi Reddy**

Sr. VP and GM, Payments



## Chapter 3

# Sell the total value of your embedded payments solution

# Turning insights into action

Turning customer insights into actionable resources is key to selling the value of embedded payments effectively. This section outlines key resources for positioning embedded payments successfully.

A strong value proposition not only communicates benefits but also differentiates your platform from legacy providers and third parties, making it easier to win and retain customers.

Focusing on value, while using peer proof to back it up, can be a powerful combination for validating a solution's worth. Here are three angles you could lean into:

## 1. Insights

SMBs need clear, actionable insights from their payments data, not just access to raw numbers. An embedded solution can help them understand key metrics at a glance: Are they profitable this month? Do they risk a liquidity crunch (and need capital)? What products are top sellers, and how can they drive larger orders? By making these insights easy to access, platforms can help SMBs make smarter decisions and grow their business.

## 2. You're already a trusted partner

SMBs in Hong Kong see the value of SaaS platforms in providing access to enterprise-grade tools that are more affordable and help them run faster and leaner. In fact, 81% are looking to invest in more SaaS solutions in the next 12 months to optimize business performance.

## 3. Fraud

Embedded solutions help SMBs manage risk, even as fraudsters evolve their tactics. Our survey found that 27% of SMBs in Hong Kong say risk management is the most important SaaS platform feature. In fact, 15% of SMBs surveyed will also switch platforms for better risk management solutions. [Adyen Uplift](#), for example, with features like auto-chargeback defense, facilitates the right balance between conversion, risk, and cost with automation and AI trained on trillions' worth of global payments data.

Selling payments in isolation may not resonate with SMBs who already have a payment solution. Instead, position your embedded payments as part of your overall platform and how it enhances what's already valuable to your customers.

## Notes from the field

"If you just approach payments generically – ‘our competitors are doing it, so we need to do it’ – you’re not really adding value. It’s about thinking through what workflows your end customers are doing and how payments can streamline their operations and improve their experience."



**Ash Forsyth**  
GM, Payments and Patient Collaboration

"The key challenge isn't pricing pressure – it's making billing a natural and immediate part of onboarding and activation. If a school starts using billing, retention almost doubles compared to SaaS-only customers. That's a huge churn mitigator, and it needs to be a focus on every single sales call."



**Filip Nuytemans**  
VP, New Initiatives

## Adyen tip

Invest in company-wide enablement when rolling out value-based selling:

- ☑ Create a messaging map that demonstrates the value of your embedded solution and overcomes objections from SMBs around price and the operational load of switching.
- ☑ Turn your messaging map into sales presentations, one-pagers, commercial training, and company-wide training to unify how everyone talks about your embedded offering.
- ☑ Battlecards are great resources to help sales compare your embedded payments to competitors on features, pricing, processing, payouts, and methods. For example, see our [Battlecard: Embedded vs. Legacy solutions](#).
- ☑ Last, but not least, consider having a basic payments terms glossary available to help people new to payments navigate the subject matter.



## Sell a solution, not just a product

A significant portion of SMBs in Hong Kong are ready for change. This appetite for integrated tools is highlighted by how 36% would switch providers for the benefit of better consolidated reporting, a key feature of embedded payment solutions. Prospects want the full value of a software platform, with payments as one piece of the equation. While lower-cost options may seem appealing, SMBs often overlook the long-term impact of processing fees. Highlight your platform's credibility and expertise, and reframe the conversation around key benefits of an all-in-one solution.

### Notes from the field

"Our pricing model is designed to align with restaurant success: a base SaaS fee plus a payments component that grows with their business. The more solutions they adopt, the more competitive their overall bundle becomes. It's not just about cost – it's about making sure every restaurant that uses Toast is better off than they would be without it."



