

# Software + embedded finance = **exponential revenue growth**



A roadmap for ISVs to monetize and scale  
payments to advance your business

## Shifting market demand + payments evolution



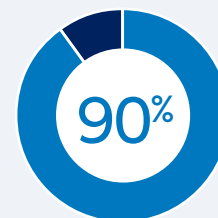
As agentic commerce, SaaS-based business applications, and embedded finance become more prevalent in our day-to-day lives, the impact of truly interconnected payments is upending the traditional consumer experience. And merchants are taking note. In 2025, roughly 90 percent of U.S. merchants reported using an ISV solution for payments or business management.<sup>1</sup> The facts are clear: small businesses want solutions that provide capabilities beyond just accepting payments and help them streamline their business operations.

And while the ISV market is exploding, it's becoming an increasingly competitive, and crowded, marketplace. Case in point – the global ISV market clocks in at USD 4.12 billion in 2026 with projected growth to USD 9.44 billion by 2035, representing a CAGR of 9.64%.<sup>2</sup>

**So, how do you ensure your software business is positioned for success?** The answer lies in the added value you embed into the payments experience and your long-term payments strategy. Let's take a closer look at how embedded finance capabilities can differentiate your business, create 'stickier,' long-term customer relationships, and maximize your revenue potential.

**\$4.12B**

the 2026 global ISV market value in USD.<sup>2</sup>




90% of U.S. merchants used an ISV solution for payments or business management.<sup>1</sup>

# Embedded payments + financial services

In the earliest stages of ISV market growth, software companies offered basic payments acceptance functionality without additional services or solutions that complement the consumer/customer buying experience. Market saturation has made the need for a holistic solution critical for long-term, scalable growth. Leading ISVs are embedding advanced financial and administrative tools, including automation of accounts payable and receivable, SMB lending, invoice and tax management, payroll, corporate card, and C-suite reporting.<sup>3</sup>

Developing a high quality software solution that addresses specific vertical and segment challenges is fundamental. However, reaching a wider audience, scaling your operations, and optimizing revenue potential often requires partnering with technology providers that deliver additional value.

One such use case? Implementing lending functionality through [API integration](#) is part of a broader approach to delivering a better customer experience. Capitalizing on this trend now can give your business a competitive edge in a market poised for growth. Analysts estimate the embedded lending market will grow to USD 28.43 billion by 2032.<sup>4</sup>



**Use case:  
incorporate  
embedded  
lending for  
home services.**

Let's explore a specific vertical example: a home services-focused ISV that offers scheduling software with integrated payments and embedded lending tailored for plumbing companies. By incorporating point-of-sale financing directly into the platform, the ISV empowers plumbing businesses to offer immediate lending options for emergency or high-cost jobs.

For example, when a customer needs a new HVAC unit, ABC Plumbing can present a financing solution at checkout, making the expense manageable. Once approved, the financing provider pays the plumbing company in full right away, ensuring the job can proceed without delay.

This model creates value for all parties involved. The consumer benefits from flexible payment options that ease the burden of

unexpected expenses. The plumbing company receives prompt payment, improving cash flow and enabling timely service delivery. Most importantly, the ISV deepens its role as a strategic operational partner, reinforcing its value to the service provider while also generating revenue through a share of the lending activity.

Beyond lending capabilities, APIs can provide seamless money movement with your software's workflows to simplify payments and reconciliation, leverage a bank-owned for-benefit-of account (FBO) structure, or route payments to your preferred digital channel. Additionally, integrating a [payment gateway](#) can help you and your customers reduce overall PCI DSS validation requirements via encryption, tokenization, and strict acceptance rules.

# Embedded payments + vertical growth strategy

*“A jack of all trades,  
master of none.”*

We’ve all heard the expression; it underscores an important reality for businesses competing in increasingly complex industries. Taking a vertical or vertical-adjacent approach to capturing market share creates a compelling value proposition for businesses looking for solutions that solve specific challenges, industry regulations, and operational inefficiencies.

The healthcare vertical provides an ideal use case for an extraordinarily complex and crowded ecosystem. While EHR vendors have saturated the market with electronic health record functionality, providers still struggle to manage data across EHRs, payers, labs,

devices, and applications. For ISVs, this fragmentation creates an opportunity.

ISVs that embed healthcare payments functionality directly into EHR workflows – automating accounts receivable, enabling digital and text-based payment options, and improving revenue cycle management – can address persistent financial and operational gaps. By extending beyond record-keeping into the entire payments lifecycle, these platforms can differentiate in a crowded healthcare IT market while delivering measurable value to providers.

