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Embedded finance: Bringing value into focus

weavr

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Foreword: Susanne Chishti



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“Embedded finance has the potential to reshape the world around us. In the last few years, we’ve watched this concept come of age, moving from an industry buzz word to a real-world technology that’s making a genuine difference in peoples’ lives. Whether you’re interested in incorporating embedded finance solutions within your own business, or just an industry onlooker curious about the concept, there’s a lot to be learned in Weavr’s whitepaper.

Across the FINTECH Circle community, there’s growing expectation that 2023 will be the year when embedded finance goes truly mainstream, becoming further integrated by businesses that want to improve their product offering, enhance user experiences, and mitigate cash flow concerns. It’s an exciting prospect, but to ensure it can happen the sector needs embedded finance providers at the top of their game.

Susanne Chishti, CEO at Fintech Circle

Executive summary

Despite being a relatively new concept, embedded finance has taken the business world by storm. The disruptive technology is creating new and more efficient ways for customers and businesses to interact with financial services, including payments, lending and insurance. With improved access, companies have an opportunity to offer more relevant financial services to their customers, create customer stickiness and catalyse future growth.

In this paper, we want to articulate the value of embedded finance. We've asked experts from across the fields of fintech, banking and technology to identify the areas of consensus on the topic.



Key findings

Embedded finance is now mainstream

While the future applications of embedded finance are vast, there are meaningful benefits that the technology can bring businesses today.

Embedded finance creates stickier platforms

Embedded finance can help developers to create truly 'sticky' platforms that offer customers tailored products and services. Financial services embedded into e-commerce and other software platforms accounted for \$2.6 trillion, or nearly 5%, of total US financial transactions in 2021, and by 2026 will exceed \$7 trillion ^[1].

Understand embedded finance to get the most out of it

Businesses that are faster to adopt embedded finance within their digital landscape will reap the rewards.

Embedded finance is a revenue multiplier

There's vast potential for businesses to more than double average revenue per user by incorporating embedded finance from new revenue streams via revenue share and fee charges.

Plug-and-Play Finance is the 'gold standard' of embedded finance

Plug-and-Play embedded finance solutions represent the cutting-edge of the broader trend and should be considered the fastest and most cost-efficient way to deploy.

Landscape



current valuation of the
embedded finance
market:

\$54.3 billion



estimated valuation
of the embedded finance
market in 2026:

\$138 billion



global total
addressable market for
embedded finance

\$15 trillion

Whether we realise it or not, most of us now benefit from embedded finance technologies daily. From ordering food on Deliveroo, to booking taxis on Uber, embedded finance solutions already offer customers a seamless way to complete financial transactions in non financial settings. While influential, embedded finance is still nascent, with many experts expecting the market to explode in the coming years^[2]. In fact, some commentators believe the sector could be worth more than \$138bn by 2026^[3].

Such expansion would represent a significant jump from the market's current valuation of around \$54.3 billion^[4]. This level of growth is expected to be underpinned by a proliferation of embedded finance technologies designed to tackle industry-specific challenges. Specifically, there's an assumption that such technologies will soon be embedded into non-traditional financial service areas and provide particular benefits to platforms designed to improve the lives of freelancers, employees and those working in B2B supplier payments, among others.

Embedded-finance technologies enable any digital businesses to both improve their customer experience and generate revenue from financial services, regardless of whether they are financial in nature, or not. The ability to monetise new areas of a business' offering using embedded finance is seismic.

Simplicity is the future

It is also widely predicted that the fintech sector will continue its growth in the next few years, which will help accelerate the adoption of embedded finance solutions. Nearly 26,343 fintech startups were registered in 2021 alone, up from 20,925 the year previous, equalling a rise of more than 25%^[5]. At the same time, the number of startups also continues to grow, with nearly 5.4 million new businesses registered globally throughout 2021^[6].

Previously, businesses required a relationship with a banking partner to offer financial services, which has led to the rise of 'Banking as a Service' (BaaS) solutions. For the most part, fintechs use BaaS to provide financial capabilities. However, these solutions are often very costly, and take a long time to integrate and adapt in each deployment. As such, they don't offer the optimum solution for the majority of non-fintech businesses.

The next generation of embedded finance is Plug-and-Play finance solutions, which flip the script entirely by removing the need for companies to understand the intricacies of financial services and the complexity of Banking as a Service - they just deploy a solution and it works.

Endless opportunities

Therefore, on paper, the opportunities for embedded finance and Plug-and-Play solutions are endless. In particular, Weavr remain at the forefront of innovation for Plug-and-Play embedded finance solutions. However, there remains some debate around how the technologies will be adopted by different businesses in future years. We will look to get to the bottom of that debate within the paper.



Our research



We spoke to several experts to find out more about embedded finance. To begin with, we wanted to explore the biggest potential advantages that the technology could offer the world of business and beyond.

The benefits of embedded finance

Weavr Co-Founder and CEO, Alex Mifsud believes embedded finance is ready to be deployed in the mainstream of digital businesses, commenting: “At its core, embedded finance brings together two big worlds: financial services and digital. This is an innovation with major practical advantages. Embedded finance allows things to operate more effectively, for example by making working capital more efficient or making payments easier. The best thing is that embedded finance solutions are already available and can be used to enhance the things that help drive business growth.”

Many of our commentators concur with the appeal of introducing financial services into new areas of life, including Brite Payments CEO, Lena Hackelöer, who says: “Its big appeal is its ability to bring finance transactions into new contexts. With embedded finance, financial services can be offered to users in a more convenient manner than before, which benefits everyone involved. Therefore, I think it offers businesses new avenues for growth, and the good news is that these solutions are ready to be deployed across sectors.”

