

# JUMPSTARTING PRODUCT INNOVATION:

EMBEDDED FINANCE, FINTECH & INSURTECH

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SENIOR CONTRIBUTOR, FORBES



A photograph of a horse-drawn carriage on a path. A brown horse is harnessed to the carriage. The carriage has a canopy decorated with greenery. A modern, grey metal escalator is attached to the side of the carriage, extending to the ground. A person is visible inside the carriage. The background is a blurred forest. The text is overlaid in the center in white, bold, sans-serif font.

**FIXING THE USER EXPERIENCE  
OF AN OBSOLETE PRODUCT  
IS LIKE BOLTING AN ESCALATOR  
ON THE SIDE OF A HORSE BUGGY**



# TRENDS

**Consumers' Shadow  
Financial Lives**

**The Rise of Community  
Fintechs**

**Embedded Finance,  
Fintech, and Insurance**



# THE SHADOW ECONOMY





# CONSUMERS HAVE SHADOW FINANCIAL LIVES





**36% OF AMERICANS**  
**HAVE MORE THAN ONE CHECKING ACCOUNT**

**MANY CONSUMERS DON'T LINK  
THEIR PRIMARY DEBIT OR CREDIT CARD  
TO APPLE PAY OR GOOGLE PAY**






# \$2.5 BILLION MOVES THROUGH MERCHANTS' MOBILE APPS EACH WEEK

Source: Cornerstone Advisors





A woman with dark hair tied back, wearing a light blue tank top and blue leggings, is riding a black Peloton stationary bike. She is looking at the bike's screen, which displays a live workout class. The bike is positioned in a bright, modern living room with large windows, a beige sectional sofa, and a wooden coffee table. In the background, there are white built-in cabinets and a small blue tricycle on the floor.

