

# PAYMENTS FRANCHISE COMMERCIALIZATION GUIDE

How to build the commercial layer that turns payment infrastructure into revenue.

*“Pricing in payments should be a relationship-level decision, not a transaction-level one. Organizations that price at the transaction layer leave significant value on the table.”*

## What this guide covers

A practitioner framework for building the commercial layer of a payments franchise — from diagnosing why commercial discipline is absent, through revenue architecture, client segmentation, and balance sheet economics, to the operating model that sustains margin over time. Written by someone who has built this across multiple global banks over the past twenty years.

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**Part of the Payments Franchise Operating System.** This guide is the second in a series of practitioner frameworks. The *Payments Pricing Governance Playbook* addresses leakage and pricing discipline. This guide addresses the commercial architecture that builds revenue. Together they form a complete payments commercialization operating model. Both are available at carlosurena.com.

**EXECUTIVE SUMMARY**

## The Commercialization Gap

Most payments franchises have infrastructure. They have products, rails, corridors, and clients. What they often lack is the commercial layer that extracts full value from all of it. Volume grows, revenue follows, and leadership assumes the franchise is healthy. The margin story is usually different.

The problem has a consistent shape. Pricing is managed at the transaction layer without incorporating FX spread or balance contribution. Client value is measured by revenue, not relationship economics. Corridors are priced at product level without corridor-specific cost visibility. The sales organization is measured on revenue, not margin.

This guide is a practitioner framework for building the commercial layer that fixes that. It starts with the diagnostic instinct — understanding why commercial discipline is absent before trying to impose a new framework — and builds through revenue architecture, client segmentation, balance sheet economics, and the operating model that sustains it.

The central thesis: pricing in payments should be a relationship-level decision, not a transaction-level one. Organizations that build that capability compound their commercial advantage over time. Those that do not drift toward volume dependency and margin erosion.

What This Guide Delivers			
<p><b>Commercial Diagnosis</b> Why discipline is absent and what to fix first.</p>	<p><b>Revenue Architecture</b> The three levers: fees, FX spread, and balance value.</p>	<p><b>Client Segmentation</b> Anchor, Growth, Optimize, Exit — with strategy for each.</p>	<p><b>Balance Sheet Economics</b> Making FTP visible and linking it to pricing decisions.</p>
<p><b>Corridor Strategy</b> Core, Expansion, Optimize, Exit — four-tier classification.</p>	<p><b>GTM Operating Model</b> P&amp;L ownership, sales enablement, pipeline visibility.</p>	<p><b>90-Day Build</b> Phased activation from diagnostic to framework live.</p>	<p><b>KPI Framework</b> Five metrics that tell you the commercial model is working.</p>

## SECTION 1

# WHY COMMERCIALIZATION FAILS

Before building a commercial framework, understand why one does not already exist. A commercialization framework imposed on an organization that does not understand why the previous one failed will be resisted and eventually abandoned. Diagnosis is not optional.

## 1.1 The Four Common Causes

### 1 Volume was prioritized over margin from the start

Growth targets drove behavior. Revenue was the headline metric. Net margin per transaction was never tracked consistently. This is the most common starting condition and the hardest to change because culture and incentive structure are both pointed in the wrong direction.

### 2 Pricing was owned by finance, not product

When pricing decisions sit in finance rather than in the payments commercial team, they become disconnected from market reality. Product and sales work around the pricing model rather than with it. The result is a pricing structure that looks correct on paper and leaks in practice.

### 3 The balance sheet contribution was never made visible

Payment flows generate operating balances with funding value. Most organizations treat that value as a treasury problem. When balance economics are not linked to client-level profitability, pricing decisions are made on an incomplete picture. Clients with strong balance contributions look less valuable than they are.

### 4 Sales accountability stopped at revenue

When relationship managers are measured on revenue, they optimize for revenue. Discounts close deals. Exceptions preserve relationships. Override rates climb. The commercial framework erodes at exactly the point where it needs to hold.

## 1.2 The Diagnostic Before the Framework

Walk in and look at four things before changing anything.

