

# How embedded finance is eclipsing the fintech competition

By [Anton Coertzen](#)

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The embedded finance market is [expected](#) to grow its 2020-value tenfold by 2025 - just three years from now.



Source: Supplied. Anton Coertzen, chief commercial officer of Ukheshe.

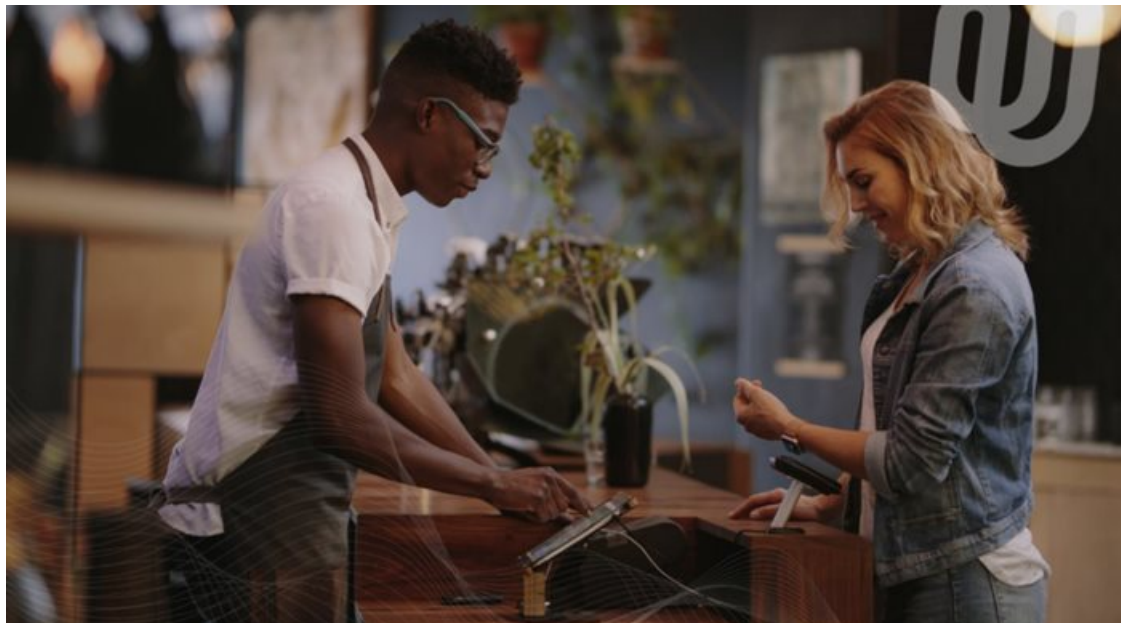
The term has been generating buzz and changing the financial-services landscape by improving access and lowering costs. But it's not quite as new as many people think.

Long before the term was even coined, Ukheshe's Eclipse application programming interface (API) made it possible for SMEs to offer their clients financial services. Today, their offering has grown exponentially to become a market leader in emerging markets.

One of the needs the company identified was for an SMME-focused digital platform in 2018 to improve and address financial inclusion in South Africa.

Banks are increasingly relying on fintechs to help provide innovative solutions to their customers and overcome the challenges of legacy systems which can delay bringing new technology to market scale.

We saw the need for a platform that could not only provide innovative solutions at a quicker development rate but through a single integration - which was not common at that stage. Eclipse was then born.



Source: Supplied.

Ukheshe's unique API provided embedded finance before the term existed, offering non-financial companies ways to integrate payments, transactions, transfers and other digital solutions into their businesses in a seamless way, without the associated development and compliance costs.

Today, Eclipse provides the opportunity for customers to integrate and plug and play into any one of the many Eclipse solutions that can be implemented across several different channels. In addition, once customers integrate into Eclipse, the sky is the limit and additional functionality can be added at a later stage.

## **Accessible and all-inclusive**

Embedded finance such a game-changer. It reduces barriers to entry for various products and services. Embedded finance allows for greater collaboration and partnerships and that, in turn, grows the economy or opens up opportunities to embed financial products into multiple different markets.

Until recently, if a business wanted to offer financial services, they had to create a fintech division within their organisation or register as a financial services provider. The entire process is lengthy and requires a huge amount of investment to build.

Embedded finance infrastructure hugely reduces that entry barrier to offer financial services.

The embedded-finance market is expected to exceed \$7tn in the next 10 years, making it worth double the combined value of the world's top 30 banks today.

## **Multi-product ecosystems in demand**

The demand for integrated experiences is one of the most significant trends driving the embedded finance market forward. Customers are flocking towards multi-product ecosystems.

They want seamless experiences and the ability to do everything on a single platform, safely - from accessing, managing and storing their money, to transacting and offering their own clients the ability to do the same. It is, quite simply, revolutionising the financial services industry.

Eclipse provides exactly that through a single platform. Clients only have to integrate once, and can then access a number of services and build their client offering from there, broadening their proposition where and when they need to. This allows them to start small and scale very quickly.

This opens up new revenue opportunities to users such as the ability to capitalise on cross-selling opportunities in various markets, digital know your client (KYC) and onboarding, and the opportunity to access issuing and acquiring services such as physical and virtual cards, quick response (QR) and value-added service (VAS) - all within a single integration and location.

Embedded finance may be a new buzzword to some, but the benefits are already tangible - it makes true financial inclusion a reality.

## ABOUT THE AUTHOR

Anton Coertzen is the chief commercial officer of fintech enabler, Ukheshe.

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