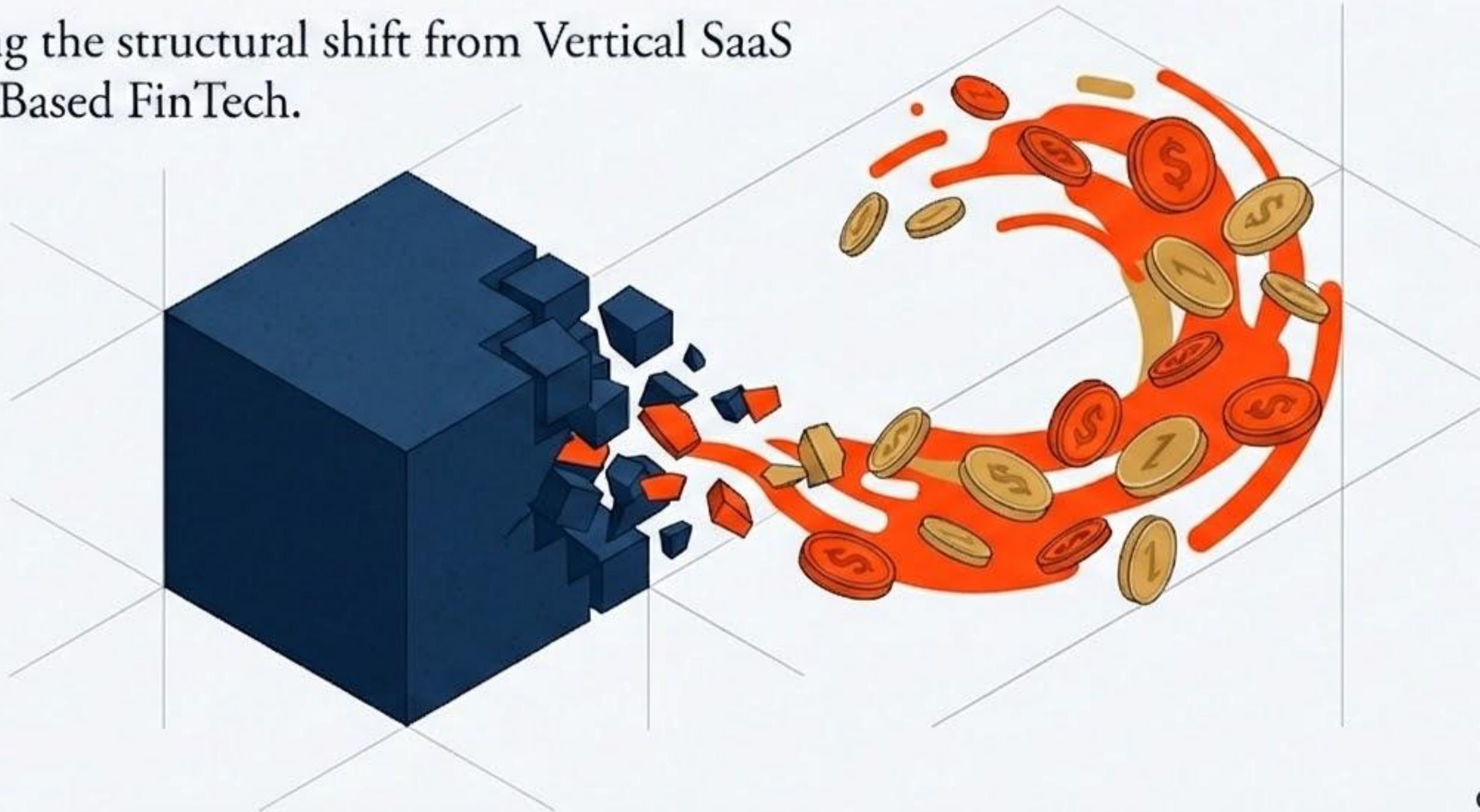


Beyond the Subscription: Optimizing Sales Compensation for Embedded Finance

Navigating the structural shift from Vertical SaaS to Usage-Based FinTech.