Question	What the Answer Tells You	Red Flag
Who owns the P&L?	Whether accountability is real or nominal	No single owner. Shared between product and finance.
How is client profitability measured?	Whether relationship economics are visible	Revenue only. No balance contribution. No Cost-to-Serve.
What does the pricing review process look like?	Whether governance exists or pricing is set and forgotten	No annual review. Pricing decisions made at deal origination and never revisited.
What is the override rate?	Whether pricing discipline holds at point of sale	Override rate unknown. No tracking mechanism exists.

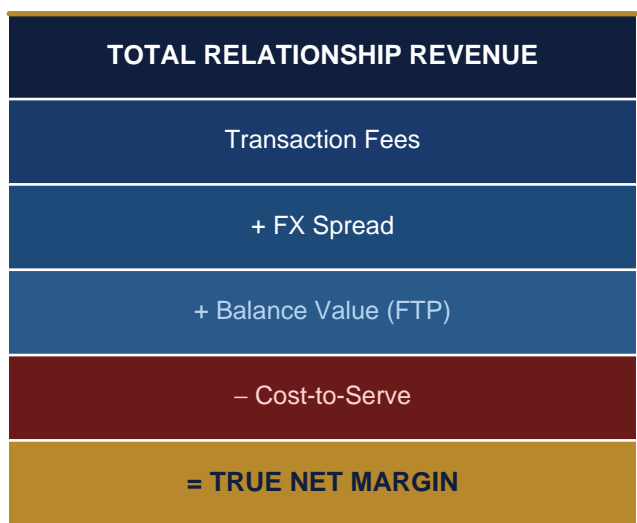
**The diagnostic instinct.** The goal is not to build a report card. It is to understand the organizational dynamics before designing the commercial framework. A franchise that lacks discipline because pricing was always owned by finance needs a different intervention than one where discipline eroded because of sustained competitive pressure. The diagnosis shapes the build.

SECTION 2

# REVENUE ARCHITECTURE

Before client segmentation, before pricing governance, before GTM strategy — the revenue architecture must be clear. A payments franchise has three revenue levers. Most organizations manage one. The commercial opportunity lives in the other two.

## 2.1 The Three Revenue Levers



Most payments franchises price at the **transaction fee layer only**. FX spread on cross-border flows is frequently larger than the visible fee and under-governed. Balance value is often invisible entirely. In many commercial payments franchises, the economic contribution of balances can equal or exceed transaction fee revenue. Until all three levers are visible and managed together, the franchise is operating on an incomplete picture of its own economics.

### Transaction Fees

The visible layer. Per-transaction charges to the client. The most governed and most competed layer. Fintech entrants and alternative rails have compressed fees in most corridors. A franchise dependent on this lever alone is structurally exposed.

## FX Spread

On cross-border flows, the margin on currency conversion is frequently larger than the transaction fee and far less visible to the client. It is also the most under-governed revenue lever in most organizations. FX spread leaks for four consistent reasons: corridor-level spread inconsistency across similar flows, client-specific negotiated spreads with no annual review, fragmented ownership between treasury and product, and the absence of corridor P&L visibility that would make the leakage visible. FX spread should be incorporated into the pricing architecture with the same discipline applied to transaction fees — corridor-level visibility, client-level tracking, and an annual review.

## Balance Value

Payment activity generates operating balances. Funds transfer pricing assigns an internal funding rate to those balances, producing a balance contribution figure that belongs in the client P&L alongside fee revenue and FX spread. In many commercial payments franchises, the economic contribution of balances can equal or exceed transaction fee revenue. Without this layer, pricing decisions are systematically incomplete.

## 2.2 Building a Resilient Revenue Mix

A franchise dependent on a single lever is fragile. Rate cycles hit balance value. Competitive pressure hits transaction fees. Market structure changes hit FX spread. The most durable franchises have all three levers working and a governance framework that monitors the mix and adjusts when one lever compresses.

Revenue Lever	Primary Risk	Governance Requirement
Transaction Fees	Competitive compression from fintechs and alternative rails	Annual fee review by corridor and client segment
FX Spread	Market pricing transparency and interbank rate competition	Corridor-level spread tracking and quarterly review
Balance Value	Rate cycle sensitivity — compresses in falling rate environment	FTP linkage to client P&L. Rate scenario modeling annually.