# **\$24 BILLION OF PURCHASES USING BUY NOW, PAY LATER PROGRAMS WERE MADE IN 2020**

Source: Cornerstone Advisors

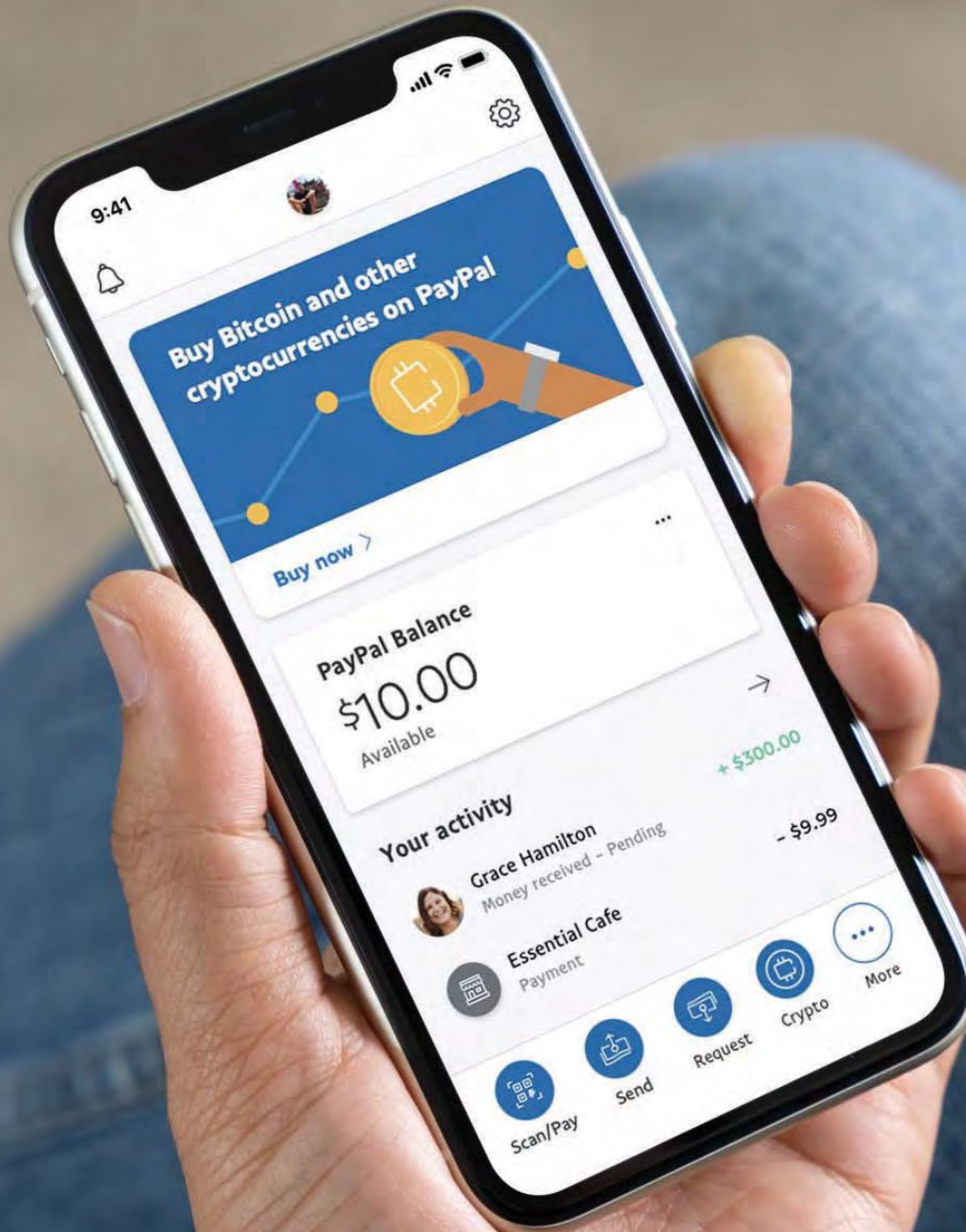


# **\$3 BILLION OF PRODUCTS WERE PURCHASED WITH BITCOIN IN 2020**

Source: Cornerstone Advisors

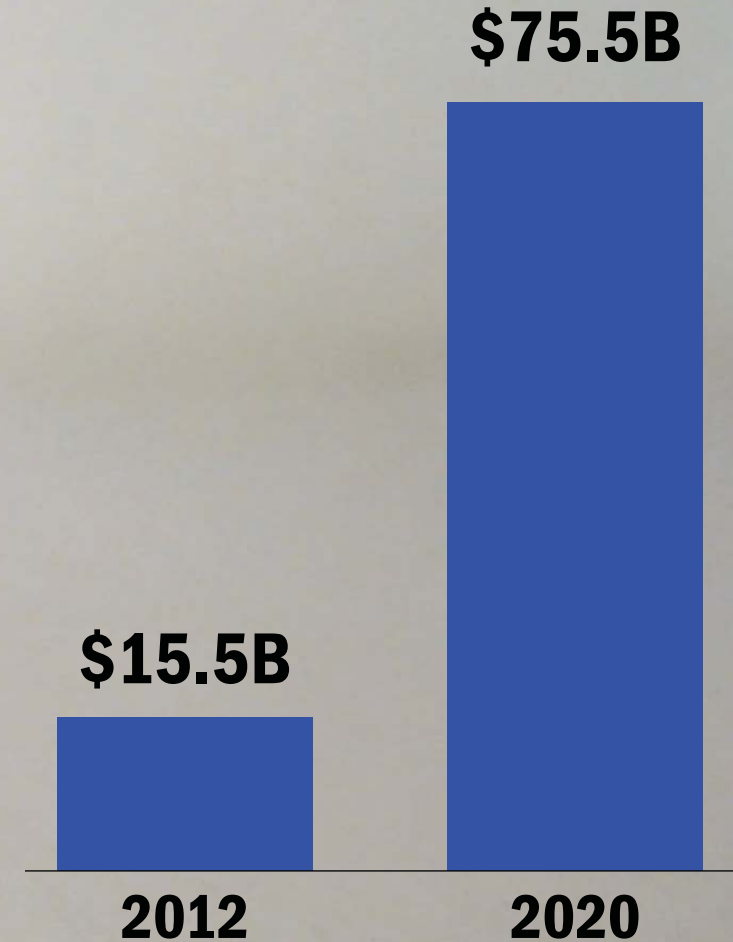


# PAYPAL ENABLES USERS TO PAY WITH CRYPTOCURRENCIES AT ITS 26 MILLION MERCHANTS



# HEALTH SAVINGS ACCOUNTS

## BALANCES HAVE GROWN 5X SINCE 2012






# AUTOMATED SAVINGS APPS HELPED CONSUMERS SAVE \$10 BILLION IN 2020

Source: Cornerstone Advisors





Robinhood 



## Investing for Everyone

Commission-free investing, plus the tools you need to put your money in motion. Sign up and get your first stock for free. Certain limitations apply.