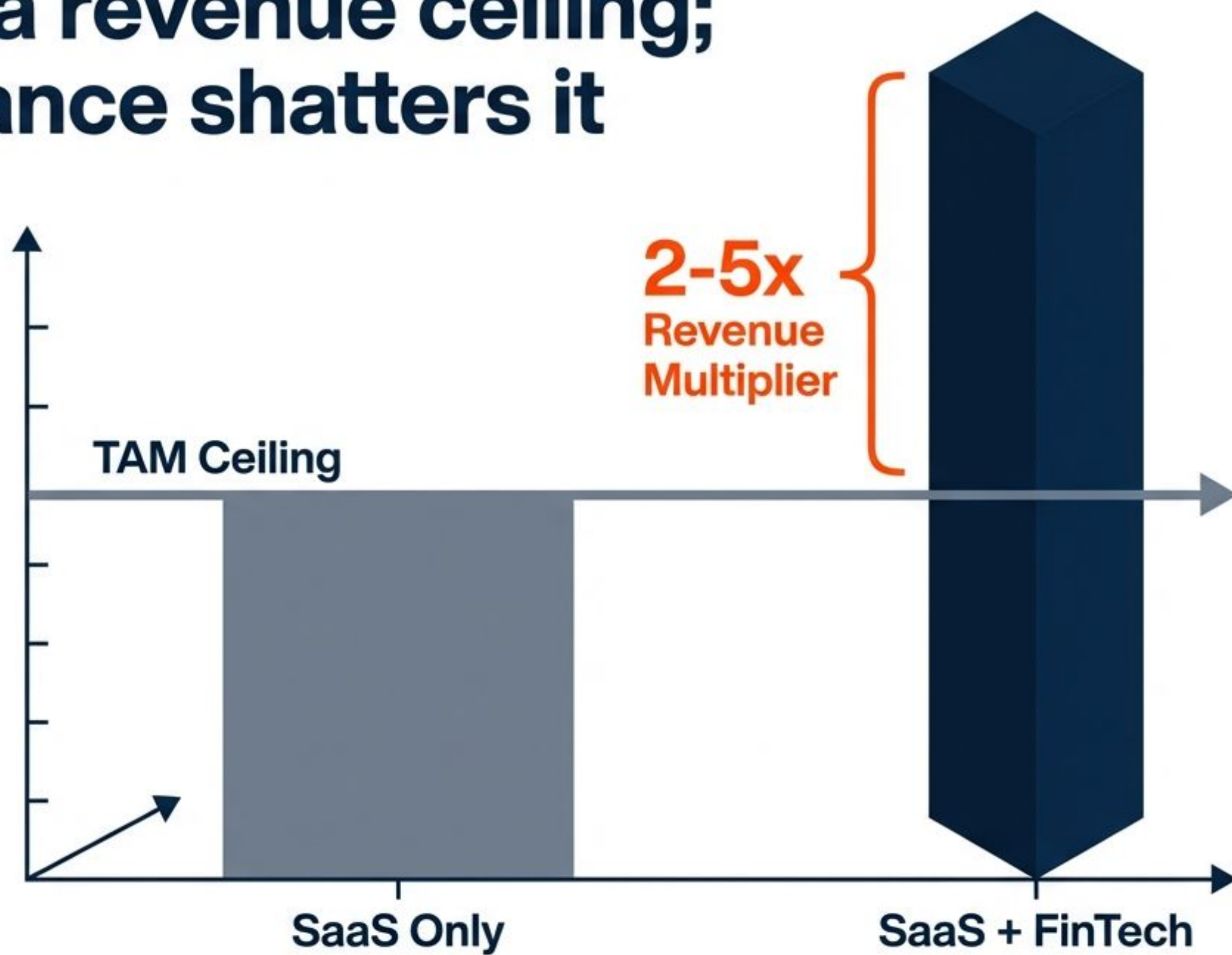


Pure SaaS hits a revenue ceiling; Embedded Finance shatters it

45% of vertical SaaS companies launch Fintech as Product #2

\$7 Trillion in transaction volume by 2026

Fintech = Financial Plumbing (CAC:LTV Multiplier)



You cannot incent a 'Usage' outcome with a 'Subscription' mindset.



TRADITIONAL SAAS

- Mindset: Selling Certainty
- Event: Signature
- Comp: Immediate
- Metric: ARR / ACV



EMBEDDED FINANCE

- Mindset: Selling a Promise
- Event: Arrears (Consumption)
- Comp: Delayed / Variable
- Metric: GMV / Take Rate

The Mismatch: Traditional reps capture value at signature. Usage models generate value only after the lifecycle begins.

The Shopify Warning: Operational risk and moral hazard.



