
BY CHARGE FORWARD

The Embedded Payments Maturity Framework

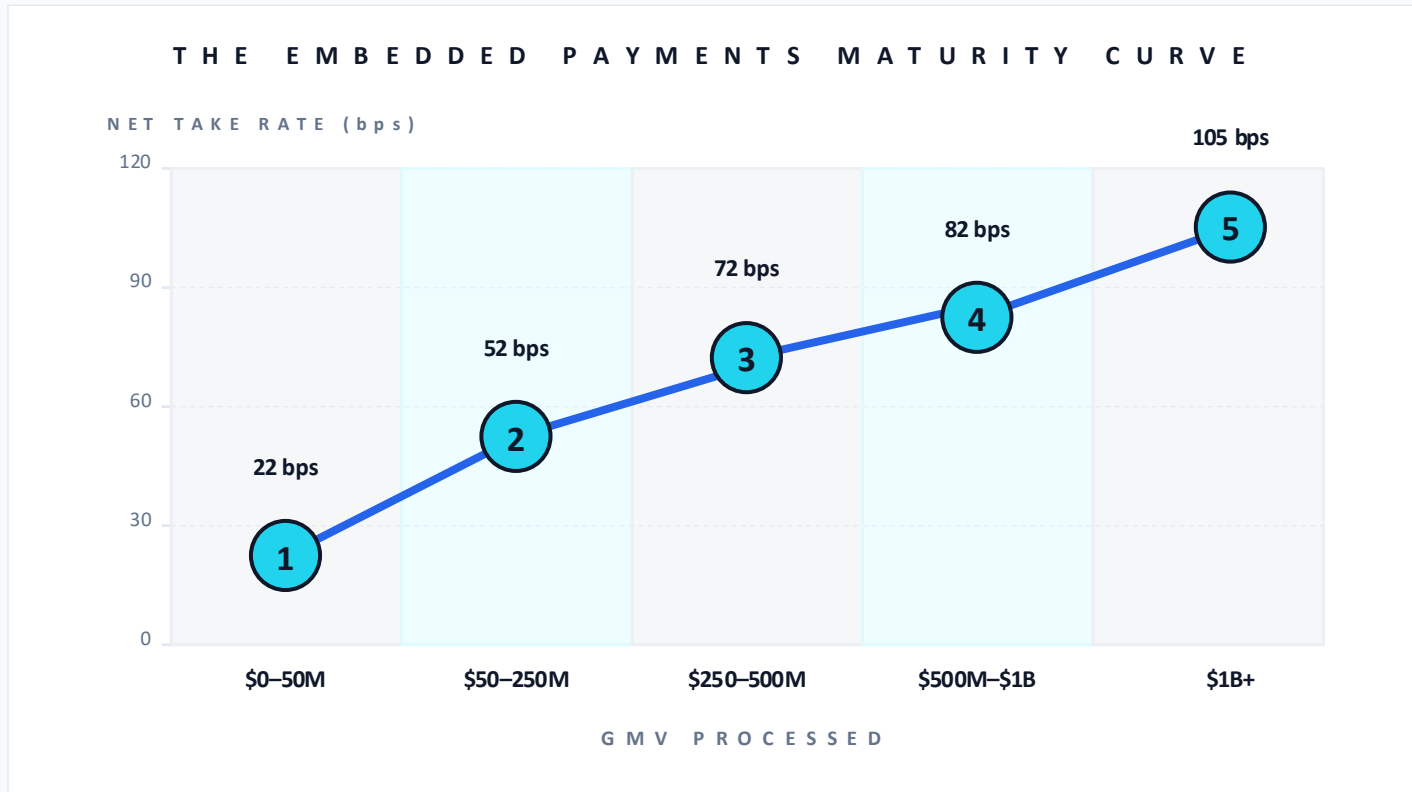
Where your platform stands - and where to go next.

WHAT THIS IS

A GMV-based framework, an operator's playbook, and a benchmark reference for software CEOs, CPOs, and CFOs running vertical SaaS platforms processing \$0-\$1B+GMV. Five stages. One decision framework. The economics, the team, and the mistakes to avoid.