Michel Rbeiz  
GM, FinTech

## Speed, control, and flexibility benefits

Embedding payments into SaaS platforms can offer SMBs a more appealing alternative to traditional payment solutions. Globally, SMBs are increasingly choosing embedded payments for faster payouts, greater flexibility, and a better customer experience. Here's a breakdown of the key benefits:

### Greater flexibility

Embedded payments offer SMBs more tailored payment options to better meet diverse customer needs.

### Faster payouts

SMBs experience faster payout speed with embedded payments, making cash flow management smoother. This speed allows businesses to access funds more quickly compared to traditional methods, which can be a game-changer for day-to-day operations.

### Improved customer experience

SMBs report a more streamlined customer experience with embedded payments compared to traditional options. This is due to the simplicity and efficiency of the payment process, reducing friction for customers and improving overall satisfaction.

### Notes from the field

"For many schools, the challenge isn't processing fees – we can match competitors there. It's about specific features they rely on, like attendance-based scheduling or integrations they're used to. For those still using pen and paper or manual invoicing, the biggest hurdle is the time they spend chasing payments. That's where we sell the real value – autopay, on-time payments, compliance, tax reporting, and giving parents a clear overview of their fees."



**Filip Nuytemans**  
VP, New Initiatives

## Empower your pricing with transparency

SMBs often lack awareness of processing fees, but once they understand the value, they're willing to pay more for a better product. In our experience, platforms are able to charge a premium for embedded solutions, with 50% to 55% adoption in high-penetration verticals and 35% to 40% in lower-penetration ones.

### Notes from the field

"Payments are more than just a revenue stream for us; they're a fundamental part of why Toast works. It's not about offering the cheapest rates – it's about creating a seamless, integrated experience that restaurants can't get anywhere else. Our customers have higher revenue, more growth, fewer closings, better ratings: the best restaurants use Toast."



**Molly Donaher,**  
SVP and GM, Payments

### Adyen tips

- Blended pricing offers a simple, easy-to-understand structure while enabling you to capture the benefits of payment innovations like network tokens and US debit. It also simplifies reporting and reconciliation, making it a win for both you and your customers.
- Platforms can also offer IC++ with Adyen, giving them a detailed breakdown of the three payment card costs, but increasing reconciliation complexity. It is an option we see platforms leveraging when working with more advanced users.
- Ask to view an invoice from your SMB users to understand hidden fees that they may not be aware of, but are absorbing. Adyen has resources to help you learn how to read payment invoices, which competitors often obfuscate on purpose to hide their fees.

## Make embedded payments the default

SMBs increasingly expect payments to be built into their platform experience. Making embedded payments the default helps drive adoption, prevent lost revenue, and position your platform as a complete solution. It also encourages customers to switch from competitors, especially when paired with incentives like a percentage of the margin for the first three months.

Mandating payments can be viable in certain industries. But simply shipping a terminal does not guarantee usage; demonstrating how payments enhance the customer experience does. If a prospect declines, frame it as a value decision rather than offering third-party alternatives.

### Notes from the field

"We're asking a big question: Should billing be non-negotiable? If we're serious about making billing central to Brightwheel, we need to ensure it's baked into the product experience, not treated as an optional add-on."

 brightwheel

**Filip Nuytemans**  
VP, New Initiatives



## Chapter 4

# Unlock more value by embedding financial products

# Beyond payments

Embedded payments are just the beginning of a platform's journey, but getting them right is crucial before expanding into other embedded financial products. With an addressable market of US\$185 billion, embedded finance presents a major opportunity for platforms to drive growth.

## Embedded finance product

## Benefit for your users

**Business loans, business financing, Capital\***

SMBs will benefit from access to liquidity to scale and expand their business.

**Business bank accounts\***

SMBs get to manage business bank accounts directly where they also manage their business, streamlining operations.

**Business cards, Issuing\***

Direct access to funds in their account with your platform via your own branded payment cards.