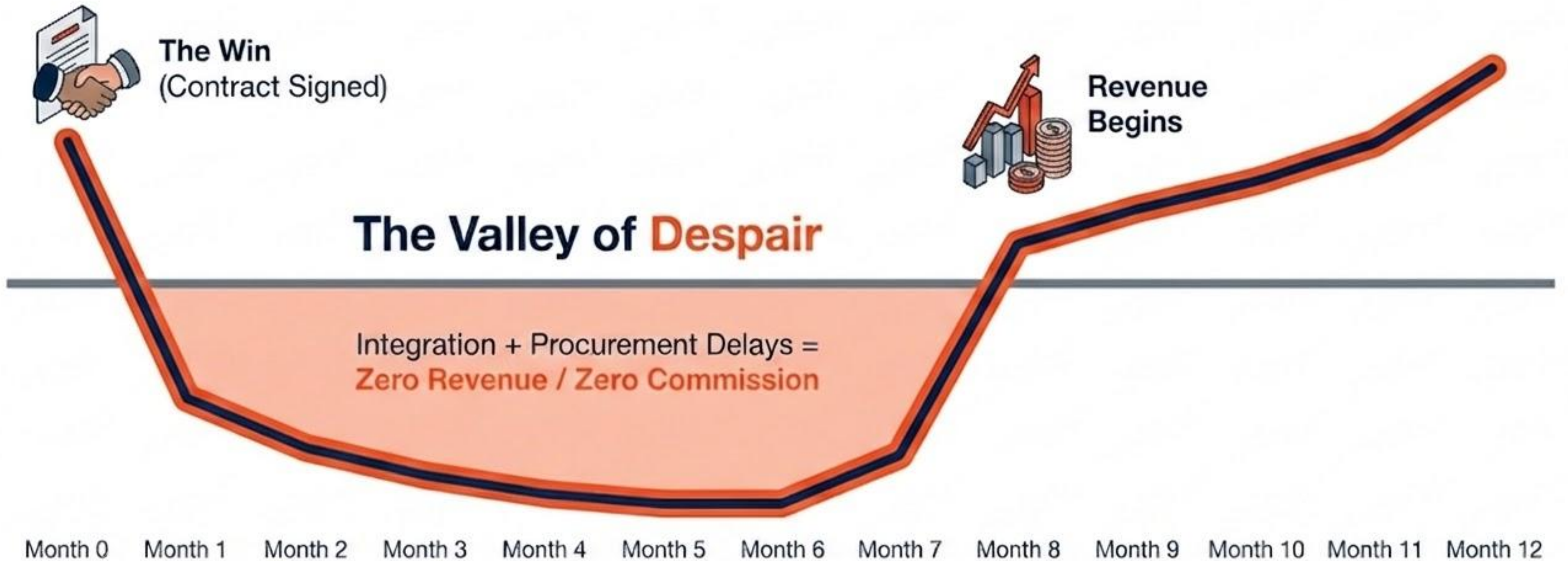
Context: Shopify Payments drives 73% of total revenue.

The Failure: Commission paid on *projected* annual sales vs. *realized* volume.

The Outcome: Reps inflated merchant projections to maximize upfront checks. Resulted in “Moral Hazard,” bad data, and terminations.

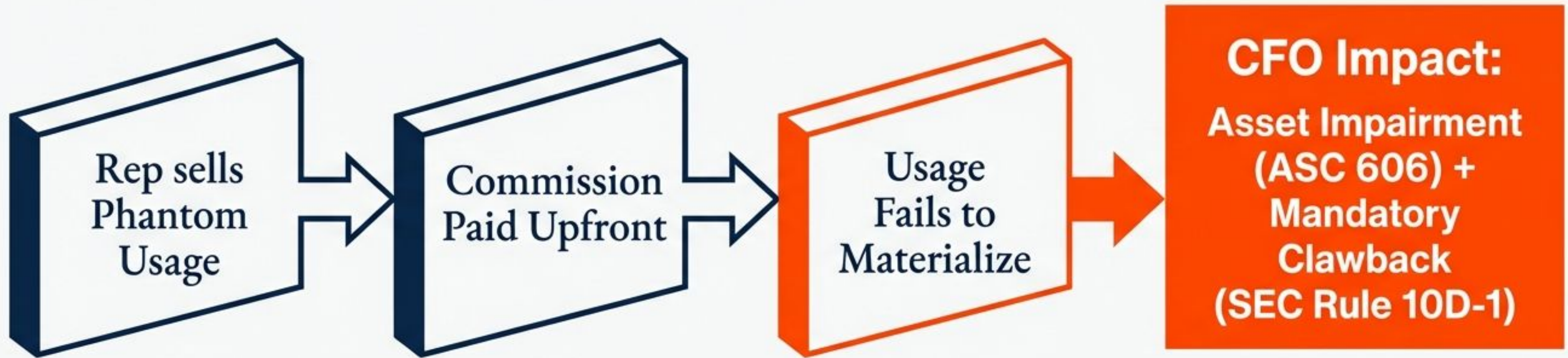
“Estimation is the enemy of sustainability. Compensating on self-reported volume invites systemic exploitation.”