The maturity curve at a glance

Five operational stages on the embedded payments curve, mapped to GMV. Each has a target take rate, a recommended model, a team profile, and a graduation trigger.



1	Capability \$0-\$50M · Referral	10-35 bps
2	PFaaS Transition \$50M-\$250M · Adopt PFaaS	40-65 bps
3	Margin Expansion \$250M-\$500M · Optimize	65-80 bps
4	Orchestration \$500M-\$1B · Orchestrate	75-90 bps
5	Fintech \$1B+ · Embedded Finance	90-120+ bps

1 Most live in Stages 2-4.

Stage 5 is now optional. ISV/SaaS PayFac registrations compressing.

2 \$50M GMV is the trigger.

Above it, PFaaS delivers 4-5x revenue uplift on identical volume.

3 Top-of-house decision.

23% revenue / 19% EBITDA premium (William Blair, Sept 2025).

STAGE 1

\$0 – \$50M GMV

REFERRAL

The Capability Phase

NET TAKE RATE

10–35 bps

ANNUAL PMT REV

\$0–\$175K

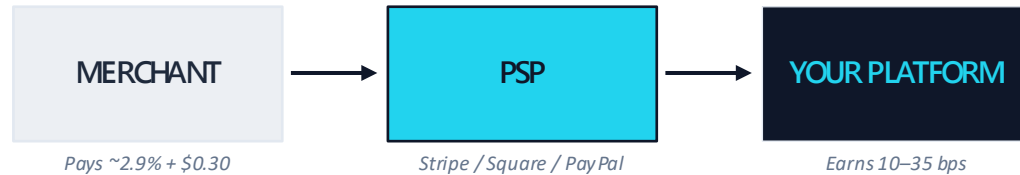
MARGIN

90%+

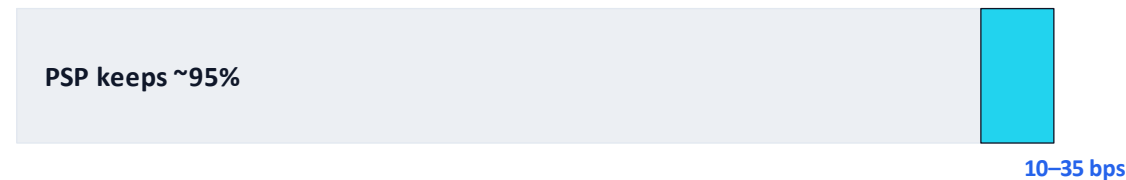
TEAM

PM (PT)

REFERRAL ECONOMIC: WHO CAPTURES VALUE



WHERE THE FEE GOES (illustrative)



AT \$25M GMV → \$25K–\$50K/yr
 Margin: 90%+ (no staff cost) · Test merchant interest

Optimize for speed of integration, not revenue. Anything beyond that is premature.

The model. Refer customers to a payments provider — Stripe Connect Standard/Express is the canonical choice. Provider owns risk, compliance, and merchant UI.

The economics. 0%–0.20% revenue share. On \$25M GMV, \$25K–\$50K/yr. The point of this data on adoption, not money.

The focus. Core product first. On payments, watch attachment rate — % of customers turning on turning on payments.

The team. Part-time PM, often the founder. No dedicated payments staff.

CHARGE FORWARD INSIGHT

The trap of staying past \$50M. \$75M GMV on referral earns ~\$150K/yr. On PFaaS, the same the same volume generates \$450–675K — a \$300–525K annual gap, \$900K–\$1.5M over three over three years. Payback ~18–24 months. The blocker is typically inertia, not economics. economics.

WHEN TO GRADUATE. Cross \$50M GMV — or see referral revenue passing \$50–150K. 150K. The math changes by 4–5x on identical volume.