This is also a point of view shared by Yann Ranchere, Partner at Anthemis Group, who tells us:

“There’s now huge potential to embed financial competence into new areas and industries, enhancing services in a manner that benefits both businesses and consumers. Embedded finance is making it all possible, whether we’re talking eCommerce, cryptocurrencies, or payment processing. The technology is already able to bring all this together under one roof in a manner that really benefits modern businesses.”

Furthermore, Daniel Greiller, CCO of Weavr also agrees that embedded finance has now reached a point where it can be adopted by businesses and trusted to deliver results. He commented: “There’s a lot of talk about the potential for future embedded finance applications, but the future is now. There’s research to say that 73% of businesses will be using embedded finance in the next two years^[7]. I’d posit that businesses can already utilise these solutions to create new opportunities for growth, or to help improve efficiencies relating to areas such as the gig economy, remote working employee rewards and expenses, and smarter B2B payment processes.”

Later in this paper, we will be discussing some of the specific benefits that Plug-and-Play Finance solutions can deliver across some of these sectors.



Making customers stick

Embedded finance helps businesses tailor services to customers, which are more straightforward, convenient, and intuitive. Throughout the interviewing process, experts cited this ability as one of the solution's key benefits.

Alex Mifsud, Co-Founder and CEO of Weavr tells us:

"Let's break it down simply; a tailored suit always fits better than something off the rack. That same theory applies for financial services. Sure, a one-size-fits-all approach may work for some people, but it leaves others excluded. What's more, nobody is getting a service built specifically for them. Plug-and-play embedded finance flips that on its head. It's allowing you to specifically tailor products and services to customers in valuable ways, without the process having to take longer, or cost more."

Sarah Werner, Co-founder and CEO of Husmus sees things in a similar light, commenting:

"New customers are really spoilt for choice, and companies are unable to rely on brand loyalty in ways they could in the past. This creates something of a double-edged sword for businesses. On the one hand, it's never been easier to lose a customer, but it's also never been simpler to gain one. Embedded finance can improve your odds in this fight, helping to make platforms more convenient for customers. I think that's an area where it's able to offer serious benefits."

Paul Staples, Global Head of BaaS at HSBC further summarises by commenting: "I think it helps to put the consumer in control and offers them an ability

to facilitate financial transactions through brands that they really gravitate towards. I think it's going to make everyone's lives easier, removing friction and creating value for businesses and consumers alike. In many ways, it's a more savvy, less constrained way to offer the services previously associated with banks."

Michael Kent, Founder and Executive Chairman at Azimo agrees on the capacity of embedded finance to place financial services in the hands of non-financial providers, saying: "It allows non-financial businesses to start offering financial services to consumers. That's a huge advantage for brands with loyal customers. Moving forward, you'll be able to build off these relationships, offering relevant financial services that can be very profitable. Right now, I'd argue that most people have a better relationship with companies like Apple and Nike, than they do with banks and that trend can't be ignored."

According to Adrian Mizzi, Co-Founder and CTO of Weavr: "Embedded finance can help businesses to add a lot of value to their customer experiences. Ultimately, it helps to keep users on your domain for longer and reduces the likelihood of them jumping between platforms to facilitate financial transactions. That presents a huge opportunity, particularly when it comes to selling additional services to customers who might be interested in them."

“Getting that additional engagement from the concept is a benefit alone, it represents additional value. In the long-term, you will likely see customers stay on your platform for longer, which gives you more opportunity to sell. Embedded finance enables you to take things to the next level, allowing you to go beyond offering a basic service. That’s so important right now, businesses constantly battle to keep eyes on their products.”

Regina Lau, CFO at Weavr believes these customer benefits are demonstrated through financial service innovations like ‘Buy Now, Pay Later’ (BNPL), she said: “Embedded finance has the potential to broaden the financial-services market. The solution offers consumers more freedom when making financial transactions. A good example is BNPL, it offers users an ability to do more with their capital and in a totally seamless manner. This latest development forms part of a broader trend, which includes technology providers using embedded payment services, like Airbnb and Uber that have high customer-retention rates.”

Boundless potential

Embedded finance has multiple real-world use cases that can be deployed almost immediately by businesses. Our research also highlighted a feeling that embedded finance can further improve economic outcomes for businesses and consumers in the future including an increase in revenue.

Adrian Mizzi, Co-Founder and CTO of Weavr comments: “BaaS solutions have a really high barrier to entry, embedded finance brought this barrier down slightly, but Plug-and-Play Finance helps to lower it completely for businesses who want to offer financial services. By doing that, you’re enabling more ideas to come to the surface, which were previously unachievable. So, it’s allowing innovative ideas to happen in a more time and cost-effective manner, whilst dealing with any compliance concerns and that ultimately can lead to solutions that change lives.”

David Birch, Principal at 15Mb agrees and put forth an example of one possible future use, he says: “I think there’s potential to take embedded finance into adjacent fields and to solve problems that people aren’t even considering at the moment. Embedded finance solutions provide a level of flexibility and sophistication we’ve not seen before. There are big problems waiting to be solved and embedded finance could help to solve them.

“It’s a solution that creates so many opportunities, some of which aren’t even necessarily financial in nature. A good example would be self-authentication on social media or dating websites. With integrated embedded finance solutions, applications could quickly validate an individual using their bank account. Next, the system could create a cryptographic token unique to the user and suitable for future use.”



