The Chief Payment Officer (CPayO): A Missing Role in Corporate Governance

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Abstract

Payments and banking are now central to business success, influencing customer experience, liquidity, compliance, technology, and strategy. Yet responsibility for these flows remains fragmented across finance, legal, technology, and compliance departments, with no single accountable leader.

This paper introduces and develops the case for the Chief Payment Officer (CPayO), a role designed to own the end-to-end movement of money across a business. Drawing on case studies, management literature, and financial governance research, this paper argues that the absence of the CPayO explains many of the failures and inefficiencies in global companies. It further explores how the CPayO addresses structural risks, reduces hidden costs, creates accountability, and establishes standards in a field with no formal professional education or regulation.

1. Introduction

Corporate governance frameworks emphasize the importance of accountability, specialization, and risk management in leadership structures (Tricker, 2019). While CFOs, CIOs, and Chief Risk Officers have become standard, no executive role is dedicated to payments and banking, despite their centrality to every transaction, product, and market expansion.

Traditionally, payments were treated as a back-office function, administered by finance and overlooked as strategic infrastructure. Today, however, payments underpin customer experience, international expansion, treasury management, and compliance. The current fragmentation of responsibility across departments produces inefficiencies, exposes companies to risks, and drains profitability.

This paper argues that the CPayO is not just another title, but a structural necessity for modern enterprises.

2. Theoretical Background: Ownership and Accountability in Corporate Functions

Corporate governance theory emphasizes the principle of clear accountability: functions without ownership create blind spots (Jensen & Meckling, 1976). Payment and banking flows epitomize such blind spots. They touch finance, legal, product, technology, and compliance, yet belong fully to none. This structural ambiguity results in misaligned incentives, lack of responsibility, and unmanaged risk.

Agency theory further explains the inefficiencies: providers and introducers often act in their own interests, not the company's, creating hidden costs and conflicts of interest (Eisenhardt, 1989). Without an internal senior role to align incentives and ensure independence, businesses remain exposed.

3. Payments as Infrastructure: From Support to Strategy

As many scholars have observed, infrastructure determines scalability (Baldwin, 2016). Payments are not simply financial transactions but operational arteries. Every customer journey, product launch, and international market entry depends on seamless and compliant money flows. Yet most companies still plan payments last, treating them as reactive rather than foundational.

Case evidence shows that startups fail despite strong products because payment flows collapse under regulatory or provider pressure (World Bank, 2020). Conversely, firms that treat payments strategically achieve resilience and competitive advantage.

The CPayO ensures that payments are integrated into strategy from inception, not patched afterwards.

4. The Cost Blind Spot: Payment Fees and Profitability

One of the most overlooked realities in business planning is the cost of moving money. While entrepreneurs plan meticulously for taxes, salaries, and marketing, few account for card processing fees, FX spreads, chargeback penalties, settlement fees, and orchestration costs. Research shows payment fees can exceed corporate tax burdens in certain industries (European Central Bank, 2021).

Case studies illustrate businesses losing up to 70% of their profit to hidden fees when unstructured payment setups scale. A CPayO, by contrast, anticipates fee structures, renegotiates terms at the right time, and prevents long-term profit erosion.

5. Risk, Compliance, and Banking Relationships

Banks and payment providers assess businesses primarily in terms of risk: fraud, AML, and regulatory exposure (Basel Committee, 2019). Entrepreneurs see innovation; banks see liability. This disconnect explains why legal tax structures may appear suspicious to banks and why accounts are often frozen without recourse.

Without a CPayO to design flows that "make sense" to banks, companies face account closures, frozen liquidity, and reputational harm. The CPayO bridges the interpretive gap, aligning product, tax, and legal structures with how banks actually evaluate flows.

6. Data and Decision-Making

Payment data is not the same as accounting data. It requires translation across multiple providers, APIs, and reconciliation systems. Poorly structured data leads to misreporting, compliance breaches, and unreliable forecasting (OECD, 2022).

The CPayO designs payment data structures that provide consistency, comparability, and reliability. They transform raw exports into actionable intelligence for finance, compliance, and strategic planning. Without this role, businesses operate on contradictory figures, undermining investor confidence and regulatory trust.

7. The Problem of Introducers and Commission-Driven Advice

In the absence of standards, companies rely on introducers and self-proclaimed "payment experts." These actors often operate on commission, recommending providers that maximize their payout rather than the client's stability or profitability. Similar dynamics in investment advisory were addressed by licensing regimes, yet payments remain unregulated (ESMA, 2021).