At a high level, embedded financial products (EFPs) offer three key advantages:

1. They unlock additional revenue streams beyond payments.
2. They accelerate payment adoption, creating a powerful flywheel effect.
3. In industries where accepting payments isn't the core need, EFPs can be the primary value driver (e.g., supplier payouts).

For deeper insights into SMB preferences and a roadmap to success, check out [The Embedded Finance Report](#).

\*Not available in Hong Kong yet.

### Notes from the field

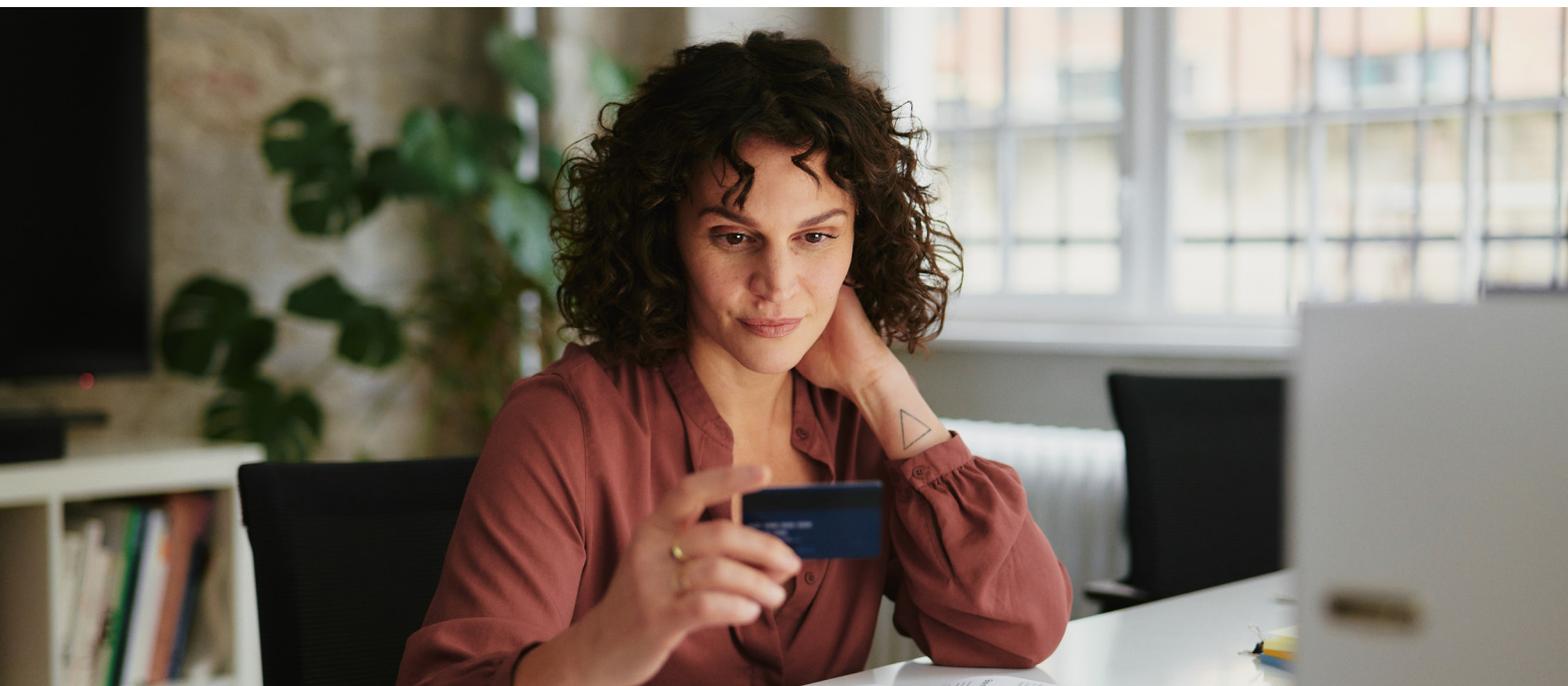
"At first, we partnered with existing payment providers to fill a gap. But as we innovated, we saw the limitations – our customers needed real-time insights into payouts, refunds, and chargebacks. By taking payments in-house, we were able to give them visibility into their business, helping them see exactly what's hitting their bank account tomorrow. Today, we're expanding further – adding pay-later financing, better vendor management, and embedded financial tools to truly deliver on our all-in-one promise."