For many software companies, access to a comprehensive partner ecosystem offers a practical path to navigating the complexity of the healthcare industry. By focusing on core competencies while integrating

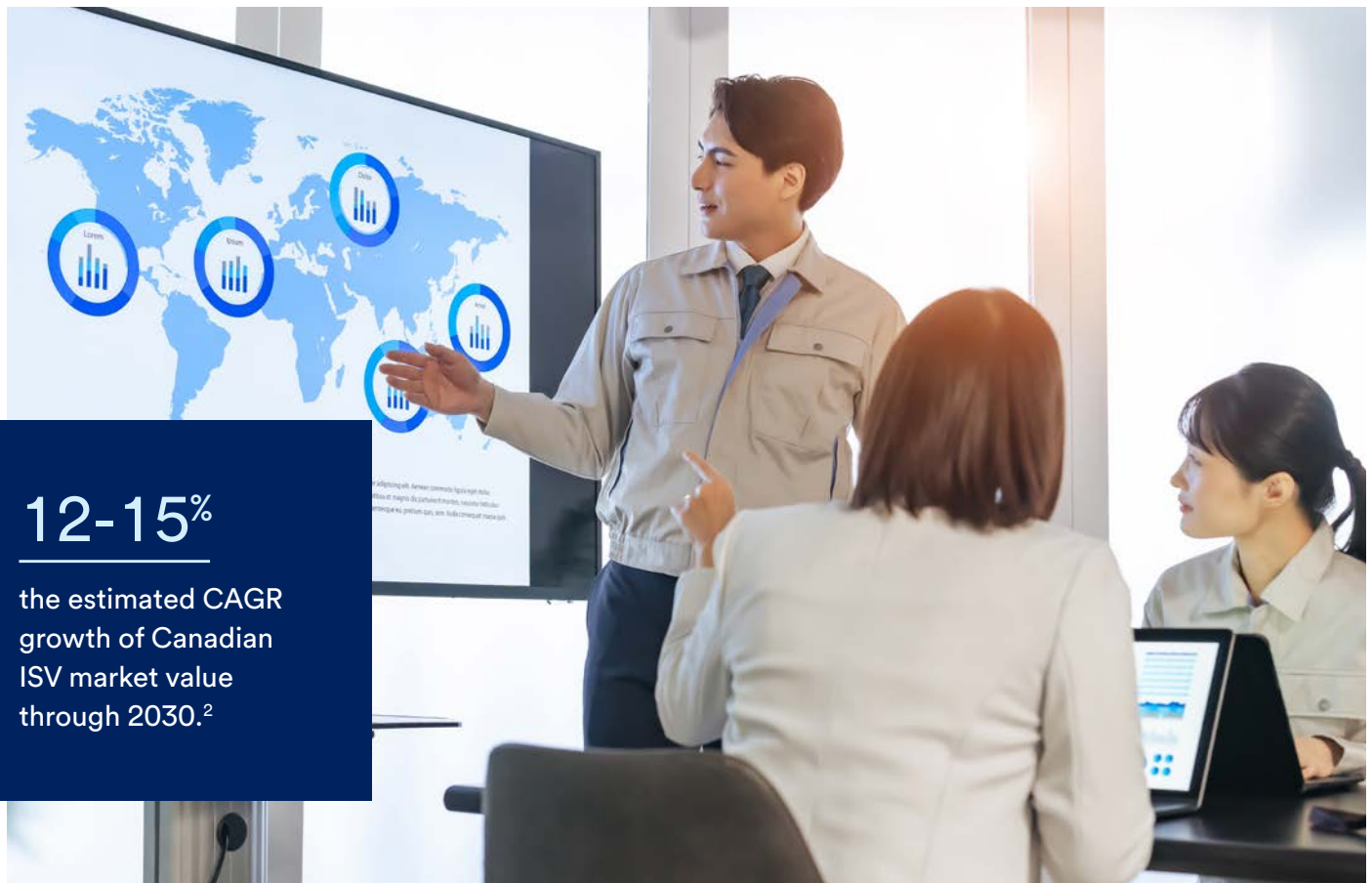
complementary healthcare or payments technology, companies can reduce development timelines and accelerate speed to market. A partnership model also proves to be mutually beneficial, enabling both organizations to increase market share from shared roadmap innovation, referral partner programs, and expanded sales distribution channels.

