

THE \$1.7 TRILLION SHIFT: AI + EMBEDDED FINANCE FOR SAAS

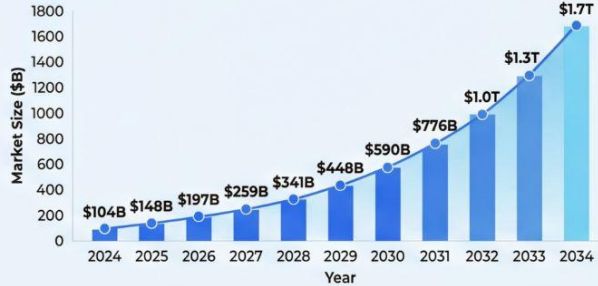
A Professional **B2B Fintech Playbook** for Driving Revenue and Innovation.

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1 THE MARKET EXPLOSION (2024-2034)

\$1.7 TRILLION
MARKET BY 2034
31.5%
CAGR Growth

Embedded Finance
Growth



4 SAAS REVENUE TRANSFORMATION & MULTIPLIER

Embedded Finance Market
by Segment



SAAS VS. EMBEDDED FINTECH
(After Fintech)



2-5x
ARPU
Multiplier

Adding embedded fintech
can increase revenue per
user significantly.

e.g., Shopify Revenue Split

2 CORE EMBEDDED SEGMENTS (2025)



PAYMENTS:

Agentic Commerce

AI agents initiate purchases.
Secure, autonomous transactions
(Stripe, OpenAI).



LENDING:

AI-Powered Underwriting

Real-time analysis. Pre-qualify
merchants via platform data
(Shopify Capital).



INSURANCE:

Personalized Offers

Hyper-personalized products based
on behavior. Contextual, short-term
(Ecommerce Warranty).



FRAUD DETECTION:

Real-Time Defense

Detects behavioral anomalies.
Combats AI-driven fraud (Deepfakes,
Synthetic Identities).

5 THE STRATEGIC PLAYBOOK & BEST PRACTICES



Start with Payments

White-label
experience. Unlock
transaction data.



Create Your Integration Model

PayFac-as-a-Service
(faster launch) or
Full PayFac (higher
margins).



Prioritize Customer Experience

Consistent UI/UX.
Clear feedback.
Familiarity builds
trust.



Create a Data Flywheel

AI transforms data
into better fraud
detection, lending,
and insurance.



Measure and Expand

Track ARPU lift.
Expand to higher-
margin Lending &
Insurance.

CONCLUSION: The future of SaaS is owning the financial layer, powered by AI. This infrastructure shift is creating fintech companies out of every platform.

Source: Precedence Research, Mordor Intelligence, a16z, Tidemark.

The \$1.7 Trillion Shift

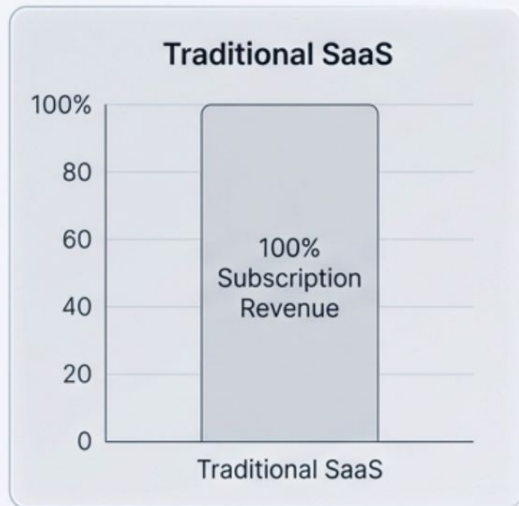
Why AI + Embedded Finance is making traditional SaaS models obsolete.

The convergence of AI and Embedded Finance is the biggest shift in business models since the cloud. It's no longer just about software; it's about the financial infrastructure that powers it.