The 'Valley of Despair': Implementation lags kill sales motivation



Without bridge structures (draws/hybrids), reps face cash cash flow starvation and churn before the account yields value

Protecting the Balance Sheet from 'Phantom Revenue'.



- **ASC 606:** Capitalized commissions on bad deals = P&L Write-downs.
- **SEC Rule 10D-1:** Mandatory recovery of erroneously awarded incentive pay.

Requirement: Upfront payments must be tied to **conservative estimates** or **verifiable minimums**.

Structure 1: The Dual-Quota Hybrid

Best For: Maturing SaaS adding first-generation FinTech (e.g., ServiceTitan).

Quota A: SaaS

Standard
Commission.
Paid Immediately.

Quota B: FinTech

Paid as SPIFF.
Triggered only after
first \$10k volume.

Why It Works

Protects core income
while incentivizing new
behavior without risking
the farm on unproven
volume.

Structure 2: Expected Consumption Value (ECV)

Best For: High-volume, predictable transactional models



Solves the Valley:

Rep gets cash now.

Protects the Firm:

Safety hook (**Clawback**) if usage < 60% of forecast.

Structure 3: The Committed Capacity Draw

Best For: Complex Enterprise / Heavy Implementation (e.g., Samsara).

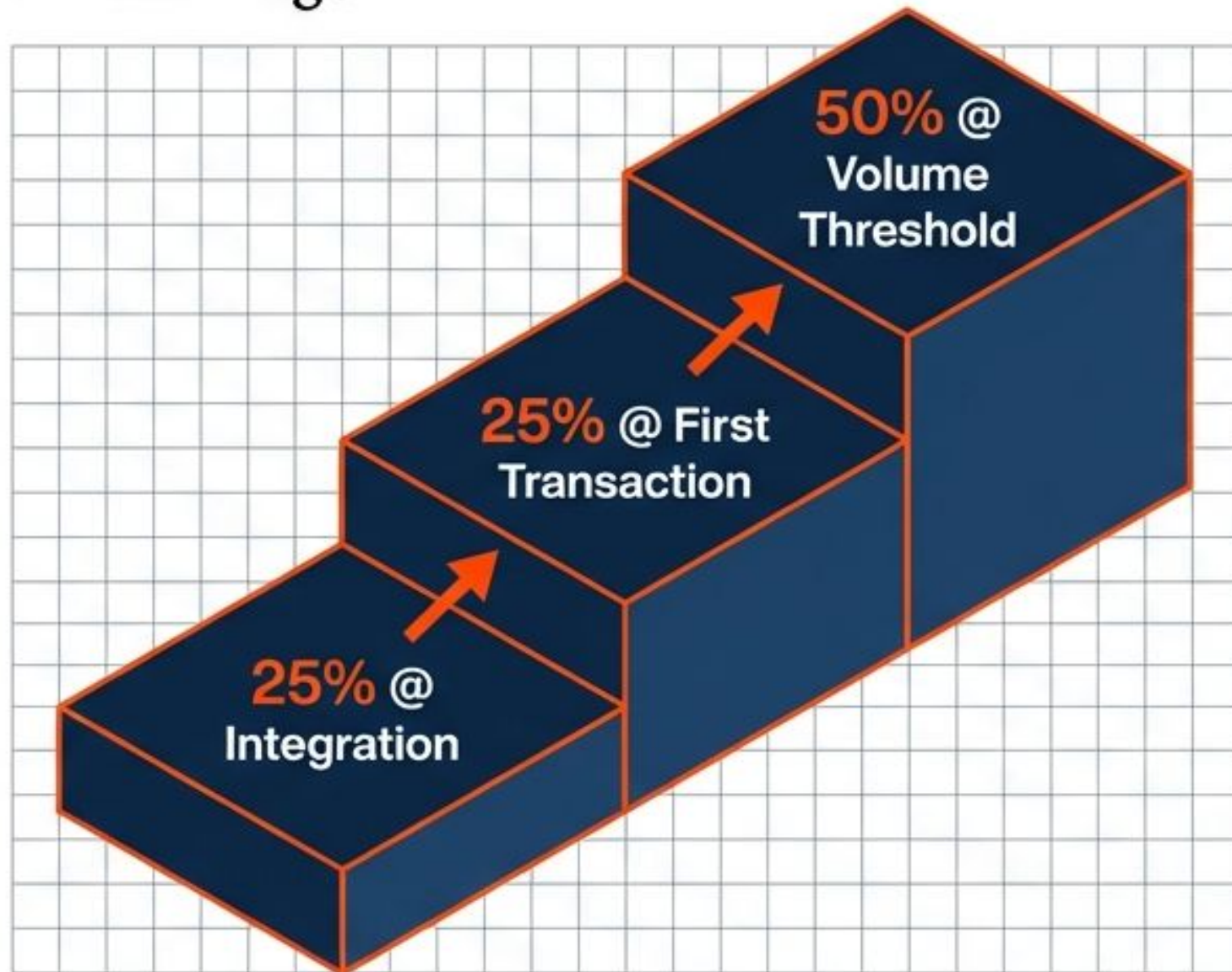


Mechanism: Floor Guarantee during ramp-up mitigates anxiety over technical delays. Company treats Draw as extended CAC.

