



# How Financial Institutions Can Deepen Relationships with Small Business Customers

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# Deepen Relationships with Small Business Customers

Small and medium-sized businesses (SMBs) have long been a vital part of the customer base for banks and credit unions. However, many of these business owners feel underserved by their banking partners, **often because they are being served on a retail, not business, platform.** Out of frustration, they are increasingly turning to providers that offer more robust digital capabilities, particularly emerging fintech challengers with compelling value propositions targeted to the needs of small businesses.

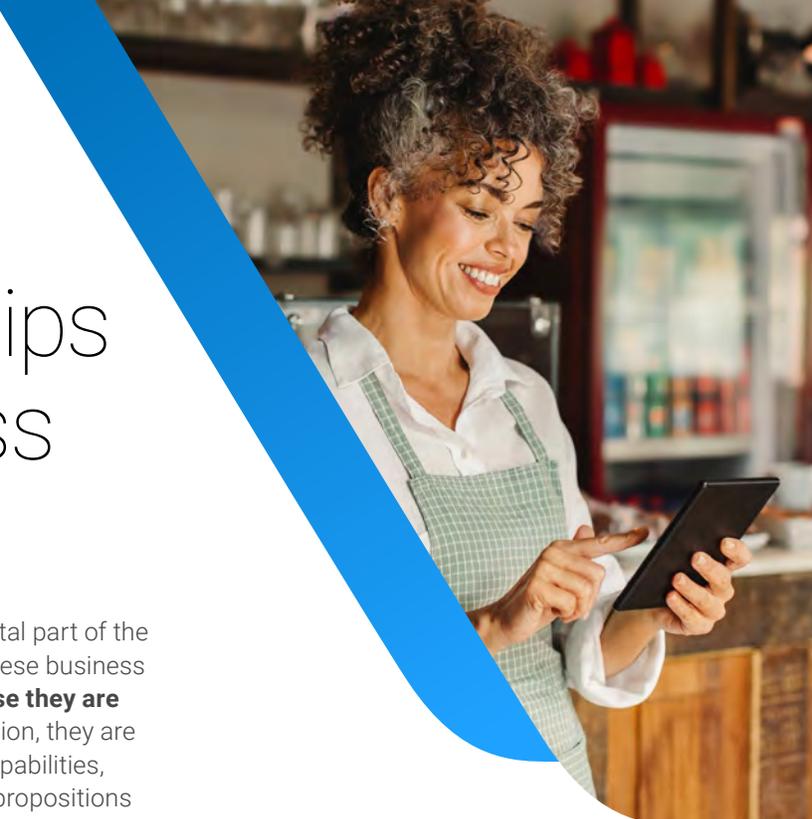
Businesses are especially turning to these fintechs for banking-adjacent needs not offered by their banking providers, including bookkeeping, expense-tracking, insurance, invoicing, payment processing, payroll and more. According to one survey, 62% of SMBs don't believe their business banking account offers any additional benefits compared with their personal accounts and two-thirds (67%) report that they use at least one of the following six fintech business platforms to meet their needs: Kabbage, Quickbooks, PayPal, Shopify, Stripe and Square.<sup>1</sup>

For whatever reason, banks have ceded many of these areas to third-party fintechs, especially in the area of receivables, said Derik Sutton, Chief Marketing Officer at Autobooks, an embedded invoicing, payments and accounting platform for small businesses.

"A lot of small businesses went to the Square dongle, PayPal business solutions, Venmo," Sutton said.

**"But digital receivables are a battleground. Banks want to lock in that relationship when it comes to the inflow of cash."**

Banks and credit unions are losing ground because many of them have made the mistake of believing their small business clients would not need or value more sophisticated digital services, including cash and liquidity management. The result: Too often, they offer simple retail banking solutions that fail to meet the needs of many business clients. A retail banking account may perhaps fit the needs of sole proprietors or microbusinesses, but is insufficient for growing small businesses and lacks the specific digital tools and services they need to efficiently run their business.