Alignment of thinking: the beginning of a journey

While the opportunities presented sound exciting, is this all still too new and difficult for most innovators to solve in practice? In this next section, we asked our interviewees that important question. Ultimately, our research indicated differing opinions on the topic. Some of those we spoke to felt that there was broad alignment in the area, while also feeling it was an aspect of embedded finance that needed improvement.

Alex Mifsud, Co-Founder and CEO of Weavr reflects on the topic by commenting: “On paper, embedded finance can solve so many problems. However, is there agreement between the businesses who may benefit from the technology and the providers offering it on how to get the most out of the technology?”

Lena Hackelöer, Founder and CEO of Brite Payments sees it similarly, she comments: “The market is still coming to terms with embedded finance as a concept. I think there’s consensus about the opportunities that embedded finance offers, but it will take time for the market to make use of these and to then pass them on to consumers. There’s a lot of education that still needs to happen, but I don’t think it will be long until we see this trend take off.”

Sarah Werner, Co-founder and CEO of Husmus agrees, commenting: “I think it’s clear that so far there’s been limited joined-up thinking regarding the potential future applications of embedded finance solutions, but you have seen some broad areas of convergence emerge in recent times. I think BNPL is the best example of this, it’s a clear use of an embedded finance product with real mainstream appeal.”



Education, education, education

This need for education was reiterated by several experts, including Yann Ranchere, Partner at Anthemis Group: “There’s a lot of learning that needs to happen, and that’s on both sides. I think there are a lot of regulatory aspects regarding the subject that still need to be properly understood. Additionally, some still question how much value embedded finance can add to a business, but this information will come with time.”

Regina Lau, CFO at Weavr sees it similarly, commenting: “I think there’s alignment, whether people know it or not. The functionality offered through embedded finance solutions is something that people have wanted for a long time, but there’s never been a term for it. So, I think there’s considerable demand there, but it might need some further education to businesses on all of its potential future applications.

“With that said, I get a sense of real excitement from businesses. I think we’re approaching an era where Gen Y, and older members of Gen Z are beginning to enter real decision-making roles. These people have been brought up in a digital world, so they are more inclined to see the massive upsides of embedded finance. So, I think some of it is a generation thing and may relate to one’s existing familiarity with tech-based systems.”

Paul Staples, Global Head of BaaS at HSBC agrees that tech-savvy individuals tend to understand the potential better, commenting: “There’s a reason fintech companies are a step ahead right now. They are more educated on the benefits and will probably lead the charge when it comes to adoption. I’d imagine that will be the direction of travel for a while, but I’m sure not long after you’ll begin to see businesses at different stages of their growth journey incorporating the technology in their operations.”

Daniel Greiller, CCO of Weavr comments: “It’s clear, the businesses who best understand embedded finance are currently getting the most out of it. That creates a clear incentive for companies to become more educated in this area. By studying what’s possible with embedded finance, you quickly become more open to the opportunities that this technology presents. It’s one of the quickest ways to help give your business a competitive advantage in the context of increasingly crowded marketplaces.”

- ✓ New revenue opportunities (nearly 50% of Shopify’s revenue is through financial services)
- ✓ Increased total addressable markets (MindBody increased their TAM by 3.5% by integrating payments functionality)
- ✓ Richer access to customer data and therefore more opportunities to create personalised customer experiences
- ✓ Increased customer stickiness





How will embedded finance change lives?

Now we know how embedded finance will revolutionise the world of business, but what impact will the technology have on our everyday lives? In our next section, we asked our experts for their thoughts on this important subject.

Removing friction, enhancing experiences

Paul Staples, Global Head of BaaS at HSBC, says: “For me, the big question is: ‘how will embedded finance improve lives?’ I think, for consumers, we can make the transaction process easier and less intrusive. That’s an area where it can change lives; it will make things frictionless, which means less annoyances, less stress for consumers. I also think it will help to make philanthropic platforms more seamless, which is a huge plus.”

Daniel Greiller, CCO of Weavr mentioned: “The lives of those business people who choose to adopt embedded finance within their strategy and business model will be improved – especially with Plug-and-Play finance solutions. Not only is Plug-and-Play much faster to implement, but it removes those sleepless nights worrying about compliance, as it’s all taken care of. Now for the end user, who already has high expectations on how frictionless finance should be digitally, it will allow them to have positive, seamless interactions with the business.”

Simon Torrance, Founder at Embedded Finance and Super App Strategies feels similarly, he comments: “It will change lives, because it will help to close the gap between what people need and what they are being offered. Brands with greater knowledge can better understand when someone needs a loan, or insurance. Those companies are in a good place to make plug-in financial services part of their proposition, but obviously this wasn’t possible before at the same scale, cost and speed as it is now and will be in the future”.

Alex Mifsud, Co-Founder and CEO of Weavr commented: “Embedded finance is a step in the right direction, but the sector needs to specifically focus on true Plug-and-Play Finance solutions, which allow businesses to adopt Financial Plug-Ins.

In the near future, these will be built to support the context of businesses in the areas of functionality and compliance. I think we’ll see this emerging to support the financial capabilities of platforms serving employees, suppliers, and workers.”