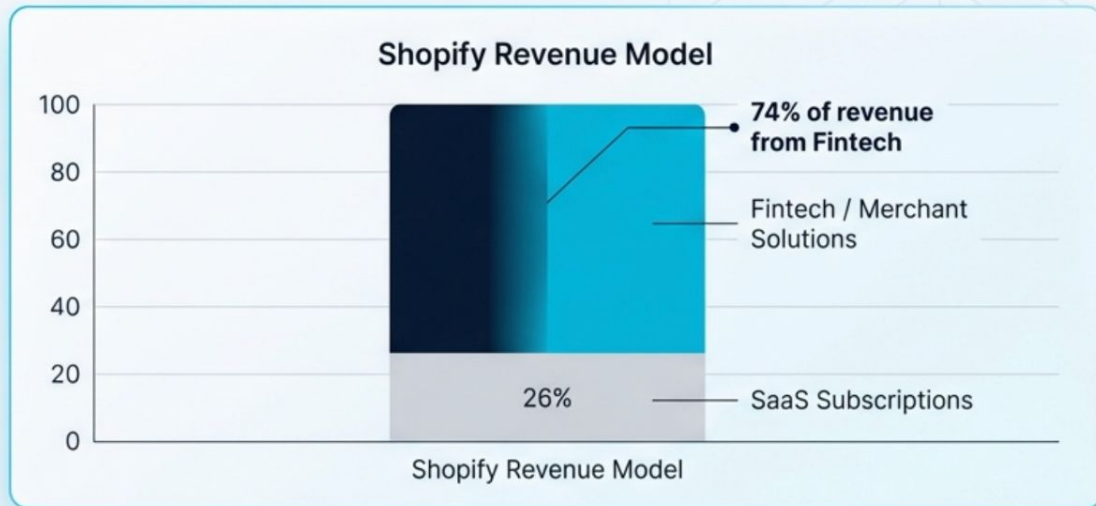
The Smartest Software Companies Are Quietly Becoming Banks

The Old World



Reliance on recurring subscription fees.

The New World



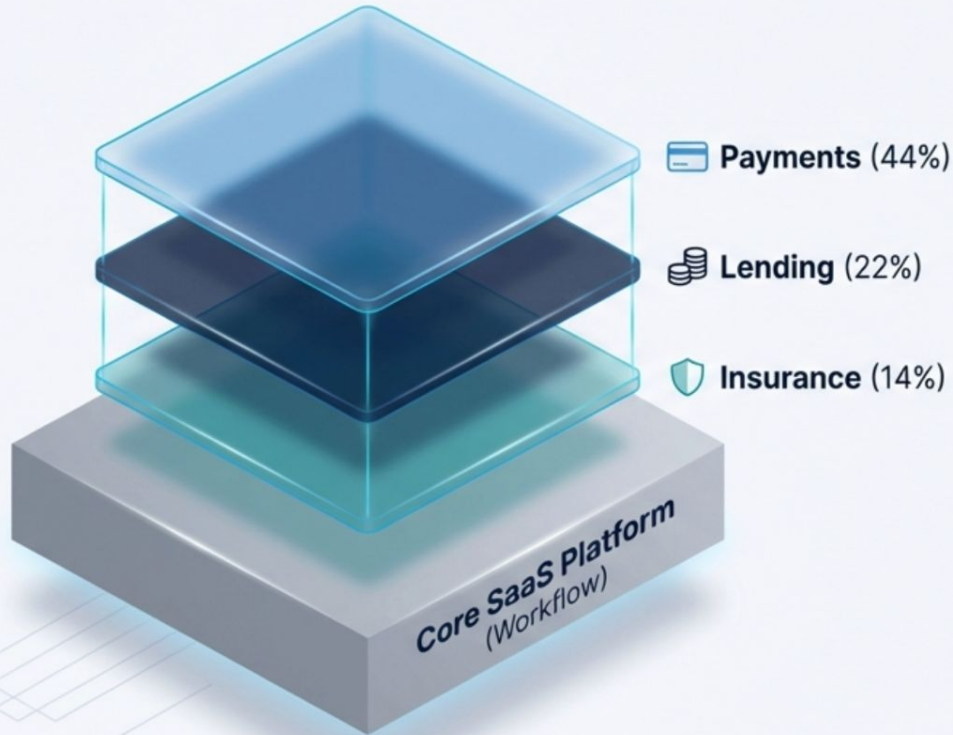
Forget subscriptions. Top platforms are unlocking **30% to 50% in new revenue** from payments and financial products in less than a year.