## 2.3 The Rail Economics Layer

Multi-rail strategy is increasingly a revenue lever, not just an infrastructure decision. RTP, FedNow, ACH, wires, and cross-border rails each carry different cost structures, different liquidity requirements, and different client value propositions. The commercial decision is not which rail is fastest — it is which rail produces the best margin at the right client price point. Routing the right payment on the right rail directly affects net margin per transaction and should be treated as a pricing decision, not an operations one.

Factor	What to Assess	Commercial Implication
Cost per transaction	Fully-loaded cost including settlement, liquidity, and compliance overhead	The floor for viable pricing. Rail economics must be built into the client rate.
Liquidity requirements	Prefunding, nostro balances, and intraday liquidity consumption	High liquidity rails carry a funding cost that must be recovered in the price.
Settlement speed value to client	How much the client values faster settlement — by segment and use case	Real-time rails command a premium where speed has genuine business value.
Regulatory and compliance overhead	Screening costs, reporting requirements, and exception handling by rail	High-compliance corridors and rails have cost structures that must be priced in.
Client willingness to pay	Segment-level price sensitivity and competitive alternatives available	The ceiling. Willingness to pay determines whether rail economics are commercially viable.

**The commercial test for any new rail.** A rail that looks attractive at launch but is margin-negative at scale is an infrastructure investment, not a commercial opportunity. Model the economics at three volume levels — launch, steady state, and scale — before committing to a client price point.

## 2.4 Network Economics

Most payments pricing frameworks are built from the bank's perspective — transaction fees, FX spread, operating balances. The network layer adds a different set of economics. Scheme fees, interchange flows, and routing incentives operate beneath the client-facing price and directly affect net margin. A payment that looks correctly priced at the transaction fee level may be margin-negative when scheme costs are fully allocated.

Commercial card pricing makes this visible. Interchange revenue and scheme fee structures interact in ways that do not appear in a standard transaction P&L. The same dynamic applies in cross-border payments — network fees, correspondent charges, and routing incentives all affect the economics beneath the headline price. Organizations building a complete revenue architecture need to account for this layer, particularly as multi-rail environments create routing choices that affect both cost structure and network economics simultaneously.

SECTION 3

# CLIENT SEGMENTATION AND PORTFOLIO STRATEGY

Not all clients are worth the same investment. Not all corridors deserve the same pricing attention. The client segmentation framework and corridor classification framework are the tools that make those distinctions explicit and actionable.

## 3.1 The Four Factors That Determine Client Value

Factor	What to Measure	Why It Matters
Relationship depth and strategic alignment	Product breadth, tenure, strategic fit with bank direction	Deep relationships are more defensible and more repricing-tolerant
Portfolio size and growth trajectory	Revenue, volume, and wallet share trend over 24 months	Growing clients compound value. Declining clients require a decision.
Corridor risk and strategic fit	Concentration in core versus optimize or exit corridors	A large client concentrated in an exit corridor is a liability, not an asset
Commercial friction	Override rate, exception count, repricing history, Cost-to-Serve	High-friction clients consume disproportionate commercial and operational resource

### 3.2 The Client Classification Framework

Four tiers. Each with a defined commercial strategy, pricing approach, and governance treatment in the annual pricing review.

ANCHOR	GROWTH	OPTIMIZE	EXIT
High relationship value High balance contribution Strategic to the bank	Strong revenue trajectory Right corridor alignment Growing wallet share	Profitable but underpriced or over-serviced Margin recovery opportunity	Low strategic value High friction Wrong corridor fit
Protect and deepen. Pricing flexibility justified by full economics.	Invest in relationship. Optimize pricing as volume ramps.	Annual review priority. Reprice or restructure. Reduce Cost-to-Serve.	Managed wind-down. No new investment. Price to market.

The classification is not permanent. Clients move between tiers as their relationship evolves, as corridor economics change, and as the bank's strategic priorities shift. The annual pricing review is the mechanism that keeps the classification current.

### 3.3 Cost-to-Serve as a Commercial Lever

Client profitability has two sides: revenue and cost. Payments pricing decisions often ignore operational cost drivers — repair rates, compliance overhead, exception volume, corridor complexity. Clients with high exception rates or significant operational friction consume disproportionate resources. When Cost-to-Serve is not visible at the client level, pricing discipline weakens because decisions are being made on an incomplete picture.