STAGE 2

\$50M – \$250M GMV

ADOPT PFaaS

The PFaaS Transition

NET TAKE RATE

40–65 bps

ANNUAL PMT REV

\$200K–\$1.6M

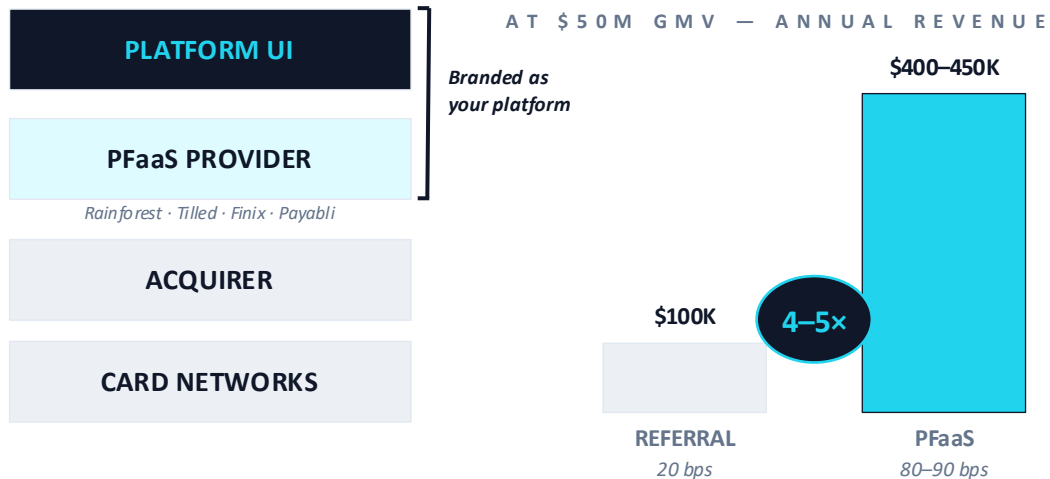
MARGIN

70–80%

TEAM

Payments Mgr

WHITE-LABEL THE PAYFAC STATUS — 4–5x ON IDENTICAL VOLUME



The most consequential shift on the curve. A real PFaaS gives you PayFac economics without the liability.

The model. PayFac-as-a-Service. White-label the provider's PayFac status — Rainforest, Tilled, Finix, Tilled, Finix, Payabli, Forward, Infincept Launchpay.

The economics. Net take rate jumps from ~ 20 bps to 50+ bps. On \$50M, the difference \$100K and \$250–450K. Revenue per transaction roughly doubles.

The focus. Vendor selection (tech fit, vertical expertise, clean migration path), and embedding embedding payments invisibly inside your product UI.

The team. Dedicated Payments Manager (FT or fractional). Sales and support trained. being a side project.

THE TRAP

Picking on headline take rate alone. The five-year cost includes contract flexibility, migration support, and the engineering time you'll spend re-integrating if the choice is wrong. is wrong. Read every contract against: does this give us a clean path to Stage 3?

WHEN TO GRADUATE. GMV approaches \$250M; vendor fees become measurable; payment revenue rivals subscription revenue. You graduate when leverage with your vendor is the next source of margin.