Whether it’s access to embedded healthcare payments, flexible point of sale financing, or text-to-pay functionality that helps providers manage their businesses more effectively, embedded solutions create a stickier footprint while generating incremental revenue. Success depends on partnering with a provider that offers the infrastructure to scale alongside your business – while remaining flexible enough to adapt as market needs evolve.

Embedding payments  
into EHR workflows can  
address operational gaps.



# Embedded payments + expanding your geographic footprint



**12-15%**

the estimated CAGR growth of Canadian ISV market value through 2030.<sup>2</sup>

The agile nature of SaaS-based businesses reduces friction when scaling distribution channels and expanding geographically. Whether expanding within a region, country, or globally, payments partners play a critical role in navigating growth through simplified partner agreements and integrations, global currency solutions, and expertise in adhering to disparate compliance requirements.

As previously noted, the ISV market is growing globally.

## Create financial efficiencies and build new revenue streams by scaling globally.

Analysts project the Canadian ISV market will grow at a 12-15 percent CAGR through 2030, fueled by SaaS adoption, cloud migration, and vertical specialization.<sup>5</sup> If you are pursuing a North American expansion, selecting a payments partner that can seamlessly support embedded finance functionality in both markets,

enables you to scale your business sustainably.

Scaling globally also means offering your clients the ability to offer alternative payment methods, including multi-currency and cross-border payments capabilities to enable commerce internationally, create financial efficiencies, and build additional revenue streams.

# Embedded payments + scaling your business model

Now more than ever, merchants face a wide range of options when choosing a payments partner. The merchant experience – and, by extension, their customers' experience – drives the success of any payments partnership. The payment facilitator partner model (PayFacs) delivers significant

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## The PayFac model empowers ISVs to unlock new strategic growth opportunities.

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advantages by simplifying onboarding/underwriting, streamlining risk management, and ensuring compliance with industry regulations, a time-consuming and arduous process for merchants.

Notably, the rise of embedded finance and proliferation of SaaS solutions has accelerated the growth of the PayFac model. Case in point: the global payment facilitation market size will reach \$50.1 billion by 2033.<sup>6</sup> This growth highlights why it's critical for ISVs to understand the benefits of transitioning to the PayFac model.

However, the merchant experience extends well past the onboarding stage. PayFacs add

value throughout the entire customer lifecycle. ISVs that adopt this model typically scale their businesses and sales channels to deliver value-added services that strengthen relationships with merchants and end customers – and go beyond payments. By adopting the PayFac model, ISVs can deliver a more holistic solution, incorporating embedded finance features such as advanced customer data analytics via dashboard reporting and flexible financing options for customers.

For ISVs adopting the PayFac model, this approach strengthens customer relationships and reduces churn. This partner model goes beyond payments – embedded finance becomes a true competitive differentiator. For example, many PayFacs offer funding solutions that eliminate the need for costly money transmitter licenses. Fast funding is now table stakes. But funding that actually reduces costs for customers? That's a significant value add.

Beyond operational savings and enhanced customer stickiness, the PayFac model also empowers ISVs to unlock new strategic growth opportunities by integrating payments more deeply into their product ecosystems. As ISVs gain visibility into transaction level data, they



**\$50.1 B**

the estimated global payment facilitation market value in USD by 2033.<sup>2</sup>

can surface richer business insights, personalize customer experiences, and introduce data driven features that further differentiate their platform. This embedded data intelligence can lead to tailored pricing strategies and new service tiers that boost overall revenue.

# Embedded payments + U.S. Bank | Elavon



Backed by the strength and stability of U.S. Bank, Elavon can provide the best of both worlds – the financial services infrastructure of one of the country’s most established banks and the agility needed to navigate the competitive software industry and constantly evolving payments industry. Whether you’re new to the industry or a seasoned ISV, we’ll help you build your long-term strategy. Decades of experience working with partners has enabled us to develop an exceptional implementation, training, and incubation experience that enables you to achieve your maximum potential as a partner with us.

Trust a proven partner that can help build your long-term strategy.

## Why Elavon

**350** ISOs/MSPs

**1,000** integrated partners

**1,700** financial institutions

trust us to move their business forward.



### Sources:

<sup>1</sup> McKinsey & Company Report – Decoding ISV maturity: a global playbook for payments growth, January 2026 <sup>2</sup> Business Research Insights, April 2026  
<sup>3</sup> McKinsey & Company Report – Decoding ISV maturity: a global playbook for payments growth, January 2026 <sup>4</sup> Coherent Market Insights  
<sup>5</sup> 6wreach.com <sup>6</sup> Growth Market Report

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