

CASE STUDY

Leading US Bank Unlocks New Revenue Streams with an Embedded Finance Platform



Overview

The client, a leading U.S.-based bank, faced challenges in enabling seamless credit access for business buyers as purchasing behavior shifted toward digital marketplaces. To address these challenges, Tech Mahindra collaborated with the bank to design and deploy a scalable embedded finance platform integrated with a leading cloud marketplace. The solution unlocked new revenue streams, modernized the bank's digital infrastructure, and strengthened the bank's presence within the B2B partnership ecosystem.

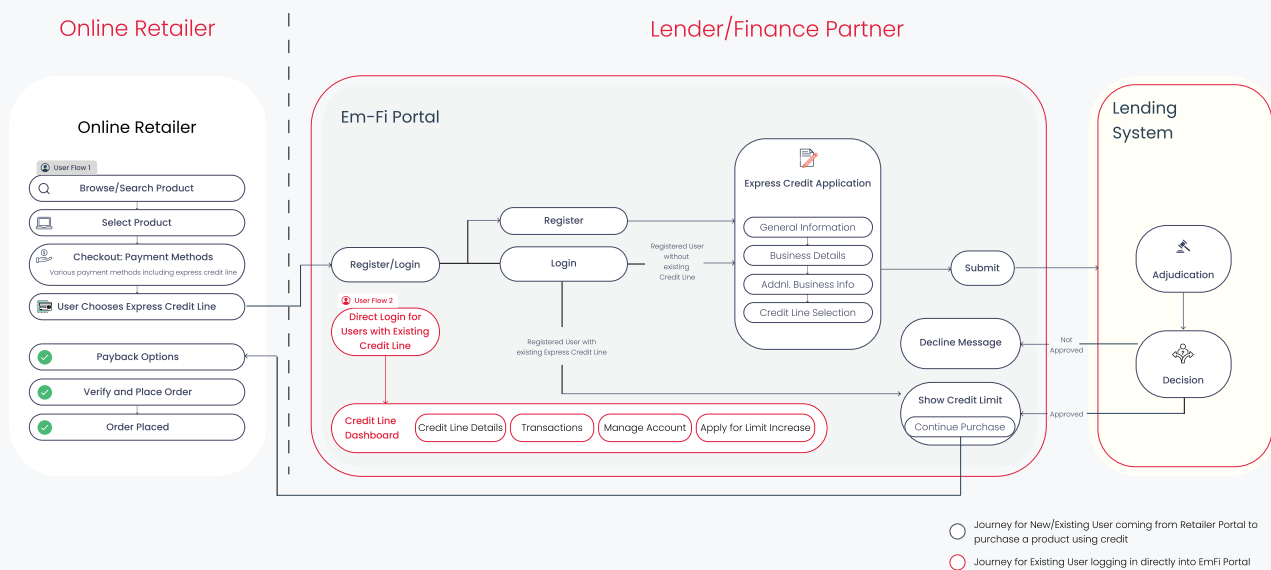
Client Background and Challenge

The client, a leading U.S.-based bank, provides commercial and institutional banking services with a focus on innovation and growth. The bank aimed to strengthen its position in the evolving digital economy. However, they faced significant challenges, including:

- Capturing new revenue opportunities by entering the fast-growing digital commerce space.
- Addressing the shift in business purchasing behavior from traditional in-store transactions to online channels.
- Enabling seamless credit access for business buyers without disrupting existing banking infrastructure.
- Lacking a digital-native infrastructure to support secure, scalable financing across third-party digital storefronts.

Our Approach and Solution

Tech Mahindra partnered with the client to design, develop, and launch a future-ready embedded finance platform that provides seamless credit access for business buyers purchasing software through a leading cloud marketplace.



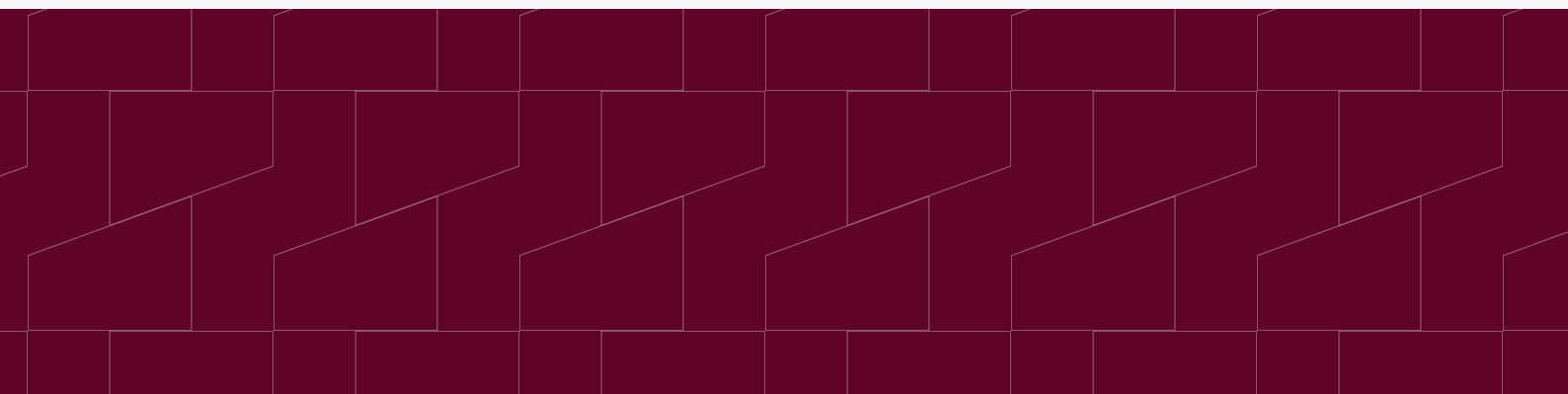
As shown in the system context/flow above, the embedded financing portal acts as a bridge between the online retailer and the bank's lending system. After registration, business buyers can quickly submit a credit application with the help of a user-friendly interface. AI extracts key information from uploaded documents, and the system retrieves credit scores through bureau integration. Based on this data, the platform approves a credit line to complete the purchase. The borrower dashboard allows businesses to request credit limit increases, make payments, view statements, and set up auto-debit for recurring payments.