Free Stock Disclosure







**INVESTORS GET INVESTMENT  
ADVICE AND EXPERIENCE  
FROM FANTASY FINANCE**



**35% of Gen Z and Millennials use**  
**credit karma**  
**at least once a week**

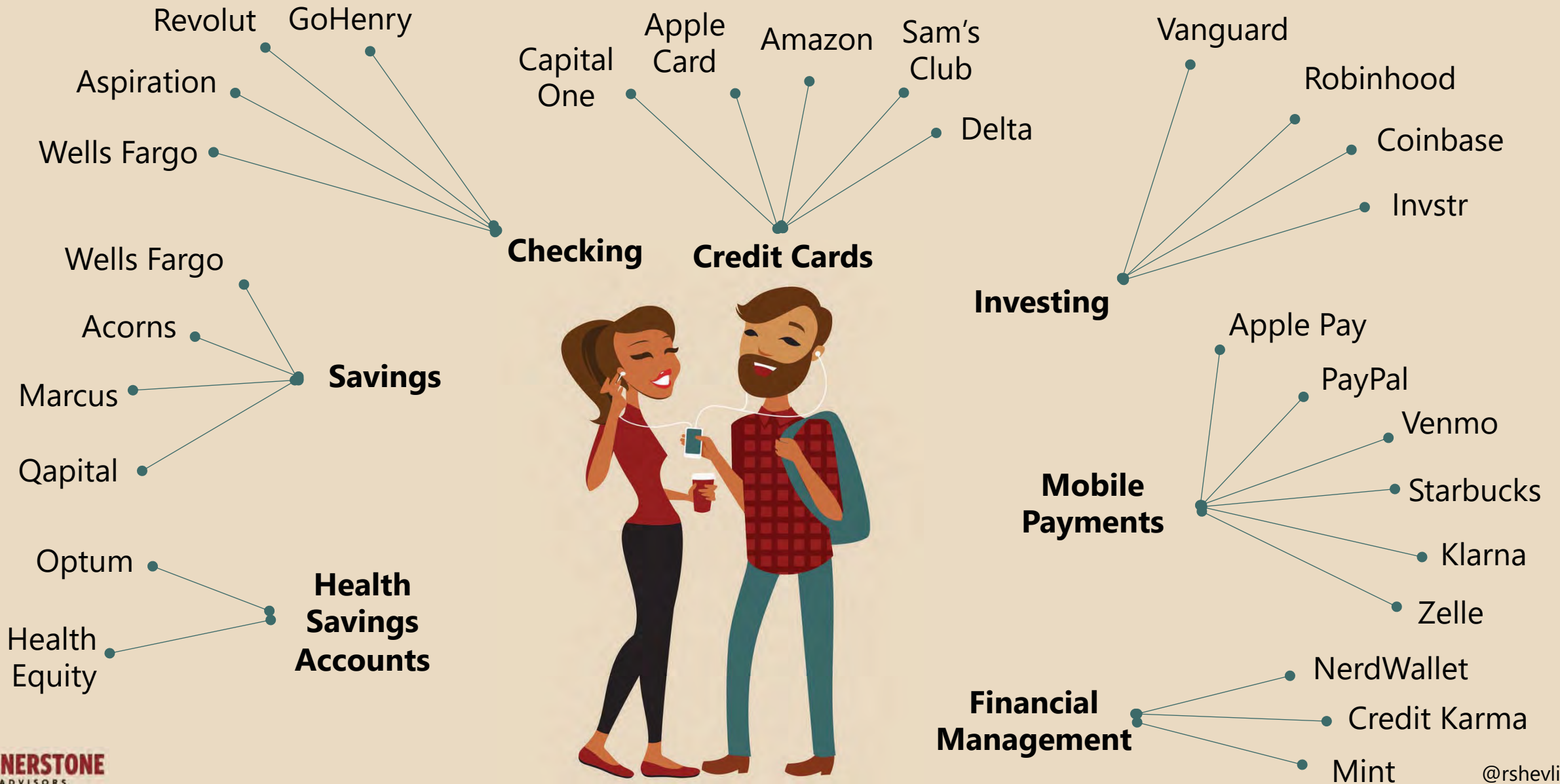
Source: Cornerstone Advisors



# CHECKING ACCOUNTS HAVE BECOME **PAYCHECK MOTELS**



# CONSUMERS HAVE SHADOW FINANCIAL LIVES





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# THE CHALLENGER BANK INSURGENCY OF 2020

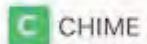
28 million Americans—including  
20% of Gen Z and Millennials—  
have a challenger bank account







# **CHALLENGER BANKS ARE WINNING ON PRODUCT DIFFERENTIATION**



now

**Payday came early!**

**\$1,352.24 posted to your account** 🐝



Faster access to funds based on comparison of traditional banking policies, deposit of paper checks from employers/government agencies vs. deposits electronically.  
Direct Deposit, earlier availability of funds subject to payer's support of the feature/timing of payer's funding.





CHIME

now

\$15.75 at Local Grocer. Because your Spending Balance was low, Chime SpotMe covered \$6.41. Your new balance is -\$6.41.



## CHIME CREDIT BUILDER VISA® SECURED CREDIT CARD

# A new way to build credit

Increase your credit score by an average of 30 points<sup>2</sup> with our new secured credit card

- ✓ No annual fee or interest
- ✓ No credit check to apply
- ✓ No minimum security deposit required<sup>3</sup>

**Apply Now**

Already a Chime member? [Learn how to sign up for Credit Builder](#)