## 62%

of SMBs don't believe their business banking account offers any additional benefits compared with their personal accounts

## 67%

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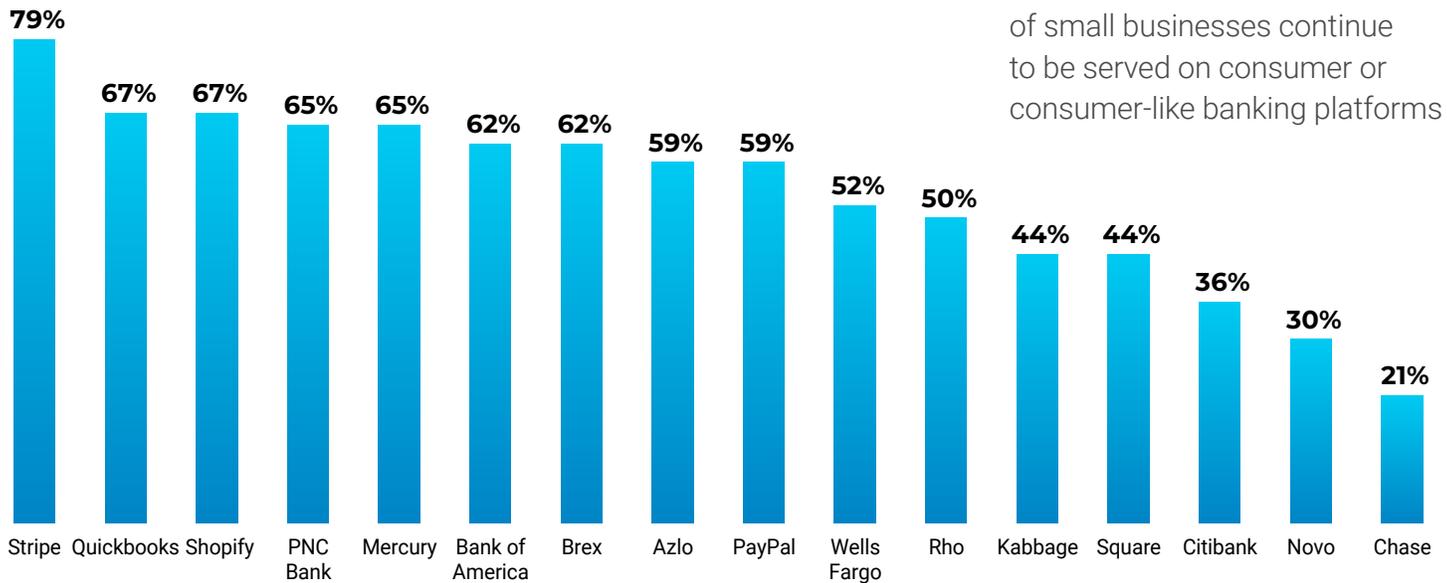
<sup>1</sup> Bryan Yurcan, "Bank's Poor Use of Data Drives Business Customers to Fintechs," The Financial Brand. August 2021. - [Read](#)

A strikingly low 18% of small businesses “completely agree” that banks are providing the services they need to effectively run the financial side of their business.<sup>2</sup> Furthermore, up to 40% of small businesses continue to be served on consumer or consumer-like banking platforms.<sup>3</sup>

Research and consulting firm 11:FS polled small business clients on how a combination of fintechs and large banks meet their needs. As the chart below illustrates, even big banks with massive tech budgets are perceived as lagging behind in meeting the needs of small businesses.<sup>4</sup>

## How 16 providers do at meeting key small business needs

How well do they fulfill 11 ‘jobs to be done’?



ONLY  
**18%**

of small businesses “completely agree” that banks are providing the services they need to effectively run the financial side of their business

UP TO  
**40%**

of small businesses continue to be served on consumer or consumer-like banking platforms

This trend is especially important as the average age of small business owners becomes younger. Many from the Generation Z and Millennial cohorts are inheriting family businesses or, spurred by economic changes wrought by the Covid-19 pandemic, going into business for themselves. They want a different business banking experience than previous generations. As a Financial Brand article put it, “Just as the surge of Millennials and Gen Zers has had a profound effect on the retail side of banking, they will do the same in small business banking as well.”<sup>5</sup>

And even if these young adults are not all business owners, they will have an influence on decisions about who the company does business with and how it does business. These small business owners do not give their financial institution high marks when it comes to innovation, with less than a quarter saying that their bank or credit union provides “truly innovative solutions.”

“Just as the surge of Millennials and Gen Zers have had a profound effect on the retail side of banking they will do the same in small business banking as well.”