Cost-to-Serve should sit alongside fee revenue, FX spread, and balance contribution in the client profitability view. A client that generates strong gross revenue but carries a high exception rate and significant repair cost may look very different at the net margin level. That is the number that drives the commercial decision.

**The connection to Playbook 1.** The Payments Pricing Governance Playbook addresses untracked Cost-to-Serve as one of the four structural sources of pricing leakage. This guide treats Cost-to-Serve as an input to the client profitability view. Both frameworks require the same underlying data: exception cost allocated to specific clients and corridors.

### 3.4 Corridor Classification Framework

Corridor economics drive the business. A corridor strategy built on the same four-tier logic as client segmentation creates a clear commercial map for where to invest, where to fix, and where to exit.

CORE	EXPANSION	OPTIMIZE	EXIT / PARTNER
High volume Strong margin Strategic anchor	Growth trajectory Client demand aligned Market opportunity	Profitable but inefficient High exception rate Operational drag	Structurally unprofitable High compliance cost No strategic fit
Defend aggressively. Optimize pricing. Invest in capability.	Invest in capacity. Price for volume ramp. Build partnerships.	Fix cost structure. Reprice for true margin. Improve STP rate.	Price to market or exit. Consider partner model. Stop investing.

Corridor classification intersects directly with client segmentation. An anchor client concentrated in a Core corridor is your most defensible relationship. An anchor client concentrated in an Exit corridor is a strategic problem that needs a deliberate plan.

## SECTION 4

**BALANCE SHEET ECONOMICS**

This is the section most commercialization frameworks skip. It is also where the largest recoverable value sits in most payments franchises.

**4.1 Why Payments Create Balance Value**

Payment flows generate operating balances. A corporate client running its payables and receivables through your platform holds balances throughout the payment cycle — intraday, overnight, and as a structural operating buffer. Those balances have funding value to the bank. Most organizations treat that value as treasury's problem. It is not. It belongs in the payments P&L.

**4.2 Making the Economics Visible — Funds Transfer Pricing**

Funds transfer pricing assigns an internal rate to balances generated by payment activity. That rate, applied to average operating balances per client, produces a balance contribution figure that belongs alongside fee revenue and FX spread in the client P&L. In practice, balance value reflects the net funding value after accounting for any Earnings Credit Rates (ECR) or other balance compensation mechanisms provided to the client.

Component	Description	Commercial Impact
Average Operating Balance	Average balances generated by payment activity	The base for the balance contribution calculation
FTP Rate	Internal funding rate assigned by treasury to operating balances	Translates balance size into an economic value
Balance Contribution	Average balance multiplied by FTP rate, expressed as annual revenue equivalent	The number that belongs in the client P&L alongside fees and FX spread
Net Client Economics	Fee revenue + FX spread + balance contribution minus Cost-to-Serve	The complete picture. The number that drives commercial decisions.

**What changes when balance economics become visible.** Without FTP linkage, a client generating \$2M in annual fee revenue with \$80M in operating balances looks identical to a client generating \$2M in fee revenue with \$5M in balances. With FTP linkage at a 2% internal rate, the first client contributes an additional \$1.6M in balance value. That changes the repricing conversation, the exception treatment, and the relationship investment decision entirely.

**Not all deposits carry the same FTP value.** Payment activity primarily generates operating balances — clearing balances, settlement balances, and corporate operating accounts. These receive the highest funding value in internal FTP models because they are stable, low-cost, and predictable. Interest-bearing deposits such as MMDAs and term deposits carry lower FTP value because treasury assumes they are more rate-sensitive and can move faster when market conditions change. This is why payments franchises are so strategically valuable — they generate the most valuable category of deposit.

### 4.3 Linking Balance Contribution to Pricing Decisions

Once balance economics are visible, pricing reviews change fundamentally. A client with strong balance contribution can justify below-standard transaction pricing — the economics work at the relationship level even if the transaction margin looks thin. A client with minimal balances and below-standard pricing has no offset. That is the repricing conversation.

This is the shift from transaction-level pricing to relationship-level pricing. It requires FTP data, client-level P&L construction, and a governance process that incorporates balance contribution in every annual pricing review. It is operationally more demanding than transaction-level pricing. It is also the only approach that captures the full economics of the franchise.