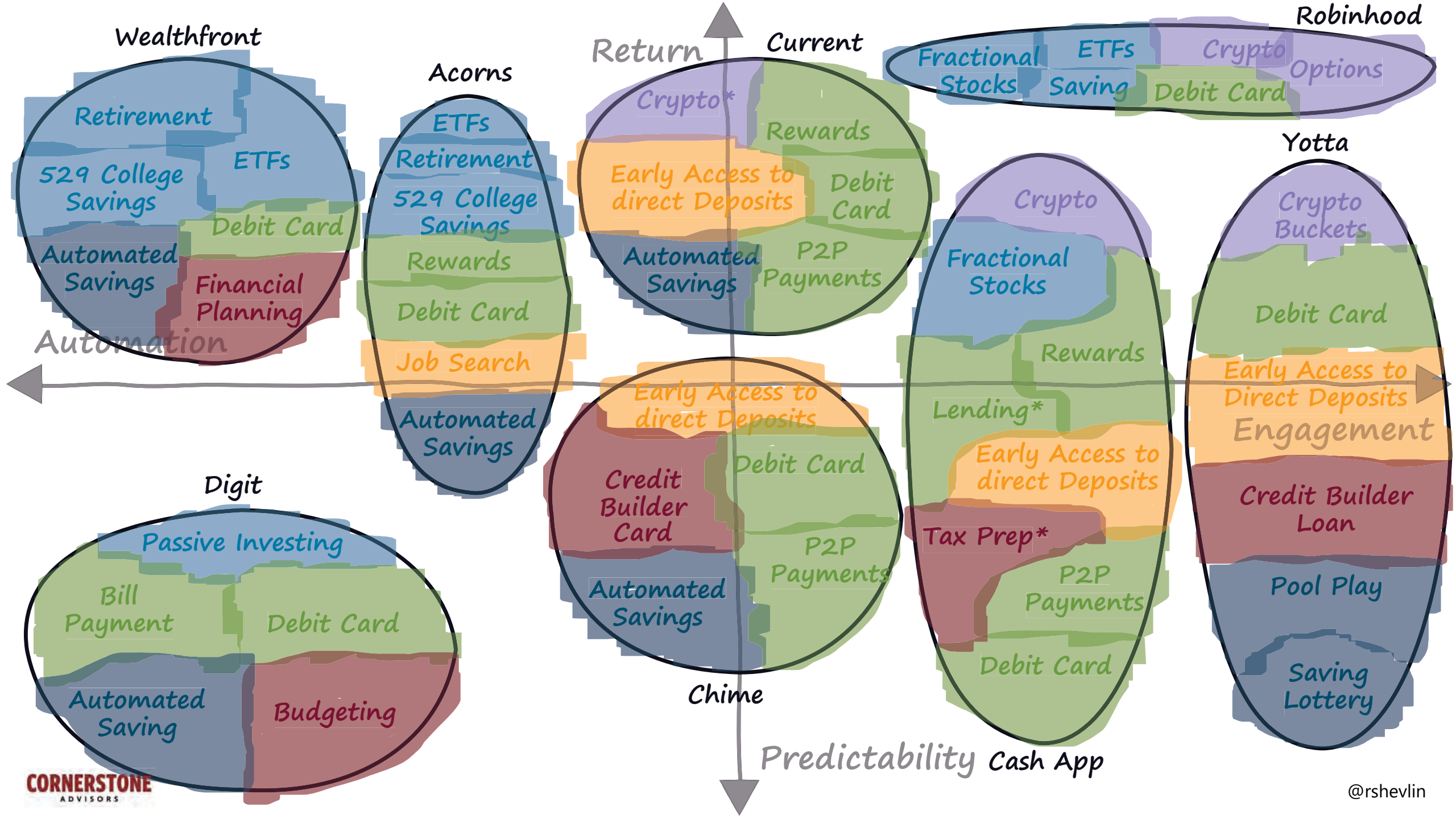


For Chime Spending Account holders with eligible direct deposit<sup>1</sup>



# COMMUNITY FINTECHS ARE EMERGING TO SERVE NICHE GROUPS







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# EMBEDDED FINANCE

The integration of financial services into non-financial websites, mobile apps, and business processes





Rewards

Faster  
payments

Seamless  
account  
opening

Integrated

Lyft  
548 Market Street #68514  
San Francisco, CA 94109

1234 1234 1234  
12345  
00000000

JOHN SMITH  
321 HOME AVE  
HENDERSON, NV 89011


**EARN CASH BACK\***


- 2% on gas
- 4% on select dining
- 1% on groceries

**Get paid instantly after every ride with your Lyft Direct debit card**


Once you activate your card and turn on instant payouts, your earnings will be automatically sent to your debit card — instantly, after every ride.\*\*

Scan to activate







Get paid instantly after every single ride




No low balance fees, no maintenance fees




Earn cash back when you spend on the essentials



Access to over 20,000 no-fee ATMs all over the country



Automatically put a little aside to reach your goals



A secure, online bank account, powered by Payfare





**Need a hand? Tap Help in your Lyft Direct app.**

See reverse to learn more about your new debit card.

**CORNERSTONE**  
ADVISORS

@rshevlin

# EMBEDDED SMALL BUSINESS FINANCE

	Payroll	Marketing	Sales	Payments	Accounting	Deposits	Funding
 Square	✓	✓	✓	*	✓	✓	✓
 stripe				*	✓	✓	✓
 amazon		*	✓	✓			✓
 shopify		*	✓	✓		✓	✓

\* Starting point



# Transfer money at the speed of your business.

Get it instantly, in one to two business days, or on a regular schedule.



## Standard transfer

Your money gets transferred to your linked bank account automatically by the next business day, free of charge.



## Instant transfer

For a fee, your money gets transferred to your bank account instantly, or on a same-day schedule of your choosing.



## Square Card

No transfers necessary—just spend your Square Balance instantly with Square Card. (You can still transfer money out to your bank, too.)

# Money to keep your business moving forward.

Square Capital small business loans from \$300—\$100,000.

[Check for offers](#)

Not a Square seller? You could become eligible by [processing with Square](#).



# EMBEDDED FINANCE FORECAST

(\$ IN BILLIONS)



# EMBEDDED FINANCE PLATFORMS

Zillow®

Opendoor

Etsy

Walgreens

shopify

GUSTO

T Mobile™

SEP  
SABER es PODER

Square

intuit®

Cozy

Uber

Gerber®

SmartRent

amazon

DOORDASH





A close-up, profile view of Jeff Bezos speaking. He is bald, wearing a blue button-down shirt under a dark grey blazer. His hands are raised in front of him, palms facing forward, with fingers slightly spread. He is wearing a gold ring on the ring finger of his left hand. The background is dark and out of focus.