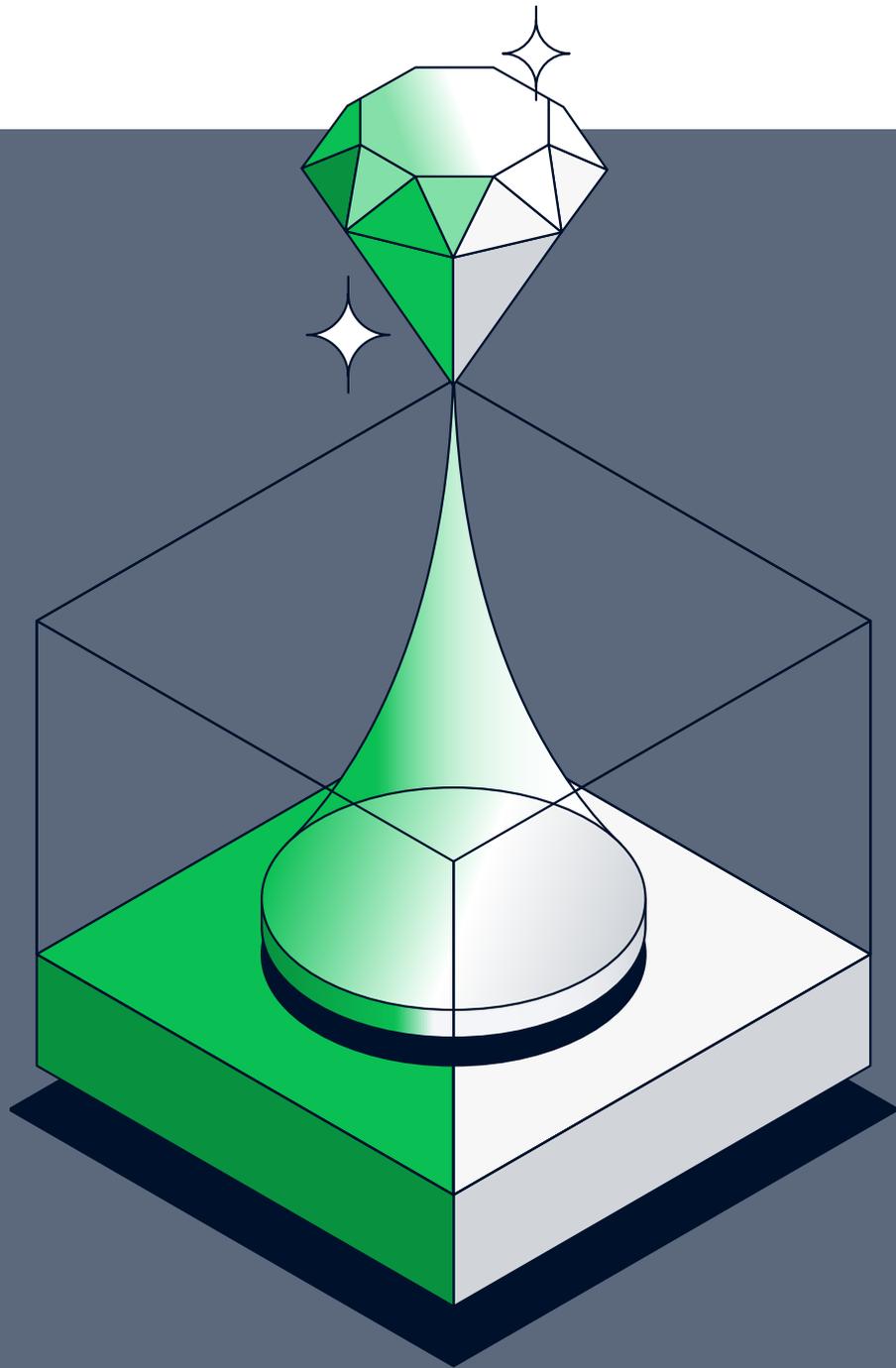
**zenoti**

**Vamshi Reddy**  
Sr. VP and GM, Payments

### Adyen tip

Another benefit of branching into payments is becoming a marketplace for your users' customers to find local businesses. Platforms like Fresha and Slice started by serving SMBs, and became B2C marketplaces once they had enough users.





Conclusion

# Position and partner for value

# Driving success

To successfully sell embedded payments, platforms must focus on delivering value rather than simply competing on price. It starts with understanding the specific needs and pain points of SMB customers, then investing early in the right embedded payments expertise to fuel growth.

Tailoring embedded payments to address vertical-specific requirements allows platforms to showcase how they solve real business challenges. Effectively selling this value requires providing sales teams with the tools and resources to clearly communicate the ROI of embedded payments.

Finally, expanding into embedded financial products unlocks even more value, fostering stronger customer relationships and driving higher monetization potential.

Partnering with the right provider is crucial to realizing the full potential of embedded payments. Adyen for Platforms empowers businesses to unlock this potential by offering the necessary banking infrastructure, compliance, and expertise. With Adyen, platforms can drive long-term growth while navigating regulatory complexities with ease.

Adyen provides strategic white-glove support and subject matter experts, ensuring teams are equipped with the tools and resources to effectively communicate the value of embedded payments and financial products at every stage.



# Afterword: Vertical fintech is the future

The first wave of vertical software platforms pioneered monetizing payments over a decade ago. Companies like Toast, Mindbody, Lightspeed, and Shopify leveraged this virtuous flywheel of higher ARPU (average revenue per user) and higher customer satisfaction and stickiness as rocket fuel for growth. In most cases today, over half of their revenue comes from payments and financial services – perhaps we could call them vertical neobanks rather than vertical software companies.