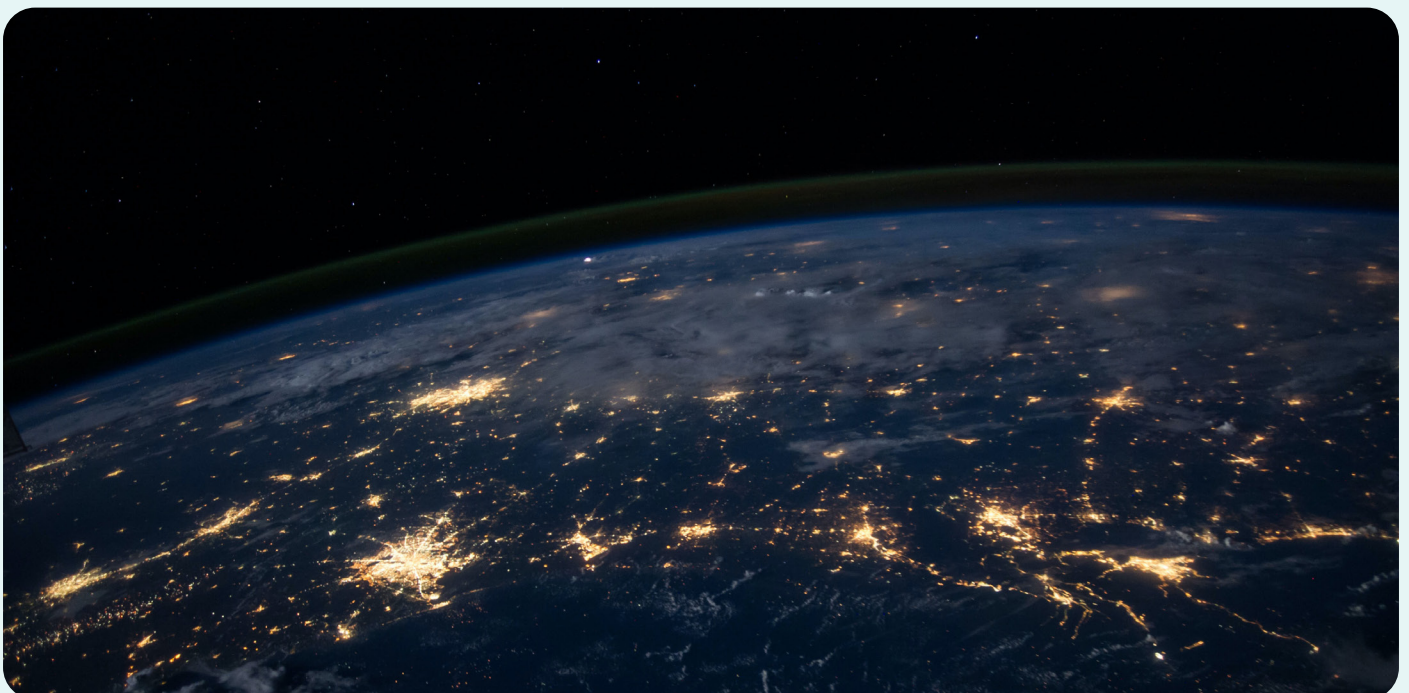




Building a more inclusive world

Regina Lau, CFO at Weavr takes a global view on the matter, commenting: "Some regions are more fragmented in terms of their provision of financial services. In these geographies, the mobile phone is often the first point of contact with financial services. With embedded finance, you can do everything on your phone, going beyond the basic capabilities that we've all become accustomed to, so it's a way to leapfrog towards financial inclusion."

Daniel Greiller, CCO of Weavr shares this perspective, commenting: "Ultimately, it's a solution that can help to foster inclusion across the globe. Embedded finance helps to empower entrepreneurs to start new businesses which, in turn, helps to create new jobs and provides more economic opportunities. So, in that sense you're empowering people, as well as giving them more financial freedom by opening up their access to financial services."



Employee Finance

Spotlight: a digital approach to modern employee benefits

Today's workforce would much rather focus on productivity and wellbeing than endless paperwork.

Employers want employees to be empowered and motivated but often lack the means to give them easy-yet-controlled access to the company's money. They also struggle to empower employees to purchase the stuff they need for their work, the benefits that they actually want as well as the occasional rewards for being awesome.

SaaS platforms for employee interactions can turn finance from friction into a winning feature. But, there's a significant hurdle to overcome.

While offering access to financial services to employees within an application is compelling, the resources required are prohibitive and dauntingly complex whether you're designing from scratch or adding features to your existing solution.

Then there's the burden of compliance, regulation and data security that comes with it all.

Benefits for employers

- ✓ Segregate specific funds accessible to employees for benefits and expenses purposes
- ✓ Set budgets and controls for specific purposes
- ✓ Make funds available through appropriate payment methods and form factors, including virtual and plastic cards, Apple Pay and Google Pay, credit transfers and direct debits
- ✓ Easily on-board employees and safely off-board them when they leave

How Plug-and-Play finance can help

Pre-built embedded finance solution

There's no need to plan for a costly and time-consuming build programme as the plug-in has been pre-built with the full set of functionality you need

Your brand, your user experience

Weavr disappears into the background so you can offer seamless, branded finance user journeys inside your application

Data insights for product development

Gain insight into your customers' platform usage to guide product development and acquisition efforts

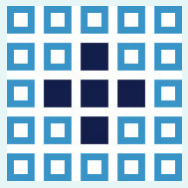
Cost-effective

Fast launch path, product-based solution, and innovator-friendly pricing translate into substantial savings

Compliance as a service

We handle the burden of compliance, data security, and critical financial systems performance so you can focus on your application innovation and growth without worries





Mosaic Health

The challenge

As most people already know, the UK healthcare system currently finds itself under immense strain. After three pandemic-riddled years, the nation's health services are now increasingly difficult to access, with waiting times at historic highs.