<sup>2</sup> Steve Cocheo, “Fintechs Threaten to Disrupt the Small Business Banking Market,” The Financial Brand. June 2020. - [Read](#)

<sup>3</sup> Christine Barry, “The Higher Urgency for Small-Business Receivables Tools in the Wake of Covid-19,” Aite-Novarica Group. April 2020. - [Read](#)

<sup>4</sup> Steve Cocheo, “Fintechs Threaten to Disrupt the Small Business Banking Market.”

<sup>5</sup> Steve Cocheo, “What Millennial & Gen Z Business Owners Want from Banks,” The Financial Brand. September 2021. - [Read](#)

The good news for banks and credit unions is there is ample opportunity to win back small business clients, Sutton said, as long as they offer SMBs the right tools and services. "There is still a lot of trust between businesses and financial institutions," Sutton explained, "more than they have with fintechs."

## Small businesses give financial institutions a mixed report card

### The good news



get all of their financial services from the same institution



prefer this one-stop setup

### More good news



currently do business banking online



say their institution's online capabilities are meeting their needs

### Less-good news



say their financial institutions "truly" provide innovative solutions

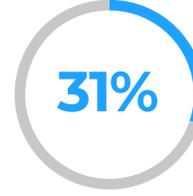


say "not so much"

### More less-good news



are "truly" satisfied with time needed to complete banking digitally



say "not so much"

He recommends that banks and credit unions "get back out on Main Street and talk to customers. Even contractors, and those working remotely that depend on the digital banking channel and don't come walking into your location. Talk about their day-to-day needs. Focus in on those things."

Christine Barry, Head of Banking & Payments Insights & Advisory for Aite-Novarica Group, agreed with this observation. "It's important for banks and credit unions to talk to their customers and find out what solutions are most critical to help them run their business better," Barry said. She noted that Aite research shows that 65% of small businesses are going beyond their bank for at least one financial tool, and that figure jumps to 70% for Millennial-owned businesses.

"They do this because there are gaps in their bank's offerings," said Barry. "but their preference is to get all these capabilities from their bank in one location."

**65%**

of **small businesses** are going beyond their bank for at least one financial tool

- Aite Novarica Group

**70%**

of **millennial-owned businesses** are going beyond their bank for at least one financial tool

- Aite Novarica Group

Many small businesses would prefer to get everything from their bank

# The SMB Opportunity is Real

A significant opportunity exists for financial institutions to better serve their current small business customers and attract new ones **by offering the innovative digital tools they desire**. Such tools not only provide convenience, but also yield tangible cost savings for small businesses.

Goldman Sachs research estimates that manual, paper-based processes relied on by many small businesses in North America cost nearly \$200 billion annually in accounts payable processing alone.<sup>6</sup>

“We see a significant revenue opportunity for payments companies, software companies and banks to capture meaningful market share over time, while simultaneously driving substantial cost savings for business,” Goldman Sachs wrote.

“In total, we see a \$950 billion global revenue opportunity (with an estimated \$186 billion in North America) across invoice processing, AP payment processing, working capital management and factoring and cross-border payment optimization.”

The firm continued: “With the majority of invoices still processed manually and paid by paper check, we see significant cost savings opportunities for businesses plus significant new revenue pools for payments and software companies entering the market with faster, lower-cost invoice processing and payment solutions.”

Another report from research and analyst firm Cornerstone Advisors found that if banks could offer their small business customers an all-in-one solution for all their payments and financing needs, the opportunity would be lucrative.<sup>7</sup>

The report estimated that SMBs spend more than \$500 billion on accounting/bookkeeping, invoicing, bill payment and payment acceptance services from third-party providers. Many would choose to get all those services from their bank if they could. Cornerstone found that approximately 40% of small businesses with annual revenues greater than \$5 million said they would use a bank for accounting, invoicing, bill pay and payment acceptance services.

Indeed, **small businesses are willing to spend money on digital tools and solutions that help them run their business better**, said Erik Nilsen, Senior Vice President, Small Business Solutions, Bottomline Technologies.

**MORE THAN**

**\$500B**

is spent annually on accounting/bookkeeping, invoicing, bill payment and payment acceptance services from third-party providers

**ROUGHLY**

**40%**

of small businesses with annual revenues greater than \$5 million said they would use a bank for accounting, invoicing, bill pay and payment acceptance services

“We think there is a tremendous opportunity for banks and credit unions here,” said Nilsen, adding that only 18 percent of financial institutions offer SMB-specific products and services to their business clients.