Structures 4 & 5: Milestones & Run-Rates

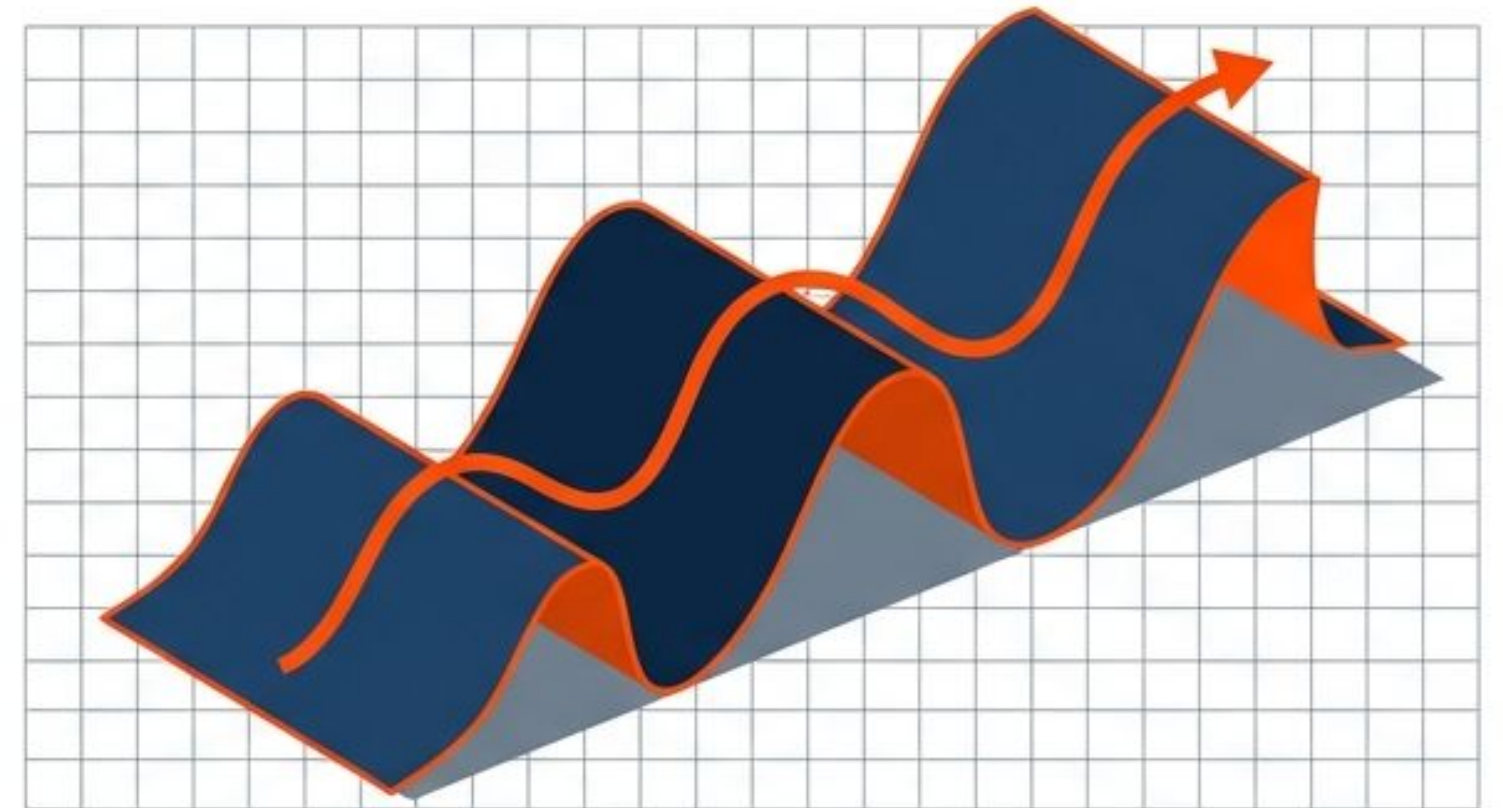
Structure 4: Milestone-Based

For Lending / BNPL



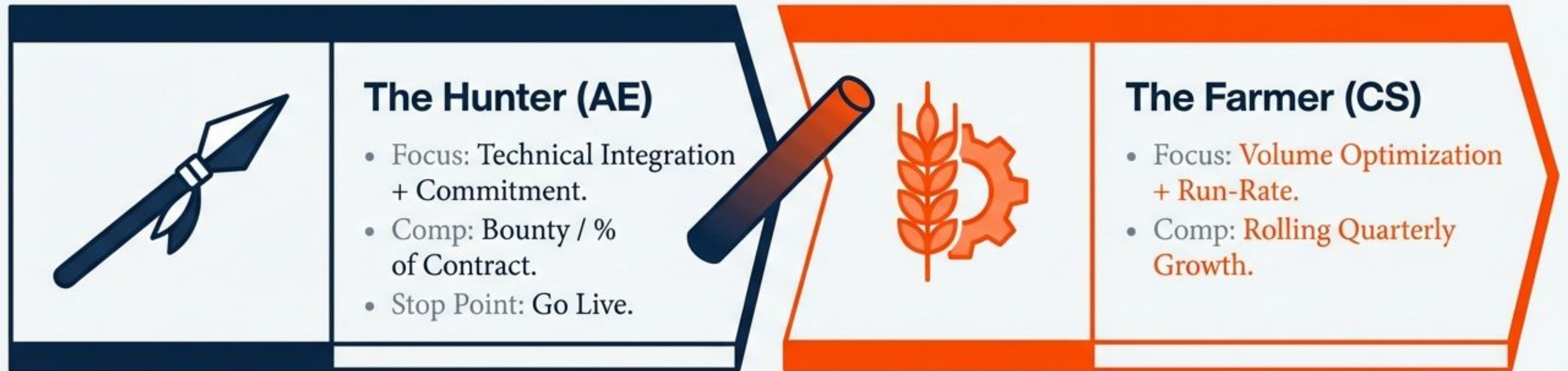
Structure 5: Run-Rate Expansion

For Land-and-Expand



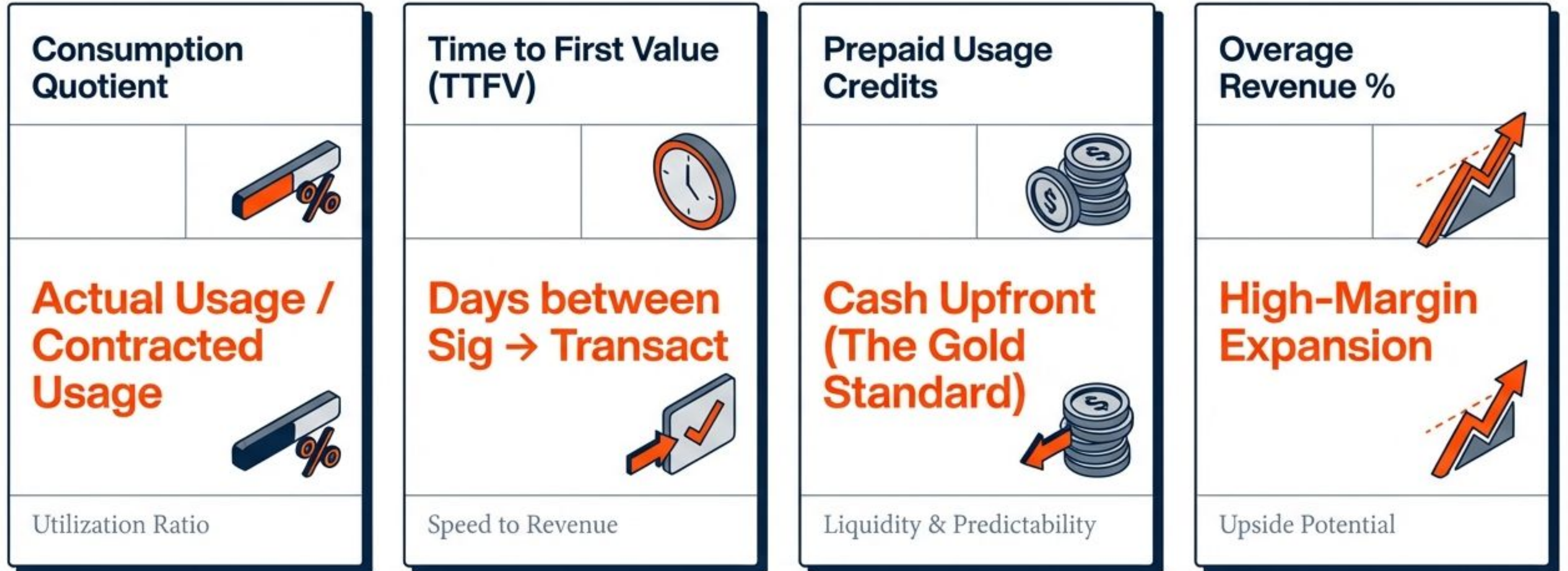
Commissions based on **Rolling Quarterly Growth** (YoY). Filters out seasonality.
Rewards growth, not maintenance.