An Infrastructure-Level Explosion



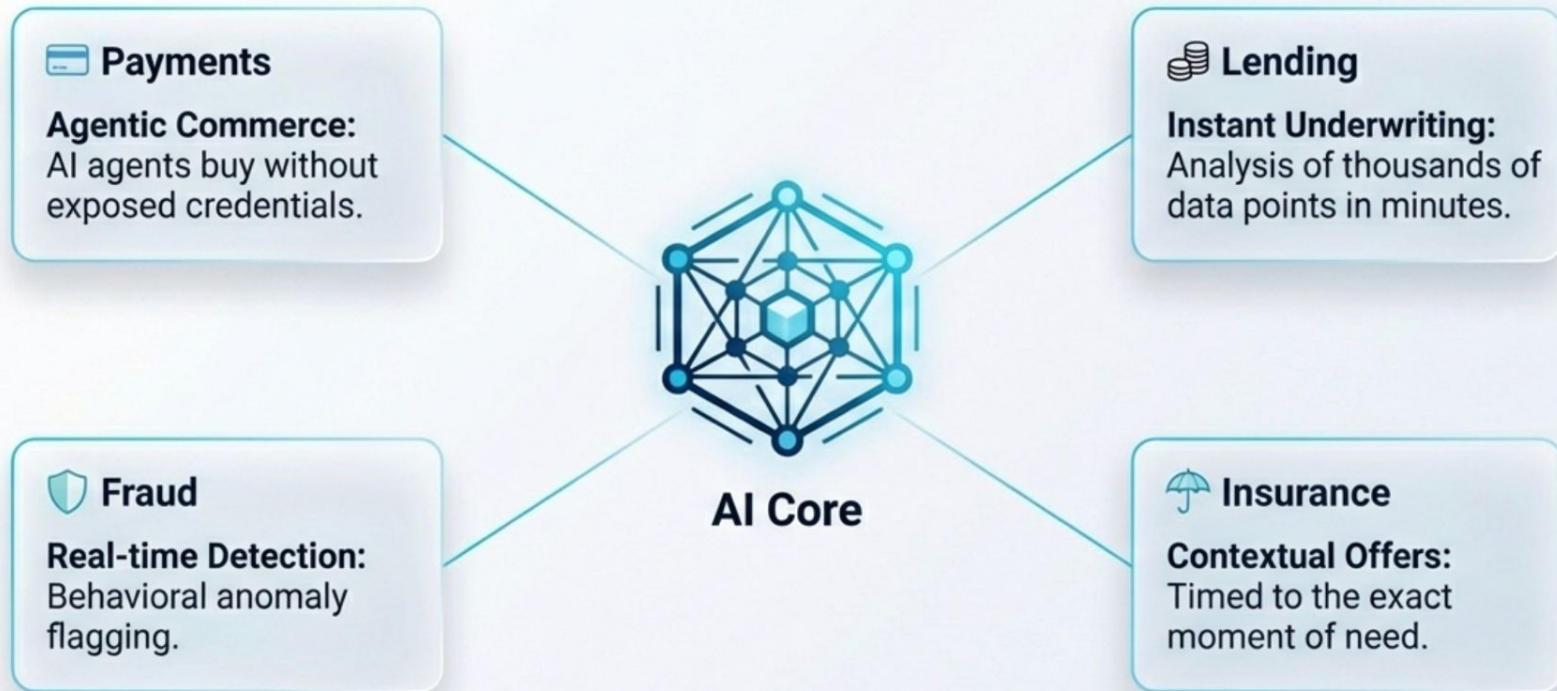
This isn't a trend. It is a collision of two forces: AI analyzing millions of transactions in real-time and Embedded Finance integrating banking directly into workflows.