<sup>6</sup> James Schneider, Bill Schultz, et al, “B2B: How the Next Payments Frontier Will Unleash Small Business,” Goldman Sachs. September 2018. - [Read](#)

<sup>7</sup> Ron Shevlin, “The \$370 Billion Small Business Opportunity,” Cornerstone Advisors. - [Read](#)

Since small businesses are increasingly operating in a digital world, they are looking for digital products and services to help them run their business. Still, many banks and credit unions force small business customers to come into a physical branch to get things done. According to McKinsey research, the effective use of digital channels and partnerships is key to winning in the SMB market.<sup>8</sup> In fact, online is the preferred channel for purchasing payments for SMBs, while physical stores and branches are the least preferred, closely followed by the phone.



According to McKinsey research, the effective use of digital channels and partnerships is key to winning in the SMB market

## Online channels expected to supplant phone and in-person for SME sales

### If you had a choice, how would you prefer to purchase payments products and services?

% respondents selecting answer

	Current channel	Preferred channel	Small SMEs	Medium SMEs	Large SMEs
Online	40%	50%	59%	43%	48%
From a sales person who came to my location	28%	27%	4%	29%	30%
By phone	13%	8%	9%	13%	9%
In my bank branch	12%	10%	7%	8%	6%
In a retail store	6%	6%	4%	7%	6%

Revenues: small (\$0-\$2.5M); medium (\$2.5M-\$50M); large (>\$50M). US and UK overall, N=1,109; small, N=366; medium, N=322; large, N=331/ Source: McKinsey Merchant Survey of 1,000+ merchants in the US and the UK, 2018.

“A fully digital distribution and service model is uncommon among banks and incumbent payment processors, but can be the key to tapping into multiple levels of customer excellence,” the firm continued. With inflation stubbornly maintaining elevated heights and uncertain economic conditions ahead, small businesses especially need help managing cash flow and getting paid faster, Nilsen said. “These are the top two things,” he added. “As a small business owner, I need to get paid faster because costs are going up for everything else around me. I want money to come out of my account when I want it to, and I want to be able to easily set up entitlements and set up and pay bills on my schedule.”

SMBs “can’t live on just using general consumer accounts and they can’t wire or ACH everything,” Nilsen said. “They need real-time, digital money management.”

SMBs “can’t live on just using general consumer accounts and they can’t wire or ACH everything,” Nilsen said. “They need real-time, digital money management.”

<sup>8</sup> McKinsey & Company, “The 2020 McKinsey Global Payments Report,” October 2020. - [Read](#)

# Offering SMBs the Full Suite of Services To Run Their Business

To truly tap into this potentially lucrative market, banks and credit unions need to broaden the scope of their relationship with small businesses. This market desires to have a single partner that can help give them the digital tools to efficiently run their business, and as the data shows, many would choose a financial institution to do so.

Small business owners and decision-makers are also consumers, and they are seeking the same fast and convenient digital service they enjoy in their personal lives, particularly in the area of payments and cash flow.

In periods of rampant inflation and rising interest rates, effectively managing the inflows and outflows of cash is more vital than ever for small businesses. It's generally recommended that small businesses have three to six months of cash on hand. However, a news report from late 2021 based on a survey of small business owners revealed that nearly half of businesses had less than three months of cash reserves stored up.<sup>9</sup> Also troubling, only 31% of small businesses say they could access funding if they needed additional capital. These figures would have risen throughout 2022 as economic headwinds intensified.

That makes freeing up cash flow so critical for small businesses, and they desire tools that help them do that, said Barry.

“Anything that helps them better manage their money and have a clearer picture of their cash position today and in the future is extremely helpful,” she added. “**The biggest challenge they face is forecasting cash flow** and it’s a tool that a lot of banks don’t offer today.”

Barry noted that due to a lack of these tools, many small businesses rely on manual spreadsheets to manage cash flow, which is time consuming and prone to human error.