Simultaneously, demand for related services, such as mental health support has also been on the rise. In response to this trend, a growing number of employees are now requesting that employers offer healthcare privileges within working benefits packages.

In fact, according to the 'Employee Benefits Survey' conducted in 2021 by Hooray Insurance, health insurance now ranks as the most-wanted benefit from start-up employees, attracting nearly 57% of the overall vote ^[8].

Additionally, more than half of respondents believed that employers should now help employees gain access to mental health services as a way of supporting them in their working activities ^[9].

Unfortunately, businesses who want to offer their employees access to healthcare services currently have few places to turn, aside from expensive private providers. Similarly, corporate budgets for employee healthcare provisions have been tightened in recent years.

Moreover, the reimbursement process used for both customers and healthcare providers remains cumbersome. Ultimately, only high earners and health insurers benefit from the existing model, which is in desperate need of transformation.

When combined, these factors are increasing the proportion of people being underserved by the health service in the UK. At the same time, these problems are limiting individuals' access to supplemental health services, such as mental health support.

Therefore, the challenge is to develop a solution that would allow employers to start providing their teams with healthcare benefits quickly, easily, and affordably.



The solution

In response, Mosaic Health will soon launch its traditional, co-operative model of self-financed health cover, with the payments infrastructure powered by Weavr. The collective funding alternative, in which businesses pay into a shared, legal trust fund, represents the standard-bearer in the transformation from complex and costly, to easy and affordable.

This streamlined solution will help to unlock employee access to valuable digital health services, such as support with issues including addiction, sleep and pre-diabetes. These services are also offered by the NHS, however, in light of the existing backlog and long waiting lists, they are currently incredibly difficult to access.

Thankfully, by offering this new model and smoothing the process, employees can access these services more quickly and easily. In turn, this helps to ensure that health needs are being met, while also helping to reduce the waiting lists for that service on the NHS.

Additionally, by utilising Weavr's Plug-and-Play Finance and offering employees a payment card to redeem these services, Mosaic Health is simplifying what has traditionally been a lengthy and complicated process. The cards will both alleviate the significant paperwork and time-consuming reimbursement processes, and provide reassurance to employees that they can access their approved list of health support providers without shouldering responsibility for the cost.

The results

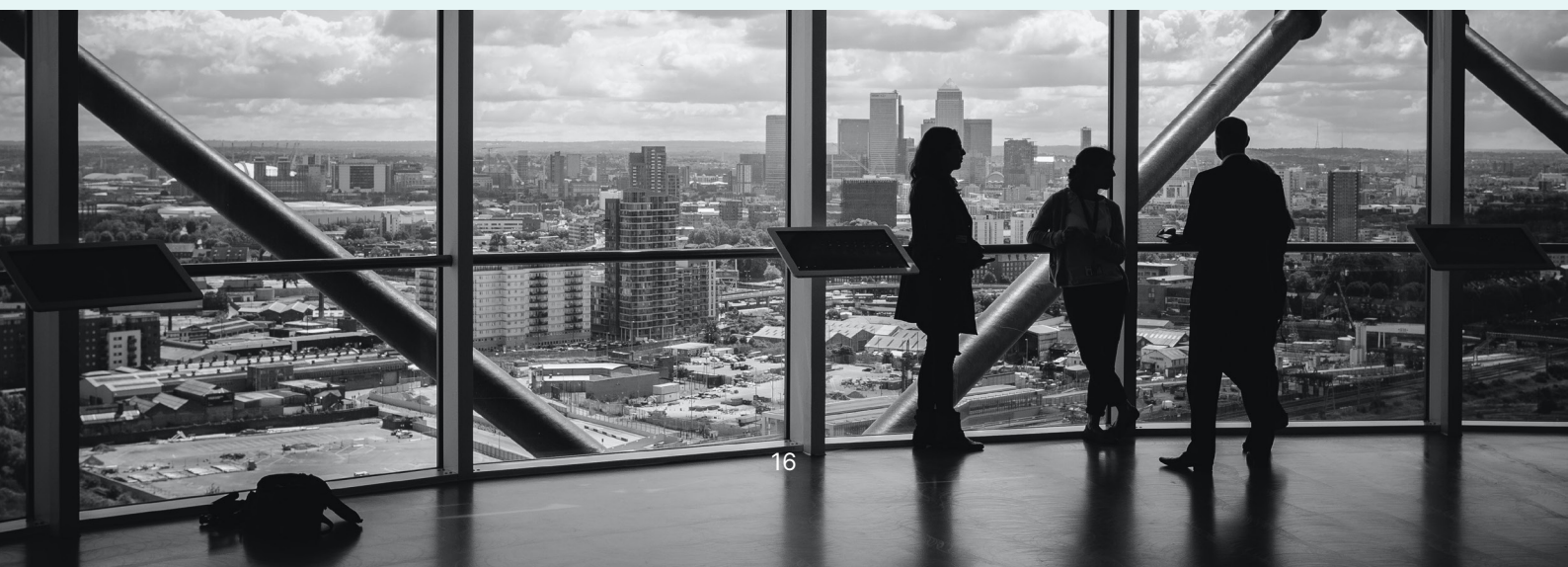
Powered by Weavr's technology and expertise, Mosaic Health is delivering on that front, bringing healthcare to a greater number of people in such a way that participating businesses can drive real commercial returns.

Whereas untreated health issues hurt businesses by contributing to enhanced mental strain, absences, and lost productivity, an affordable healthcare plan can help to generate a healthier and happier workforce. At the same time, the service allows businesses to offer the one benefit new recruits most desire in a company – healthcare.