The CPayO is an antidote to this asymmetry. As an internal, independent role, the CPayO evaluates providers objectively, free of commission bias, and ensures due diligence is properly executed.

8. Orchestration, Technology, and Misaligned Expectations

Payment orchestration platforms promise simplicity but often introduce opacity and dependency. They route payments but do not address underlying risk, compliance, or provider contracts. Without strategic oversight, businesses become locked into orchestration layers that constrain flexibility and inflate costs (Capgemini, 2022).

The CPayO integrates orchestration into a coherent payment strategy, ensuring it supports rather than substitutes for structure.

9. Training and Standards: The Education Gap

Unlike accounting, law, or investment advisory, payments and banking lack formal professional education and licensing. Most professionals "end up" in payments, learning on the job without a standard curriculum. This absence of training is striking given the stakes: billions of dollars flow through systems managed by individuals with no recognized certification (Soltesz Institute, 2023).

The CPayO role highlights the need for industry standards, certification, and ethical frameworks to professionalize payment management.

10. Case Studies

International Subscription Business

An international subscription-based platform with strong growth potential and sufficient capital failed to secure banking relationships for over a year. Despite a sound legal structure and a proven product, every application for accounts and acquiring services was either rejected outright or stalled indefinitely. The CFO, though highly competent in managing budgets and financial reporting, admitted: “I am good at managing money. I am not good at managing how money moves.” This gap proved fatal. Without a CPayO to design and present logical flows that banks could understand and support, the company faced frozen liquidity, delayed product launches, and escalating investor frustration. In practical terms, this absence of expertise translated into millions in opportunity cost and a severely damaged reputation with providers.

E-commerce Growth Collapse

A fast-growing eCommerce retailer demonstrated the fragility of ignoring payments. The company achieved high sales volumes but operated on razor-thin margins. Because payment fees, FX spreads, chargeback penalties, and settlement delays had never been systematically analyzed, management remained convinced of profitability even as profits quietly evaporated. When volumes scaled, hidden fees consumed up to 70 percent of margins. Several providers terminated contracts with little warning, citing compliance concerns, and the company suddenly found itself unable to process customer payments or pay suppliers on time. Investors pulled back, liquidity collapsed, and the business nearly entered insolvency. A CPayO, with the ability to renegotiate fees, diversify providers, and align flows with compliance expectations, could have prevented the implosion. The absence of such a role left the business structurally unprepared for growth, turning success into collapse.

SaaS Provider with Orchestration

A SaaS platform serving clients across 40 countries relied entirely on an orchestration platform to manage its multi-currency payment flows. At first, this gave the illusion of control. In reality, none of the underlying provider contracts had been reviewed, payment data was inconsistent, and FX exposures were unmanaged. When scaling increased volumes and chargebacks spiked, one acquirer froze funds, leaving a significant portion of working capital inaccessible. Refund failures and customer complaints surged, while investors began questioning the accuracy of the company’s financial reporting. The liquidity crisis threatened the company’s survival. Only after external consultants introduced CPayO-style oversight did stability return, but by then reputational damage had already undermined client trust and expansion plans.

Lessons Learned

These cases are not minor operational hiccups but existential crises. Each demonstrates how the absence of a CPayO results in severe financial loss, frozen liquidity, reputational collapse, and in some cases near-insolvency. The CPayO is not a luxury but a structural necessity.

11. Discussion: Why the CPayO Matters

The CPayO represents the consolidation of fragmented responsibilities into a single accountable leadership role. From a governance perspective, this creates clarity, aligns incentives, and reduces systemic risk. From a business perspective, it preserves profit margins, builds scalability, and strengthens resilience.

The role also fills a regulatory gap: in an unstandardized field, internal expertise substitutes for absent external safeguards. Just as CFOs became necessary when financial complexity grew, the CPayO becomes necessary in an era where payments define success.

12. Conclusion

Payments and banking are no longer back-office functions but central strategic infrastructure. Yet responsibility remains fragmented, accountability absent, and risk mismanaged. The Chief Payment Officer is an essential executive function, ensuring that payments are treated with the same seriousness as finance, law, or risk.

Business journals, corporate governance scholars, and practitioners must recognize the CPayO as a structural innovation that addresses one of the most urgent blind spots in modern enterprises.

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