### 4.4 The Rate Cycle Consideration

Balance value is rate-sensitive. In a rising rate environment the contribution increases. In a falling rate environment it compresses. Annual pricing reviews should include a rate scenario check on the balance contribution component of every major client relationship.

SECTION 5

# THE COMMERCIALIZATION OPERATING MODEL

Commercialization is the operating system that converts payment infrastructure into sustainable margin. It is not a sales function. It is not a product function. The distinction matters: sales drives volume, but commercialization ensures that volume translates into margin, not just revenue. Organizations that confuse the two build volume without discipline — and eventually discover that growth and profitability are moving in opposite directions.

THE COMMERCIALIZATION OPERATING MODEL



P&L ownership is the foundation. Without it, all other components are advisory rather than operational.

## 5.1 P&L Ownership — The Non-Negotiable

Every commercial framework collapses without a clear P&L owner. Not nominal ownership — real ownership, with the authority to make pricing decisions, approve exceptions, and hold the sales organization accountable for margin, not just revenue. Without this, the other components are advisory.

## 5.2 Client Segmentation in Practice

The client classification framework from Section 3 becomes operational here. Anchor clients get different commercial treatment, different pricing flexibility, and different relationship investment than Optimize clients. Growth clients get different pipeline priority than Exit clients. The segmentation framework is only valuable if it drives differentiated commercial decisions.

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## 5.3 Pricing Architecture

The three revenue levers — transaction fees, FX spread, and balance value — must be governed together in a single pricing architecture. This means: a pricing authority matrix that covers all three levers, an annual review process that incorporates balance contribution in every major client assessment, and a corridor P&L that makes FX economics visible at the same level of granularity as transaction fees.

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## 5.4 Sales Enablement — The Missing Link

Most payments businesses under-invest in enabling the sales team to have commercial conversations. Relationship managers need four things: a clear value proposition per client segment, awareness of pricing floors and the rationale behind them, competitive context for the corridors they sell into, and a fast deal approval process that does not create pressure to bypass governance. Without these, pricing discipline breaks down at the point of sale.

**What sales enablement is not.** It is not a product brochure or a rate card. It is the commercial context that allows a relationship manager to defend standard pricing, explain the value of balance contribution to a client, and understand when an exception is genuinely justified versus when it is a shortcut. That capability takes investment to build.

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## 5.5 Pipeline and Revenue Predictability

A commercial franchise needs revenue visibility, not just volume visibility. That means tracking four things: new client revenue ramp against plan, existing client repricing pipeline and expected recovery, corridor expansion opportunities by tier, and at-risk revenue from clients showing churn or volume migration signals.

## 5.6 KPIs That Tell You the Commercial Framework Is Working

Five metrics. Reviewed monthly by the P&L owner.

KPI	What It Measures	Target Direction
Net Margin Per Transaction	Are we capturing more value per payment across all three levers?	Improving trend over 12-month governance baseline
Balance Contribution as % of Revenue	Is the balance layer visible and incorporated in pricing decisions?	Tracked and stable. Rising in high-rate environments.
Optimize-Tier Repricing Rate	Are we recovering margin from under-priced relationships?	At least 30% of Optimize clients repriced in first 12 months
Override Rate	Is pricing discipline holding at the point of sale?	Below 10%. Declining trend after governance activation.
Revenue Predictability	How much of next quarter's revenue can be called with confidence?	Pipeline coverage of 1.5x next quarter target from existing clients
Cost-to-Serve per Transaction	Are operational improvements translating into margin improvement at the client level?	Declining trend as exception root causes are addressed and governance reduces rework

## SECTION 6

# 90-DAY COMMERCIALIZATION BUILD

Do not try to build the entire commercial framework at once. The plan below is sequenced deliberately. Each phase produces a concrete output before the next phase begins.

## 6.1 Data Prerequisites

The most common constraint in Phase 1 is balance data availability.

Data Required	Used For	If Not Available
Client-level revenue by product and corridor	Client profitability baseline	Use product-level averages. Flag as directional.
Average operating balances per client	Balance contribution calculation	Request from treasury. Estimate from account data if needed.
FTP rate from treasury	Balance value in dollars	Use published internal funding rate or market proxy.
Exception and repair cost by client	Cost-to-Serve calculation	Use blended exception cost rate as proxy.
Override rate and exception register	Commercial discipline baseline	Manual audit of last 90 days of deal approvals.