Defining the Stack



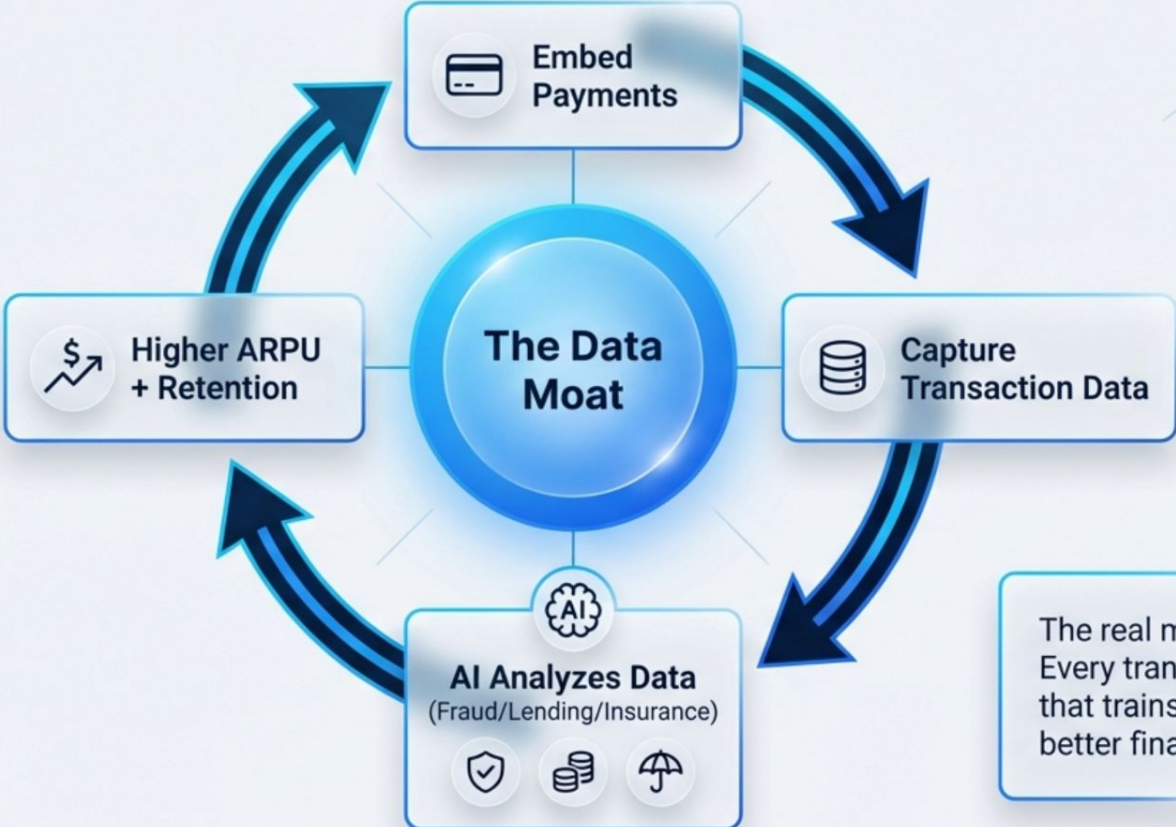
- ▶ **Payments:** Processing transactions natively.
- ▶ **Lending:** Offering capital based on platform data.
- ▶ **Insurance:** Bundling coverage at point of need.
- ▶ **Banking/BaaS:** Deposit accounts and instant payouts.

The AI Supercharger



AI is the engine that makes the entire stack intelligent, automated, and scalable.