**PLATFORMS WILL BECOME  
FINANCIAL SERVICES  
DISTRIBUTION CHANNELS**

# EMBEDDED FINTECH

**The integration of fintech products  
into financial institutions'  
products, websites, mobile apps,  
and business processes.**





# EMBEDDED FINTECH



Bill negotiation



Insurance and  
protection services



Wealth transfer



Subscription  
management



Cryptocurrency  
investing



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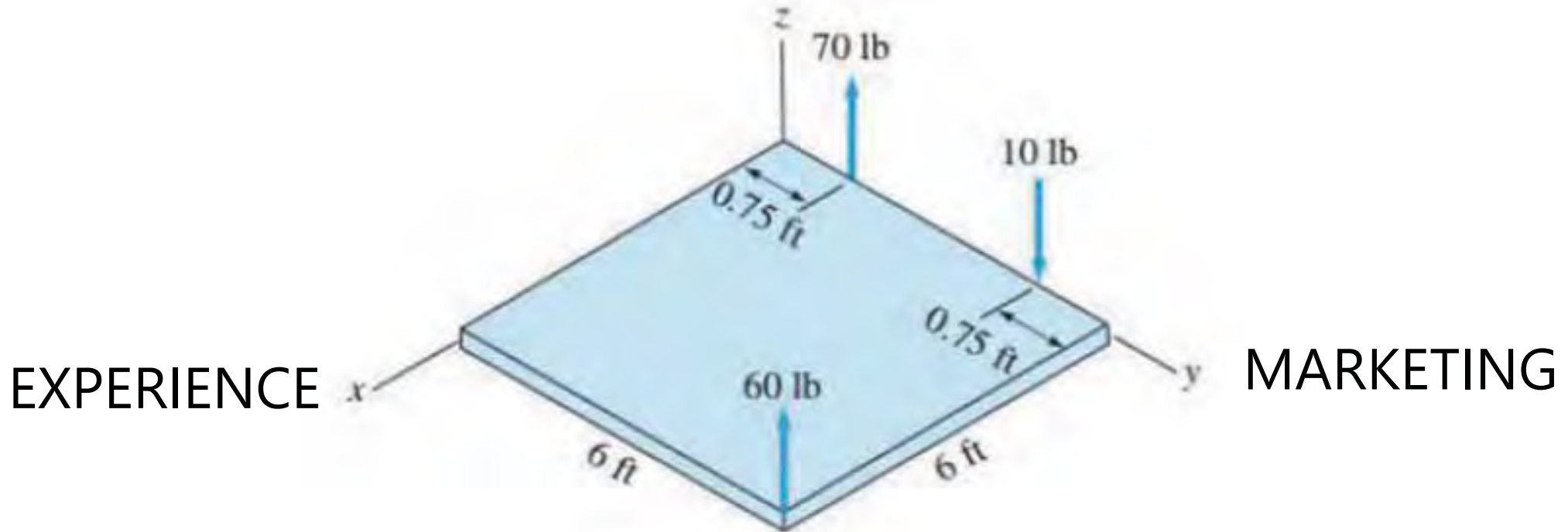




# TRIANGLE LAW OF FORCES

Find the resultant of the three forces acting on the plate.

PRODUCT



# NEW IMPERATIVES

Differentiation via product design

Affinity is the new community

Platforms + partnerships

Singles, not home runs





A photograph of a horse-drawn carriage on a path. A light-colored horse is harnessed to a dark-colored carriage with a canopy. A driver is visible inside the carriage. To the left of the horse is a wooden signpost with an arrow pointing left. The background is a blurred natural setting. The entire image is overlaid with a dark, semi-transparent filter.

**DON'T LET YOUR PRODUCTS  
BECOME THE HORSE AND BUGGY  
OF THE 21<sup>ST</sup> CENTURY**

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Fintech Snark Tank



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Ron Shevlin