Just as fascinating, these players have become giants in their own industries. In the last year, Toast processed almost 3x more payment volume than Taco Bell, KFC, and Pizza Hut combined (Yum! Brands). Shopify processed 7x more than Nike. Within a few years, leading vertical SaaS players will likely be 10x larger by number of locations or payment volume than the biggest names in their industries.

This tailwind propelling vertical software is no longer a secret and we see three clear opportunities to tap into on the horizon:

**1. Unsaturated verticals.** Verticalized software and payment companies continue to find success even in oft-overlooked industries, from trampoline parks ([ROLLER](#)) to nonprofits ([WebConnex](#)). Even in established industries like food and beverage, disrupters have carved out sizable niches, like [Slice](#) with pizza, [Dripos](#) with coffee, and [Tarro](#) with sushi.

**2. Success upmarket.** Vertical software found an initial foothold with small and medium-sized businesses. Now we are seeing them sign larger or enterprise merchants processing more than US\$1B annually. Because complexity scales with growth, it is unsurprising that enterprises also want modern, feature-rich software tailored to their industry. [Oracle](#) and [Shopify](#) have notched sizable wins.

**3. Going multi-product.** Early movers, having mastered payments, are using this as a launchpad to expand their multi-product strategy, from marketing insights powered by payments data to embedded financial products and more recently, AI-enabled features. In our [Embedded Finance Report with BCG](#), we found a US\$100B opportunity in 2022; this has only grown in the three years since. The opportunity is proven, but as of yet untapped.

We remain extremely bullish on the growth and further opportunity of vertical software companies over the next decade plus.

At Adyen, we have been fortunate to partner with hundreds of vertical software platforms at various stages in their journey to monetize payments, each a leader in their industry. Too often, we have also seen companies shy away from offering branded payments out of fear of the investment or make preventable mistakes due to lack of experience.