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“Weavr stood out as a provider of payment services, as the only one capable to work with the speed and flexibility that we required to bring our solution to market swiftly in an efficient and compliant manner. Weavr's ability to facilitate our tailored payment cards and shoulder the associated regulatory burdens have allowed Mosaic Health to innovate fast, moving from concept to launch in a matter of months.”

Tom McCabe, Co-founder and CEO at Mosaic Health



Worker Finance

Spotlight: empowering the creator economy

A new, freer breed of worker – be they artists, influencers, copywriters or delivery drivers – values the flexibility to do what they want, where they want and for whom they want. However, these pluses often result in less reliable cash flow as well as the addition of the paperwork associated with handling multiple clients and suppliers.

Innovation comes to the rescue. Some gig-economy platforms exist to help freelancers find work, some help them to better manage their finances and others provide additional benefits such as insurance.

All of these platforms share several financial requirements, such as the ability to onboard new freelancers, help them get paid and manage their earnings.

For businesses designing a digital solution from scratch or adding features to existing platforms, the cost of building the financial infrastructure is prohibitive – not to mention the compliance, regulation and data security that comes with it all.

Benefits for workers

- ✓ Pay gig workers instantly or ahead of their next invoice
- ✓ Provide just-in-time funding for expenses incurred
- ✓ Make funds available through convenient payment methods and form factors, including virtual and plastic cards, Apple Pay and Google Pay, and credit transfers
- ✓ Provide insight into cash flow and expenditure
- ✓ Set budgets and controls for specific purposes

How Plug-and-Play finance can help

End-to-end gig platform payments

Creators and other workers receive their earnings in a wallet built-in to the platform where they are doing the work

Branded accounts and cards for users

Offers virtual and plastic payment cards for users to spend cash they've generated from the platform.

Instant payment notifications

To keep everyone in the loop by integrating real-time notifications for financial transactions and triggers into preferred chat and notification channels.

Safe self-service user cash management

Workers and creatives manage when and how they withdraw or spend cash that they have earned or been paid within your platform or marketplace.

New platform revenue opportunities

Adds new premium subscription levels or usage-based fees for value-adding financial features such as escrow, payment cards, and multi-user accessible accounts.





MONET

The challenge

The internet has given rise to social media, and the ability of people to achieve great things within the creator economy. Now, people of all professions have the opportunity to monetise their skills outside of the traditional employer-employee relationship. But going solo is less secure and sometimes creators need cash flow now, not next week.

The solution

MONET's platform gives back control over cash flow and offers unique business tools to manage multi-stream income from the likes of brand deals and platform earnings. With Weavr's Worker Financial Plug-in, the company can go further and give freelancers a 'Creator Card', and access to a digital wallet to manage payments directly within the app.

The results

With Weavr's technology, MONET's platform is able to pay creators upfront on what they are owed from brand deals and platform earnings, pushing funds directly into the creator's dedicated MONET current account, where they also get the benefit of 1% cashback on all business spending. As such, the solution is benefitting all parties involved.



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“With the help of our partners at Weavr, we've been able to get to market with verticalised banking much quicker than we initially anticipated. Weavr has given us a cost-effective solution to bring MONET to life for UK creators in a safe and, regulatory compliant manner”

Jake Casson, Founder and CEO of MONET

Supplier Finance

Spotlight: Greater control and convenience for B2B payments

Getting paid and paying suppliers – back-office processes aren't usually the most-loved of tasks but they're definitely amongst the most important.

Much effort goes into tracking, executing and reconciling payments from customers or to suppliers – often across countries, currencies and timezones. As the business grows, so too does the workload and the impact on the bottom line. Thankfully, many B2B solutions exist to help businesses make such tasks much easier.

However, few solutions provide an end-to-end service that also takes care of a key aspect – enabling all payments to be made and received fully within the B2B solution. In many cases, handling payments means logging into an application to move money, missing out on the superior convenience, control and efficiency that can be delivered by a joined-up solution.

Embedding the movement of money into such a service is the ideal user experience but it has long been out of reach for many.

The implementation of Plug-and-Play Finance into a B2B SaaS application can enable businesses, from accounting software to order-management platforms, to achieve more. Similarly, the technology can help businesses to more effectively leverage data collected through B2B business interactions, thus creating the possibility to build systems that 'learn' over time, becoming more responsive to areas of need.

How Plug-and-Play finance can help

Virtual debit cards

Payment cards are set up for company employees to manage procurement in a safely delegated manner, integrated into the context of ordering and supplier transactions.

Custom UX & logic

Added financial features where it makes the most sense, and defined business logic around permissions, transactions, and notifications.

Unlimited virtual accounts

Balance-holding accounts in digital wallets for users as and when they are needed, accessible within the application.

Simple standard identity workflows

New account holders can get set up by themselves with secure, guided know-your-business identity verification steps.

Security combined with convenience

Suppliers have peace of mind of following financial services standard security and authorisation checks, Customisable inside the application.

Benefits for B2B businesses

- ✓ Segregate specific funds that are accessible to employees to pay suppliers
- ✓ Automate reconciliation of funds against invoices and/or funding
- ✓ Set budgets and control for specific purposes
- ✓ Make funds available through appropriate payment methods and form factors,
- ✓ On-board and off-board account holders safely

TROC CIRCLE

The challenge

Experts estimate that there are trillions of pounds trapped within inefficient global supply chains. These costs are often absorbed by businesses, who may need to take out high-interest loans to keep their heads above water or delay payments to suppliers.