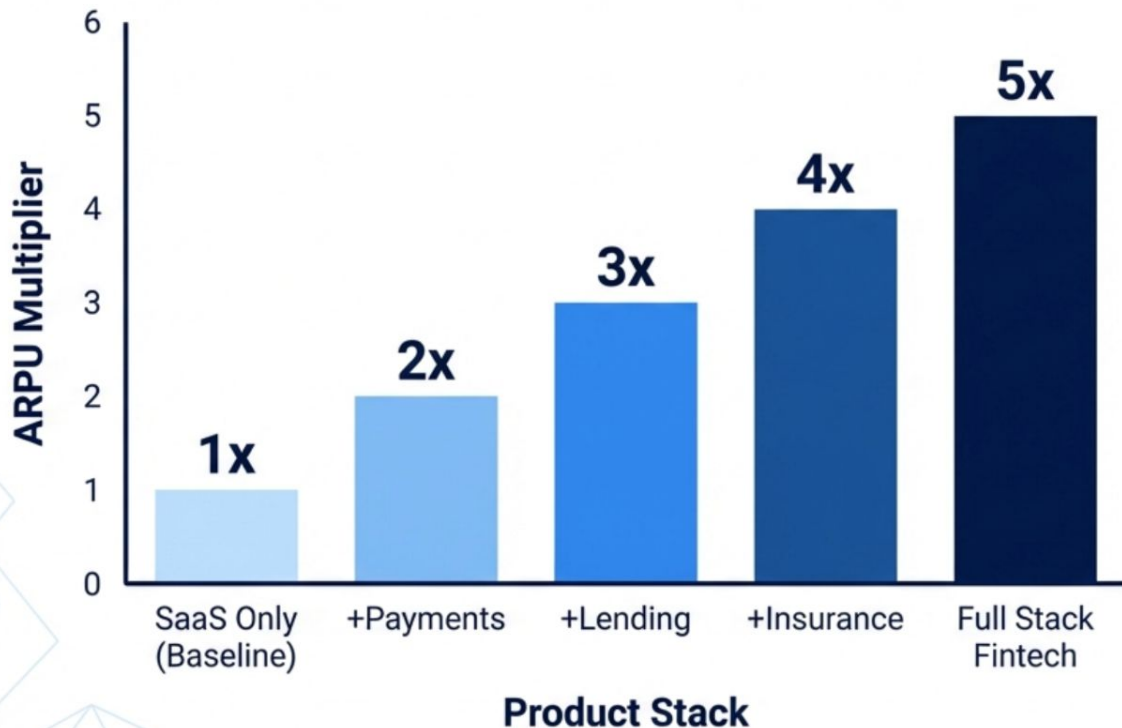
The Data Flywheel



The real moat is the data. Every transaction is a signal that trains the AI to make better financial decisions.

The Revenue Multiplier Effect

Source: a16z | Adding fintech can 2-5x revenue per user



According to a16z, SaaS companies can increase revenue per user by 2-5x simply by adding embedded fintech products.

Proven by the Giants

Toast

4-6x



ARR lift from fintech users.
Locations on platform 5+
years see 6x revenue
increase.

ServiceTitan

55/45



Split on net new revenue
(Fintech vs. Subscription).

Vagaro

50%





Payments now represent
half of total revenue.

The winners treat fintech as an accelerant, not a pivot.