STAGE 3

\$250M – \$500M GMV

OPTIMIZE

Margin Expansion

NET TAKE RATE

65–80 bps

ANNUAL PMT REV

\$1.6M–\$4M

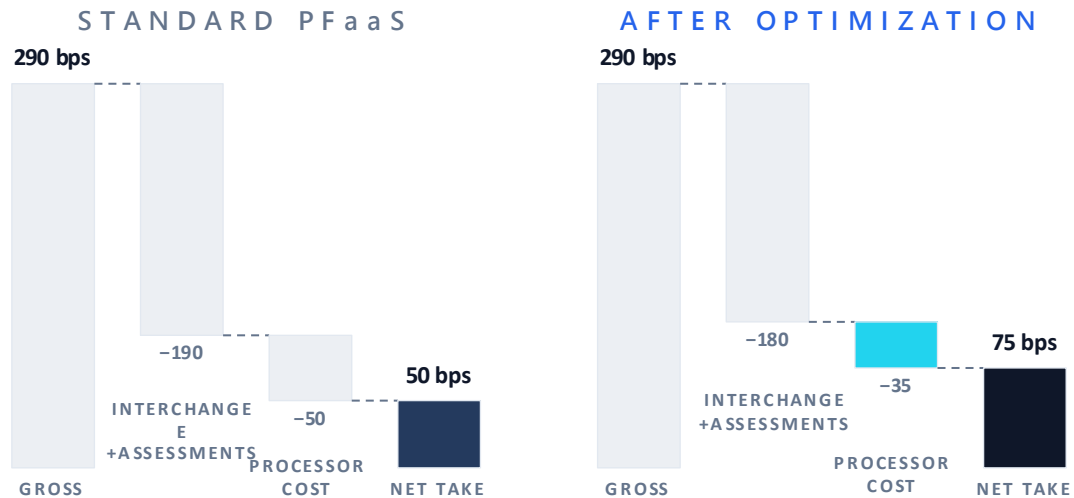
MARGIN

60–75%

TEAM

Head of Pmts

BUY-RATE OPTIMIZATION: WHERE THE 25 BPS COMES FROM



+ 25 BPS × \$250M GMV = +\$625K / yr in pure margin

You're a fintech now — even if you thought you were 'just software with a payments feature.' Payment revenue should start to rival software revenue.

The model. Same PFaaS / managed-PayFac infrastructure. The change is in posture: stop accepting standard terms, treat vendor as a negotiation counterparty, and start optimizing your payment economics.

The economics. Net take rate 65–80 bps as buy-rate optimization compounds. On \$400M at that's \$3M/yr. At \$250M, picking up 15 bps in optimization is \$375K/yr.

The focus. Pricing optimization (auth-rate, surcharging, Level 2/3 data, chargebacks) and adjacent adjacent embedded-finance products (lending, insurance, cards).

The team. Head of Payments / Fintech + fintech analyst. Sales and customer success have specialists.

CHARGE FORWARD INSIGHT

Negotiate at \$100M, not at \$300M. Once you cross \$100M, you have leverage. Platforms that don't recognize this leave 10–20 bps on the table. At \$250M, 15 bps = \$375K/yr. Your first re-up is the moment to test what 'managed PayFac' means in your contract.

WHEN TO GRADUATE . GMV crosses \$500M; vendor fees material; need redundancy or geographic routing. ~90% of platforms could remain at Stage 3 permanently — many should.