In 2019, Troc Circle committed to tackling this challenge through open-netting technology. Having identified that where two or more parties in a supply chain were sending invoices, they could form a payment circle, Troc Circle created an algorithm, which could identify this circle and net out every party's owed amount.

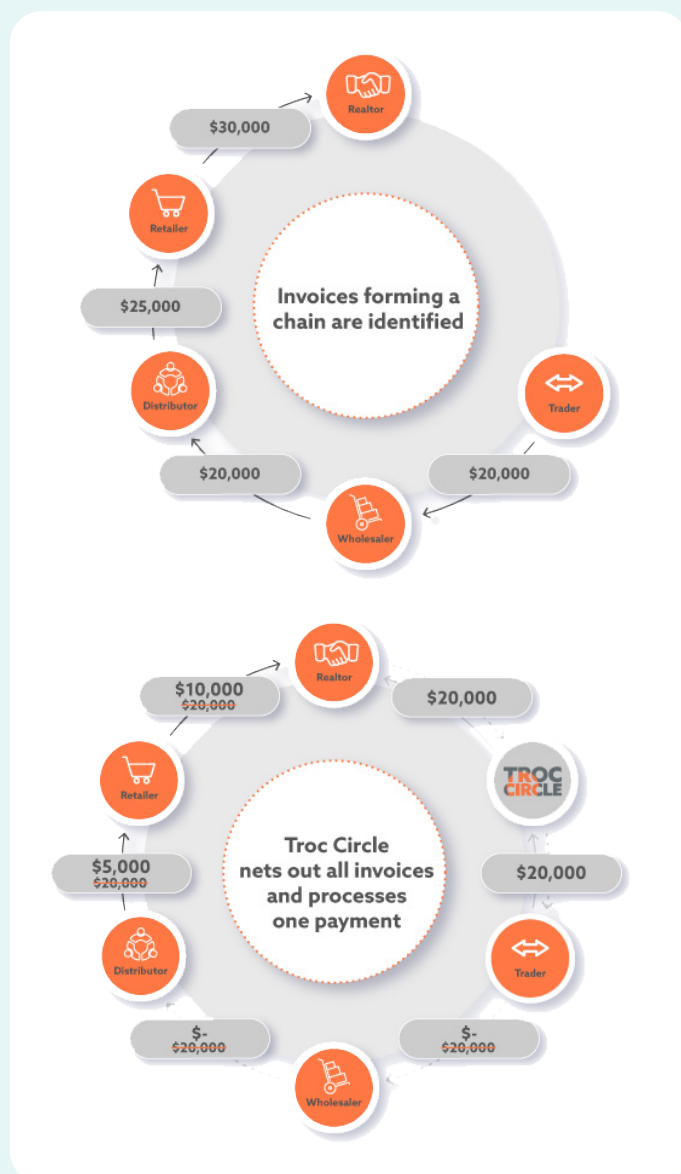
However, Troc Circle recognised that when capital gets stuck in a payment chain it is unlikely to naturally form a circle, and its current solution was unable to help. It was a significant challenge, as circular netting only covers around 3% of open invoices on average, whereas chain netting could reach around 70%.

In response, Troc Circle searched for a provider who could enable the processing of chain-netting payments. The company needed a partner who could guarantee that sellers would be able to collect payments instantly and at a low cost.

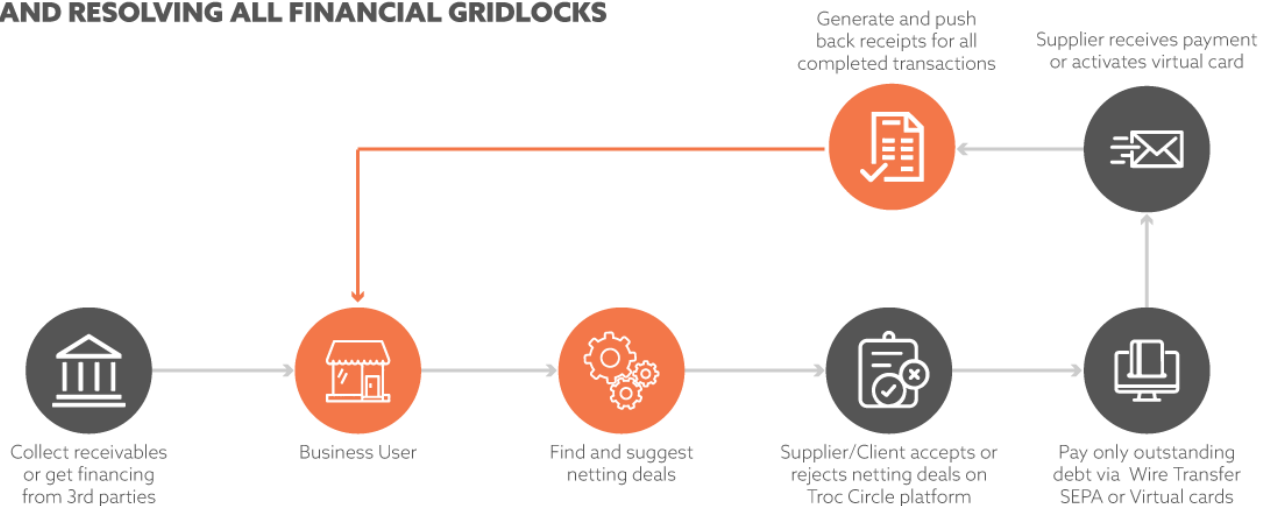
The solution

Troc Circle identified that Weavr would provide the technical and regulatory compliant framework required to onboard merchants and sellers, while also allowing payments to be processed via its virtual card solution.