Evolving the Coverage Model: Specialization is required.



Generalists fail at complex FinTech. Do not pay Hunters huge annuities for organic volume growth.

The CFO Dashboard: Metrics that matter.

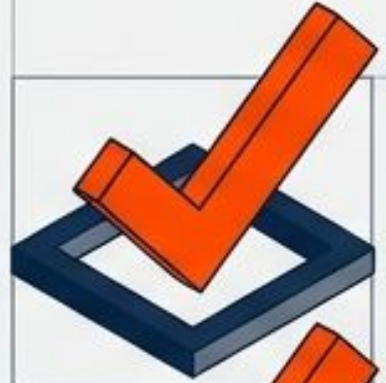


Tracking these metrics ensures usage-based forecasting accuracy.

Proven Strategies: Case Study Matrix

Company	Strategy	Insight
Toast	Inverse Pricing	Subsidize software to drive payment volume.
ServiceTitan	Dual-Revenue	55% SaaS / 45% FinTech split.
Samsara	High Base Salary	Comp mitigates ramp-up anxiety.
FieldRoutes	Account Updater	Payments reduce involuntary churn.
Briostack	Flat Rate	Simplicity as a counter-position.

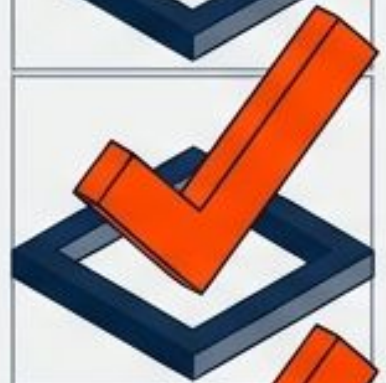
Strategic Requirements for Success.



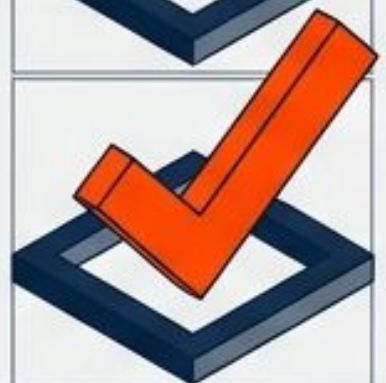
Stop Estimating. Bind pay to realized value or hard commitments.