**Start the balance data conversation in week one.** Transaction revenue data usually exists. Operating balance data by client often requires a specific request to treasury or finance. Without it, the client profitability picture is incomplete and the balance contribution argument cannot be made.

## 6.2 The Three Phases

DAYS 1-30	DAYS 31-60	DAYS 61-90
<b>Diagnostic</b>	<b>Framework Build</b>	<b>Activation</b>
Diagnose why discipline is absent	Build client classification framework	Run first client portfolio review
Map client profitability	Design pricing architecture	Activate Optimize-tier repricing
Make balance economics visible	Draft sales enablement toolkit	Brief sales teams
Establish revenue mix baseline	Define P&L ownership	Set KPI baseline
<b>Output: Commercial Diagnostic</b>	<b>Output: Commercial Framework</b>	<b>Output: Commercial Framework Live</b>

Phase 1	Days 1 to 30 — Diagnostic and Baseline
	<ul style="list-style-type: none"> <li>Diagnose why commercial discipline is absent — apply the four causes framework.</li> <li>Map current client profitability using available data. Flag gaps explicitly.</li> <li>Request balance data from treasury and begin FTP linkage for top 20 clients.</li> <li>Establish the revenue mix baseline across fees, FX spread, and balance.</li> <li>Run the four commercial diagnostic questions with leadership.</li> </ul>
<b>DELIVERABLE</b>	Commercial Diagnostic Report: current state, gap analysis, revenue mix baseline, and prioritized build sequence.

Phase 2	Days 31 to 60 — Framework Design
	<ul style="list-style-type: none"> <li>Build the client classification framework using the four-factor assessment.</li> <li>Design the pricing architecture incorporating all three revenue levers.</li> <li>Construct client-level P&amp;Ls incorporating balance contribution for top 20 clients.</li> <li>Draft the sales enablement toolkit — value proposition, pricing floors, competitive context.</li> <li>Define P&amp;L ownership and governance structure with named accountabilities.</li> </ul>
<b>DELIVERABLE</b>	Commercialization Framework Document: client classification, pricing architecture, top-20 client P&Ls, sales toolkit, and governance structure.

<b>Phase 3</b>	<b>Days 61 to 90 — Activation</b>
	<ul style="list-style-type: none"> <li>• Run the first client portfolio review using the new segmentation framework.</li> </ul>
	<ul style="list-style-type: none"> <li>• Activate the repricing pipeline for Optimize-tier clients.</li> </ul>
	<ul style="list-style-type: none"> <li>• Brief relationship managers on the new value proposition and pricing floors.</li> </ul>
	<ul style="list-style-type: none"> <li>• Set the KPI baseline across all five commercial metrics.</li> </ul>
	<ul style="list-style-type: none"> <li>• Establish the quarterly corridor classification review cadence.</li> </ul>
<b>DELIVERABLE</b>	Commercial framework live. First repricing pipeline active. KPI baseline set. Leadership briefed.

**CLOSING**

## Building the Commercial Layer

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The commercial layer is not built once. It is maintained, reviewed, and adapted as the market changes, as rates move, and as corridors mature. The organizations that build it properly — with real P&L ownership, visible balance economics, and disciplined client segmentation — compound their advantage over time.

The most common implementation failure is trying to change everything at once. Start with making the full client economics visible — fees, FX spread, balance value, and Cost-to-Serve together. That single step changes the commercial conversation at every level of the organization. Segmentation, governance, and sales enablement follow from there.

This guide is the second in the Payments Franchise Operating System. The Payments Pricing Governance Playbook addresses the leakage side — how to stop value from leaving through pricing exceptions and untracked Cost-to-Serve. This guide addresses the architecture side — how to build the revenue model that captures full franchise value. The third playbook will address cross-border corridor strategy in depth.

The Payments Portfolio Diagnostic at [carlosurena.com](https://carlosurena.com) scores commercialization as one of six structural pillars. Organizations starting this process can use the diagnostic to identify where to focus first.

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