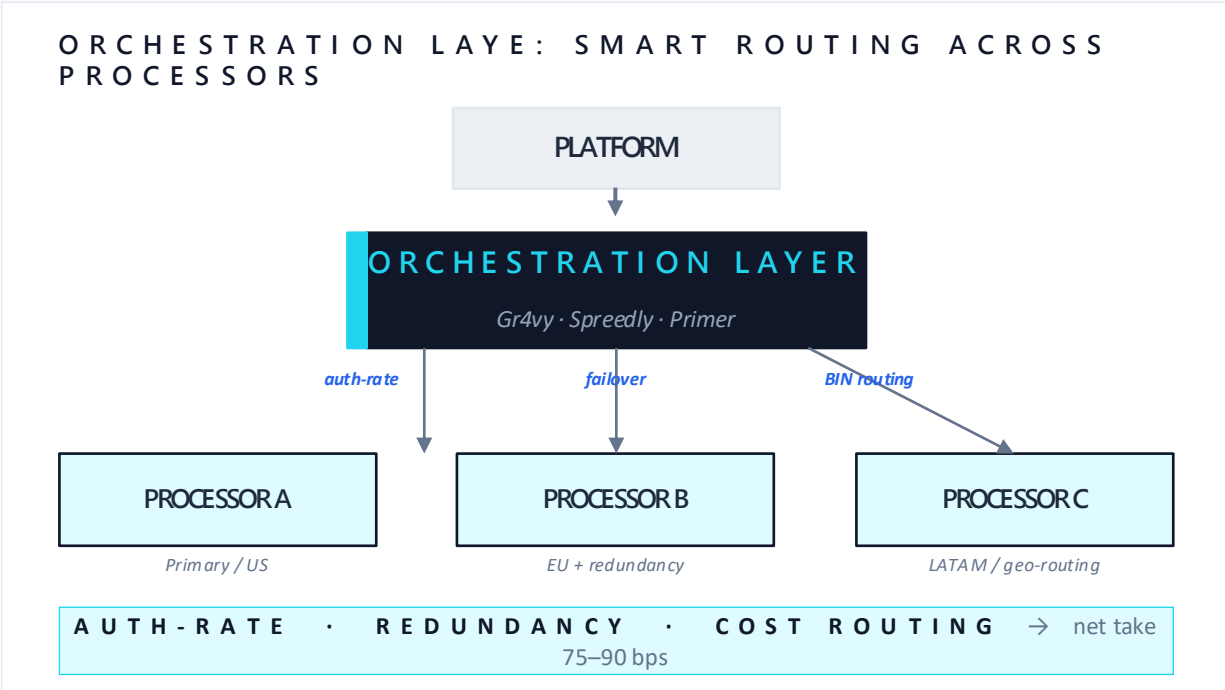
The Orchestration Phase

NET TAKE RATE
75–90 bps

ANNUAL PMT REV
\$4M–\$9M

MARGIN
50–65%

TEAM
Head of Fintech



Optimization yields real margin and orchestration becomes operationally important — for redundancy, cost routing, and cross-border complexity.

The model. Hybrid orchestration. Multiple processors with smart routing for redundancy, cost, and geo. Gr4vy, Spreedly, Primer. Direct acquirer relationships replace standardized PFaaS. PFaaS.

The economics. Net take rate 75–90 bps. On \$750M at 82 bps, ~\$6M/yr. Optimization at produces hundreds of thousands or millions in incremental margin.

The focus. Multi-provider routing, auth-rate optimization, dispute infrastructure, risk engineering as a engineering as a first-class function. Other embedded-finance products move from roadmap to revenue. roadmap to revenue.

The team. Head of Fintech, payments PM, risk analyst, 2–3 backend engineers, customer-specialist, payments-experienced legal counsel.