The solution modernized the bank's digital lending capabilities and created a new revenue stream through embedded B2B financing. Key elements of the approach included:

- **Seamless Buyer Access:** Business customers can conveniently access the embedded financing solution directly from the cloud marketplace's billing and cost console.
- **Pre-Approved Credit Limits:** The bank offers eligible corporate customers pre-approved credit limits, allowing them to finance both existing and new purchases on the platform.
- **Multi-Vendor Purchase Financing:** Buyers can apply for financing across multiple purchases from a single vendor or multiple vendors, consolidating transactions into a single invoice for easier management and administration.
- **Business Self-Service Portal:** The user-friendly borrower portal allows businesses to manage financing requests and finance program parameters.
- **Bank Staff Operations Portal:** A dedicated portal enables bank employees to review incoming financing requests, manage approvals, address exception scenarios, and track payments.

Technology and Architecture

- **Microservices-based Architecture:** The platform is built using independent microservices for onboarding, customer management, financing applications, credit analysis, and payments, ensuring flexibility and scalability.
- **Third-Party Integrations:** The solution integrates with external services for identity and address verification, credit bureau checks, anti-money laundering (AML), and fraud detection.
- **Secure API Communication:** All interactions between the distribution channel and the bank occur through secure APIs and an API gateway, ensuring real-time, compliant data exchange.



Business and Community Impact

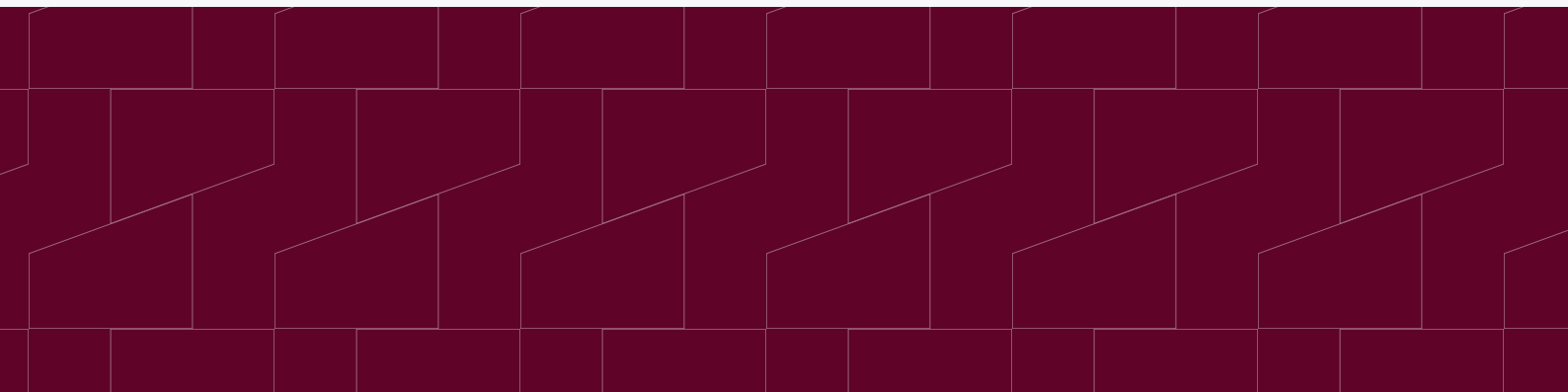
The solution delivered measurable business outcomes for both financial institutions and business customers, including:

For Business Institutions:

- **Significant Revenue Growth:** The embedded financing platform generated a notable increase in financing volumes and revenue, outperforming the bank's traditional in-store lending channels.
- **Digital Ecosystem Expansion:** Building on the success of cloud marketplace integration, the bank partnered with OEMs to offer financing through additional digital storefronts.
- **Modernized Infrastructure:** The engagement enabled the bank to establish a scalable, digital-native lending infrastructure, equipping the bank to participate actively in the digital economy and expand its digital offerings portfolio.
- **Enhanced Customer Experience:** The platform's frictionless credit experience improved credit accessibility and user satisfaction for business buyers across digital channels.
- **Strengthened Brand Image:** Enhanced the bank's brand positioning as an innovation-driven financial institution by delivering banking services through a new digital distribution channel and extending credit products beyond traditional banking avenues.

For Business Customers:

- **Integrated Onboarding and Financing:** The solution enabled a seamless onboarding and credit approval process, allowing business customers to apply and receive approved credit limits with ease.
- **Customer Acquisition and Loyalty:** The platform attracted new business buyers and strengthened loyalty among existing customers by offering a seamless and intuitive financing experience for marketplace purchases.
- **Increased Sales and Renewals:** Growth in software license purchases and renewals by business customers helped establish a stable and consistent revenue stream.



About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 152,000+ professionals across 90+ countries helping 1100+ clients, Tech Mahindra provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognizes global companies that are actively leading the charge to create a climate and nature-positive future. Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies. For more information on how TechM can partner with you to meet your Scale at Speed™ imperatives, please visit <https://www.techmahindra.com>



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