Step 1: Capture the Payments

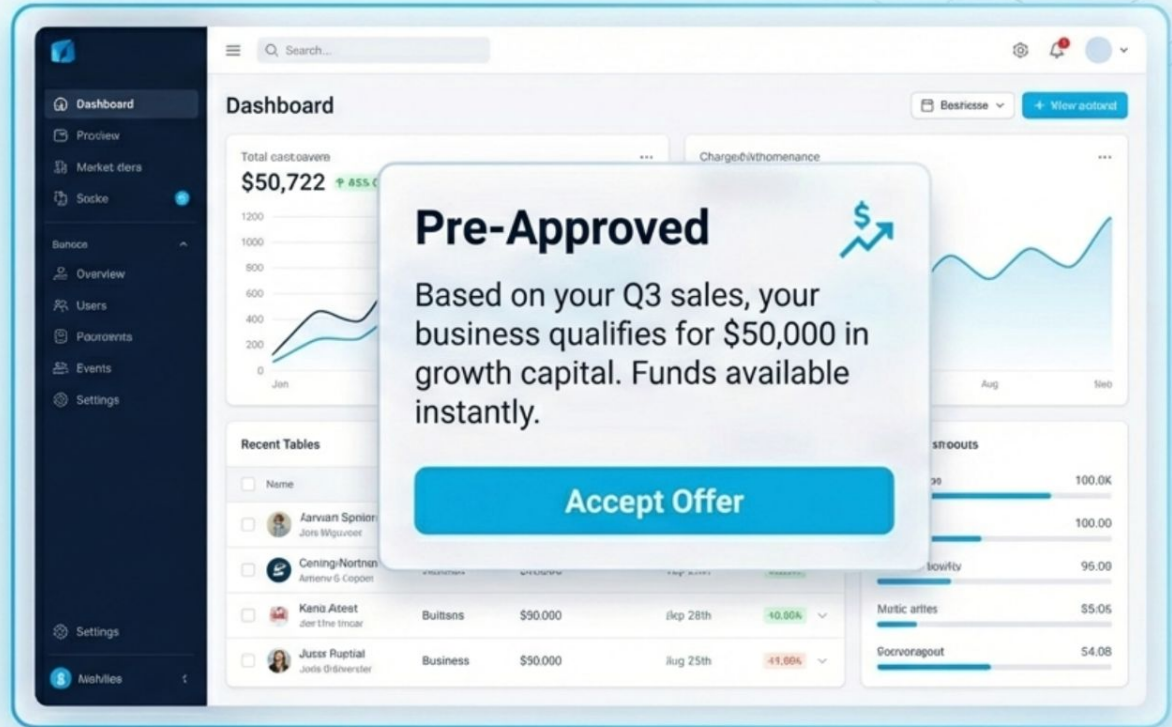
Payments are the gateway drug. 91% of ISVs are expanding payments to unlock the data layer.

PayFac-as-a-Service (Recommended)	Full PayFac
	
<p>Partners: Stripe, Adyen, Finix</p> <ul style="list-style-type: none">• Launch fast• compliance handled• scale easily	<ul style="list-style-type: none">• Regulatory complexity• expensive• slow launch

Best Practice: White-label the experience. If the checkout feels unfamiliar, users won't convert.

Step 2: High-Margin Expansion (Lending)

- Lending drives margin; Payments drive volume.
- The **AI Advantage**: Replace credit checks with real-time sales history.
- Example: Shopify Capital and Toast Capital use platform data to **pre-qualify** users.



The 83/9 Gap



SMBs who want financial services from their SaaS platform.

SMBs who currently have it.

You don't need to be a bank.

Banking-as-a-Service (BaaS) providers have productized the infrastructure.

The gap is your **opportunity** to own the market.

The Risk: AI vs. AI






Financial fraud growing
18-20% annually.






50% of fraud now
involves AI.