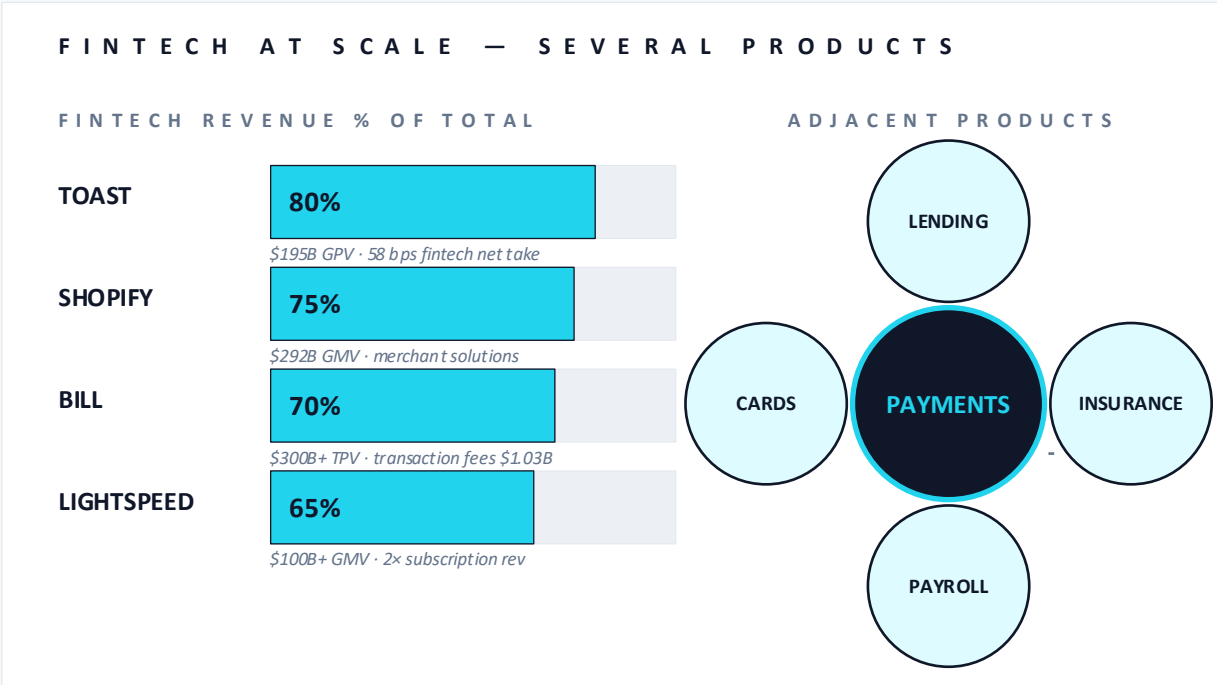
THE TRAP

Don't rush to Full PayFac. Visa-registered PayFac counts among NA ISV/SaaS contracted 47%→43% (2023–2024) with ~6% annual attrition. Stage 5 economics rarely justify rarely justify the operational burden until \$1B+ GMV — and only if registration is required by your required by your fund flows.

WHEN TO GRADUATE . GMV exceeds \$1B and the residual PFaaS fee (10–20 bps) starts to starts to matter. But Stage 4 is the optimal terminal state for most platforms above \$250M.

The Fintech Phase

NET TAKE RATE 90–120+ bps	ANNUAL PMT REV \$9M+	MARGIN Varies	TEAM Compliance Dept
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Operating at the scale of a small bank. The next frontier is the rest of embedded finance: lending, insurance, payroll, capital, cards.

The model. Optional Full Registered PayFac (Visa/MC, MTLs, PCI L1) plus serious embedded-finance finance roadmap. Many at this scale stay at Stage 4 deliberately.

The economics. Public reference points: Toast 58 bps net take, ~ 80% fintech revenue. from merchant solutions. Lightspeed: transaction revenue 64.8% of total. BILL: transaction revenue (\$1.03B).

The focus. Strategic decision on Full PayFac registration; build of embedded-finance surface area; risk + area; risk + compliance as core competencies; valuation positioning as fintech, not SaaS.

The team. Full payments organization — Head of Fintech, Compliance Officer, Risk underwriting, fraud ops, payments engineering, bank relationships.

CHARGE FORWARD INSIGHT

The valuation case at scale. Embedded finance trades at 23% revenue / 19% EBITDA premium (William Blair, Sept 2025). Vertical SaaS leaders at 8–12x revenue with 25–45% lift from 45% lift from embedded fintech (Windsor Drake Q1 2026). The Stage 5 decision is rarely about rarely about payments revenue alone — it's about valuation.

The 5-minute self-assessment

Eight questions. The math at the bottom converts your answers into two numbers — the stage your GMV recommends, and the stage you're actually operating at. The gap is the call to action.

1. Annual GMV processed (next 12 months)? months)?

GMV — PRIMARY DISCRIMINATOR

- A. Under \$50M (1)
- B. \$50M – \$250M (2)
- C. \$250M – \$500M (3)
- D. \$500M – \$1B (4)
- E. \$1B+ (5)

2. Current operating model?

MODEL IN PRODUCTION TODAY TODAY

- A. Pure referral / no payments product (1)
- B. Light revenue share (Stripe Connect Std/Express) (2)
- C. Full PFaaS / managed PayFac under brand (3)
- D. Direct acquirer + multi-provider orchestration (4)
- E. Registered Full PayFac (Visa/MC, MTLs, PCI L1) (5)

3. Net take rate on processed volume?

BEST PROXY FOR MONETIZATION

- A. Under 25 bps / unknown (1)
- B. 25 – 45 bps (2)
- C. 45 – 70 bps (3)
- D. 70 – 90 bps (4)
- E. 90+ bps (5)

4. Payments revenue as % of total revenue?

STRATEGIC WEIGHT

- A. Less than 5% (1)
- B. 5 – 15% (2)
- C. 15 – 30% (3)
- D. 30 – 50% (4)
- E. More than 50% (5)