Bridge the Gap. Use draws to survive the “Valley of Despair”.



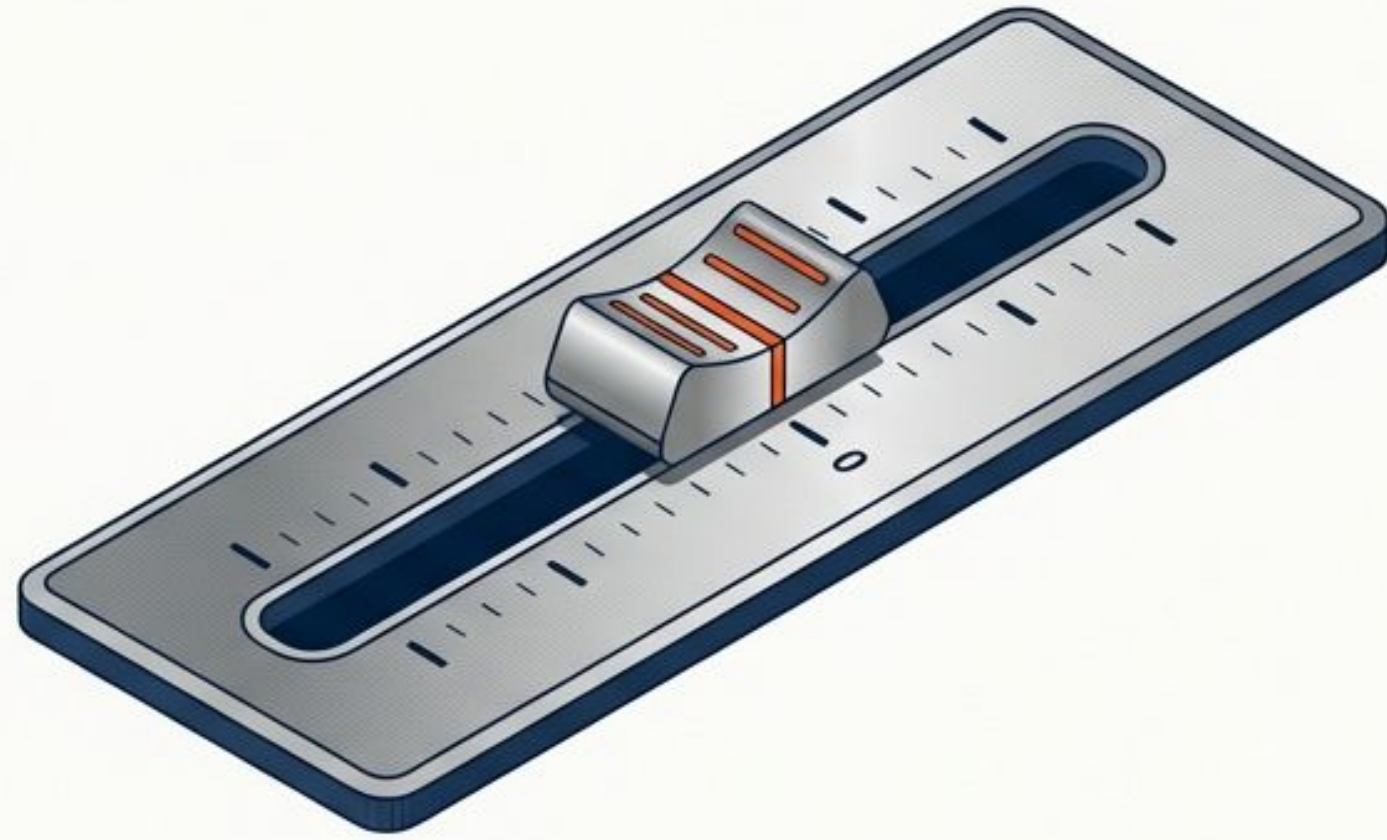
Specialize. Separate Hunters (Commitment) from Farmers (Volume).



Synchronize. RevOps and Finance must co-author the plan (ASC 606).

The Final Takeaway

**Risk
Mitigation**



**Sales
Aggression**

“The transition to Embedded Finance requires rewiring the organizational psychology. You must shift from selling software features to proving financial outcomes.”