Weavr's solution was easy to integrate with the company's existing ERP, as well as the various accounting software packages used by different businesses. Furthermore, Weavr was able to improve its KYC and compliance checks - fundamental requirements of offering any financial service..



TROC CIRCLE CREATES A FAIR MARKET FOR ALL BY STREAMLINING AR/AP PROCESSES AND RESOLVING ALL FINANCIAL GRIDLOCKS



The results

Troc Circle estimates the solution will soon reduce invoice processing costs by around 80%, while making the process more than ten times faster, marking a significant disruption within the sector.

For businesses, this will allow more working capital to be released and then negotiate better rates with suppliers by ensuring earlier payments, while also ensuring transactions are completed at live-market rates.

The solution is currently targeted at trading marketplaces that have a large number of suppliers. Typically, these marketplaces are the first node of the supply chain and onboarding them will allow Troc Circle to grow the chain organically by incentivising their suppliers to benefit from chain-netting deals.

The integration of the system is nearly complete, with a pilot test customer scheduled to be onboarded in the coming months, ahead of the solution's full launch.



Collect 10x Faster



"We aim to help businesses unlock capital stuck in inefficient payment supply chains. With Weavr, we're able to offer this service as a seamless, digital product. After just a few weeks of collaboration, we have built a disruptive solution, which goes above and beyond our customers' expectations."

Fares Hobeiche, Co-founder and CEO of Troc Circle

What's next for embedded finance?



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“Embedded finance is the new and unstoppable force that is revolutionising business, just like eCommerce did 20 years ago. The shift to delivering financial services within non-financial applications is just starting to accelerate but has the potential to be the next evolution in financial services delivery. Our vision is that most financial services are purchased and consumed through digital products and services that serve broader and more fundamental customer needs like health, education, work, family, and leisure. The focus will be more on the benefits of banking and less on the banking itself. You can get very creative by having banking disappear into the background.

“Until very recently, embedding financial services such as banking and payments within a non-financial digital business has been complex, lengthy, and inherently unsafe. Businesses lacked the technical capability and risk appetite to manage and understand compliance and data security. Our mission is to make building and integrating banking services like any other digital software – simple, flexible, and accessible to all innovators while ensuring that it is safe for the financial institutions providing such banking services.”

Alex Mifsud, Co-Founder and CEO of Weavr

Talk to an expert on
embedded finance



Experts

Alex Mifsud
Co-Founder & CEO at Weavr



Alex has been a serial payments entrepreneur over the past 15 years. Before Weavr, he also founded Ixaris Technologies, an innovator in global B2B payments.

Adrian Mizzi
Co-Founder and CTO at Weavr



Adrian is a highly experienced technologist. He has a proven record in building and leading technology teams covering all the key IT functions for payments businesses.

Daniel Greiller
CCO at Weavr



Daniel's career spans 18 years in the banking and payments sector, including senior positions at Ethoca and Feedzai.

David Birch
Principal at 15Mb



David is an author, advisor and commentator on digital financial services, as well as Principal at 15Mb.

Lena Hackelöer
Founder and CEO at Brite Payments



Lena is an experienced leader in fintech. She founded Brite Payments in 2019 following her role as CEO at Swedish fintech Qliro.

Regina Lau
CFO at Weavr



Regina is a global strategy and financial leader with over 20 years' experience in payments and fintech working with both public and private equity backed companies.

Michael Kent
Founder and Chairman at Azimo



Michael is a serial fintech entrepreneur and investor. He advises and invests in fintech businesses, including Azimo, Calibra, Salary Finance and Weavr.

Simon Torrance
Founder at Embedded Finance and Super App Strategies



Simon is an entrepreneur and senior independent advisor to boards and leadership teams.

Yann Ranchere
Partner at Anthemis Group



Yann is an industry expert, with international experience in a broad range of financial services.

Sarah Werner
Co-founder and CEO at Husmus



Sarah is a strategy and data science expert. She runs Husmus, an insurtech startup that promotes lifestyle diversity and financial inclusion in private renting through embedded insurance.

Paul Staples
Global Head of BaaS at HSBC



Paul has had a 20-year career founding, building, and scaling tech and business platforms across multiple industries.

Susanne Chishti
CEO at FINTECH Circle



Susanne is the CEO of FINTECH Circle, Europe's 1st Angel Network focused on fintech opportunities and Founder of the FINTECH Circle Institute.



About Weavr

Weavr offers Plug-and-Play Finance, which enables innovative businesses to look beyond the limitations of BaaS and other embedded finance offerings by quickly and efficiently integrating financial services into their digital products. Weavr offers a range of comprehensive Financial Plug-ins that enable businesses to seamlessly deploy financial solutions for B2B payments, employer-to-employee payments, freelance finance and more. Founded in 2018, with headquarters in London, the company is backed by renowned names such as Tiger Global, who led its \$40 million Series A to expand operations from the UK and Europe to the US and Singapore.

Weavr's mission is to enable any business to offer any financial service anywhere it's needed. Plug-and-Play Finance offers simplicity, flexibility, and accessibility to all innovators, while also ensuring they do not have to worry about the burden of compliance, regulation, and data security. Weavr does that for them. Weavr believes that by making it possible for any business to incorporate any financial service into their product, they can foster innovation and accelerate the real-world benefits of embedded finance for many more businesses.

Sources

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