5. Payments-dedicated team?

TEAM IS THE LEADING INDICATOR

- A. Nobody / part-time PM (1)
- B. Dedicated Payments Manager (2)
- C. Head of Payments + 1–2 supporting (3)
- D. Head of Fintech + small team (4)
- E. Full payments organization w/ compliance (5)

6. Last vendor buy-rate renegotiation?

CONTRACT LEVERAGE

- A. Never / N/A (1)
- B. Original contract still in force (2)
- C. Within 24 months (3)
- D. Within 12 months, active leverage (4)
- E. Direct acquirer, continuously managed (5)

7. Provider concentration?

ROUTING MATURITY

- A. Single processor (1)
- B. Single + manual backup (2)
- C. Single + active second relationship (3)
- D. Multi-provider with smart routing (4)
- E. Full orchestration tier w/ failover (5)

8. Strategic or supplementary?

HARDEST, MOST IMPORTANT QUESTION

- A. Supplementary — convenience (1)
- B. Useful but not core (2)
- C. Important revenue line + retention (3)
- D. Strategic — material revenue, valuation lever (4)
- E. Core to identity — fintech-first (5)

SCORE Q2 – Q8 (skip Q1) : 7–12 Stage 1 · 13–19 Stage 2 · 20–26 Stage 3 · 27–32 Stage 4 · 33–35 Stage 5

Scoring & diagnosis

The diagnosis matters more than the absolute score. The gap between your GMV stage and your operating stage is the call to action.

OPERATING	SCORE Q2-Q8	WHAT IT SAYS
Stage 1	7 – 12	Haven't really turned on payments. Still a referral partner.
Stage 2	13 – 19	Monetizing under your brand but haven't pushed for full economics.
Stage 3	20 – 26	Optimizing — buy-rate negotiation, payments leadership in place.
Stage 4	27 – 32	Orchestrating — multi-provider, risk engineering, embedded-finance roadmap.
Stage 5	33 – 35	Operating as a fintech. Full PayFac on the table; embedded finance is real revenue.

Step 2 compare to your GMV (Q1)

Q1 tells you the stage your GMV justifies. Compare it to the operating stage in the table.



On track. You're in the right place. Focus on within-stage optimization.



Leaving money on the table. Operating below your GMV likely six- to seven-figure annual run-rate. The most common in advisory work.



Over-engineered. Operating above your GMV stage — costs are eating are eating margin. Often happens when platforms registered as Full as Full PayFacs prematurely.

CHARGE FORWARD INSIGHT

The diagnosis matters more than the score. The Charge Forward Payments Revenue Calculator quantifies the gap in dollars; the Payment Model Fit Navigator tells you which model closes chargeforward.io/tools.

What's next

You've located your stage. Four resources move you forward.

01 — READ THE FULL GUIDE

Definitive Guide to Embedded Payments

Twelve chapters of the operator playbook — model selection, vendor negotiation, optimization, embedded-finance expansion. Free, no email required.

payments.chargeforward.io →

02 — PICK THE RIGHT MODEL

Payment Model Fit Navigator

Interactive tool that walks the five-question decision framework and produces a model a model recommendation tailored to your GMV, vertical, and engineering capacity.

chargeforward.io/tools →

03 — QUANTIFY THE GAP

Payments Revenue Calculator

Plug in your GMV, vertical, and current take rate. Returns annual revenue and three-year dollars you're leaving on the table versus the recommended model.

chargeforward.io/tools →

04 — GET ADVISORY SUPPORT

Engage Charge Forward directly

Stage transitions are where most of the value lives — and where platforms most underestimate the cost of getting it wrong. Vendor selection, contracts, payments-org build-outs.

chargeforward.io/contact →

ABOUT CHARGE FORWARD

Charge Forward is an embedded-payments advisory practice for vertical SaaS executive teams. We help platforms choose the right platforms choose the right operating model, negotiate vendor economics, and build the team to scale payments revenue past revenue past software revenue. We publish what we learn — so software executives can make better decisions faster.



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