This is a shame, and a missed opportunity, as vertical software companies often best understand the needs of their industries, creating better experiences for their customers and value for themselves. We hope this playbook has helped to reduce some of this fear, uncertainty, and doubt, and shed light on how to take the first steps into becoming a payment company.

Sincerely,

**Tony Jin**  
Commercial Growth, Adyen



Bessemer Venture Partners helps entrepreneurs lay strong foundations to build and forge long-standing companies. With more than 145 IPOs and 300 portfolio companies in the enterprise, consumer, and healthcare spaces, Bessemer supports founders and CEOs from their early days through every stage of growth. Bessemer's global portfolio has included Pinterest, Shopify, Twilio, Yelp, LinkedIn, PagerDuty, DocuSign, Wix, Fiverr, and Toast and has more than US\$18 billion of assets under management. Bessemer has teams of investors and partners located in Tel Aviv, Silicon Valley, San Francisco, New York, London, Hong Kong, Boston, and Bangalore. Born from innovations in steel more than a century ago, Bessemer's storied history has afforded its partners the opportunity to celebrate and scrutinize its best investment decisions (see Memos) and also learn from its mistakes (see Anti-Portfolio).

# adyen

Adyen (AMS: ADYEN) is the financial technology platform of choice for leading companies. By providing end-to-end payments capabilities, data-driven insights, and financial products in a single global solution, Adyen helps businesses achieve their ambitions faster. With offices around the world, Adyen works with the likes of Atlas, Eats365, LegalZoom, Lightspeed, OpenTable, and Zenoti.

# Appendix

## Scope

This report explores strategies for platforms ready to monetize their embedded payments offerings with SMBs. It assumes readers are already familiar with the value of embedded payments, instead exploring the current behaviors, opportunities, and satisfaction with embedded payments, as reported by SMBs in the survey conducted by BCG.

Specifically, six steps are investigated in detail:

- 1. Cut costs, not corners: Invest in payments expertise early.** Avoid painful payment pitfalls later on by establishing access to knowledgeable payments expertise.
- 2. Synthesize customer payment pain points.** Equip your entire organization to sell embedded payments offerings effectively by focusing on value, not price.
- 3. Solve pain points and win on value.** Align your go-to-market strategy with customer workflows to demonstrate the impact of integrating payments with your platform.
- 4. Optimize the business.** Mature your evolving identity as a payment company with increasingly sophisticated approaches to fraud, reporting, and payment strategy.
- 5. Leverage your payment momentum.** Explore embedded finance opportunities such as capital and issuing to build on your payments processing capabilities.
- 6. Select a payments partner for growth.** Set yourself up for long-term success with financial technology, expertise, and partnership that will help you optimize revenue.

This report presents actions and strategies that platforms may take to enrich their go-to-market strategy with embedded payments.

## Methodology

The insights reflected in this report were gained through a regional SMB survey with 1,700 total respondents. SMBs were asked about their platform preferences and embedded payments needs. In addition, we investigated both SMBs' current adoption and future interest in these offerings and performed a deep dive on key features across verticals and segments.

In addition, we conducted five interviews with leading platforms in North America to understand their embedded payments strategy, revenue model, and the needs they observe from their SMB users. Those qualitative insights are complemented by findings from Adyen's Embedded Finance Report (which also features original survey data from BCG and Adyen) as well as the Adyen SME Platform Payments Survey commissioned with YouGov.

The Adyen SME Platform Payments Survey was commissioned by Adyen and conducted by YouGov between 14 to 30 April. The sample consists of a sample of 200 respondents aged 18 years and older who are SMB (with 1 to 199 employees) decision-makers using or planning to use SaaS platforms in Hong Kong. Small businesses are defined as businesses with up to 19 employees, and medium businesses with employees between 20 to 199.