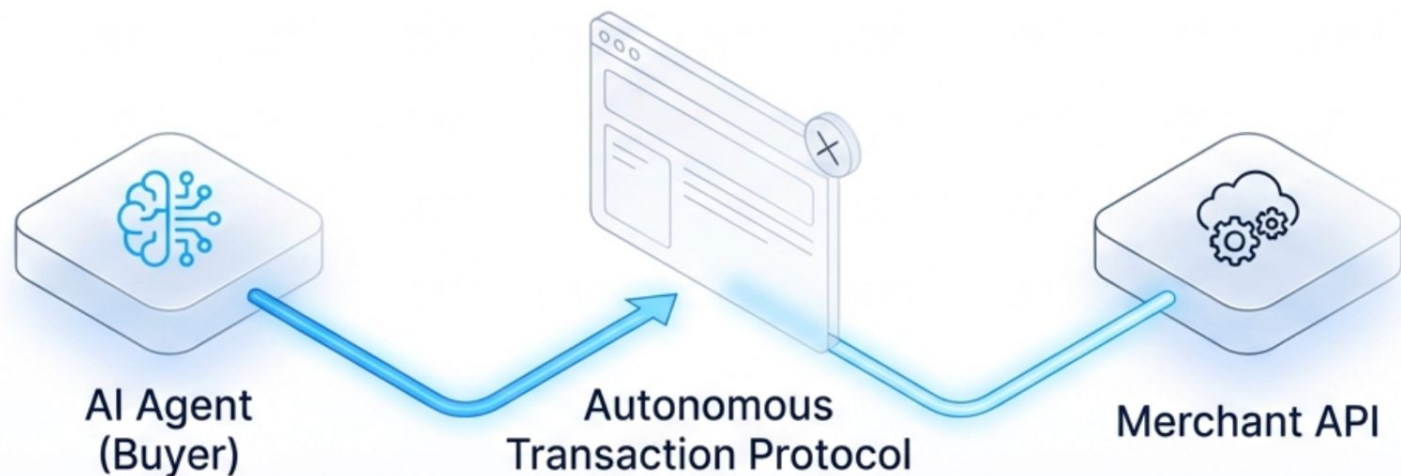
AI Attack

- Deepfakes 
- Synthetic Identities 
- Generative AI Fraud 

AI Defense

-  • Behavioral Analysis
-  • Real-time Detection
-  • Anomaly Flags

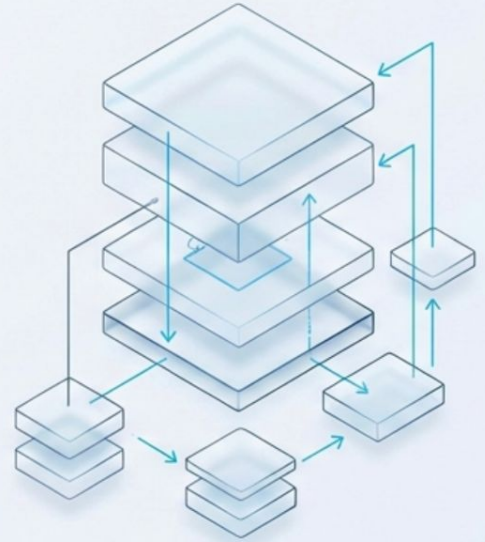
The Next Frontier: Agentic Commerce



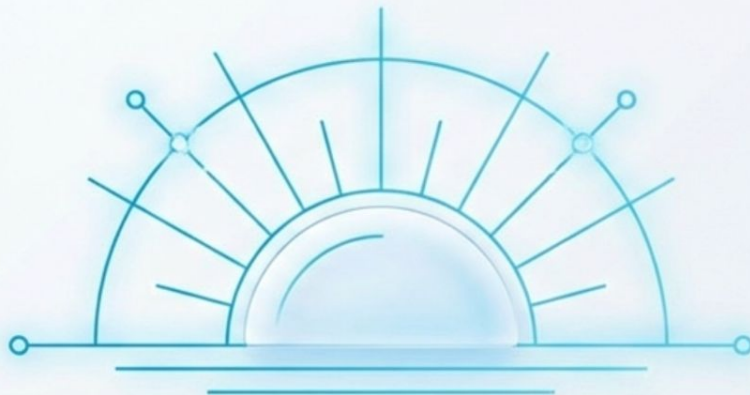
- **The Shift:** From embedded in apps -> embedded in AI agents.
- **Development:** OpenAI/Stripe protocol allows agents to use shared payment tokens.
- **Implication:** If you are not building for a future where AI agents negotiate and purchase, you are building for yesterday.

The Minimum Viable Fintech Stack

- 1 **Audit:** Identify where money moves in your platform.
- 2 **Partner:** Select a PayFac-as-a-Service (Stripe, Finix, Adyen).
- 3 **Embed:** White-label the payment UI for trust.
- 4 **Capture:** Structure transaction data to feed the flywheel.
- 5 **Layer AI:** Implement fraud detection and predictive insights.
- 6 **Expand:** Move to lending and insurance for margin.



The Bottom Line



The infrastructure exists. The AI is ready.
The market is moving toward \$1.7 trillion.

**The only question is whether you are
building the future or watching it happen.**