Delayed payments from customers and industry partners have become a major concern for SMBs, with PYMNTS.com reporting that one-quarter of small businesses wait 20 to 30 days for an invoice to get paid. Nearly half of small businesses also report that payments from large companies have taken longer since the Covid-19 pandemic.<sup>10</sup>

<sup>9</sup> Meghan Cerullo, “44% of U.S. Small Businesses Have Less than 3 Months’ Worth of Cash, Report Finds,” CBS News. September 2021. - [Read](#)

<sup>10</sup> “Late Payments Disproportionately Impact Small Businesses,” PYMNTS.com. May 2021. - [Read](#)



NEARLY  
**50%**

of businesses have less than three months of cash reserves stored up

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**31%**

of small businesses say they could access funding if they needed additional capital



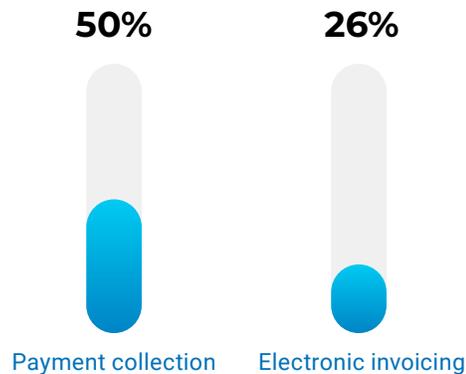
of small businesses report that payments from large companies have taken longer since the Covid-19 pandemic

"Moreover, three in ten U.S. small businesses believe that late payments are impacting the capacity to keep their companies open," PYMNTS.com wrote.

Furthermore, a 2020 study by Mastercard that surveyed 1,000 small business owners in the U.S. and Canada found that the pandemic forced **82% of SMBs in the U.S. to change the way they receive and send payments**, with half adding a digital service to collect funds and ease cash flow problems.<sup>11</sup>

"The pandemic has made it painfully clear how labor-intensive current business payment processes are, especially for small and medium-sized businesses," said Ron Shultz, Executive Vice President, New Payments Business, North America at Mastercard, said in the study. "With cash flow more critical than ever, we're seeing an accelerated shift to digital B2B payments as businesses of all sizes look to safeguard their operations today and prepare for the future."

The Mastercard survey data shows three-quarters (77%) of small business have adopted a digital service to modernize business payments



Many expressed a desire to consolidate digital service providers, rather than using a number of different vendors, with half of small business owners responding that they would ideally manage payment-related services through their bank.

**This presents a huge opportunity for banks and credit unions to maximize their relationships with SMB customers and create more value.** An article from the Bank Administration Institute (BAI) noted that fewer than one in five financial institutions offer a full slate of the services small businesses need to run their operations efficiently.<sup>12</sup>

"Many business owners still rely heavily on spreadsheets, which becomes problematic when chasing down customer invoices and payments, and their cash position is often guesswork," the report says. "As a result, they are already going beyond their primary banking relationship to meet their needs—67% of them, for instance, already use a fintech platform for financing, accounting or payments."

Even more tellingly, 90% of small businesses say they "wish" their bank or credit union understood them better, according to BAI.

# 30%

of U.S. small businesses believe that late payments are impacting the capacity to keep their companies open

# 67%

of business owners already use a fintech platform for financing, accounting or payments

# 90%

of small businesses say they "wish" their bank or credit union understood them better

<sup>11</sup> Sandra Benjamin, "Mastercard Study Shows Covid-19 a Catalyst for Digital B2B Payments Adoption," August 2020. Mastercard. - [Read](#)

<sup>12</sup> Terry Badger, "SMBs are an Untapped Opportunity for Banks," November 2021. Banks Administration Institute. - [Read](#)

Banks that can offer a suite of services to help small businesses run their business all in one place will have a clear competitive advantage, McKinsey observed.<sup>13</sup>

McKinsey advised that financial institutions start by developing a clear strategy including identifying target segments, SME pain points, and how they can create or offer an ecosystem model to SMBs where they can access all of the tools and services they will need to run their business.

“Establishing the right ecosystem partnerships can help banks create unique forms of data access and a captive customer base through unique product offerings,” a McKinsey report said.

“The partners can help the banks develop the best and most distinctive product offerings by more effectively targeting subsegments and innovating and by thinking like an SME.”

McKinsey summarized this saying, “the operating model banks need to thrive in this market combines the right technology, new ways of working, and continuous performance monitoring.”

**Ultimately, the best digital experience that will win small business customers in the future will involve financial institutions becoming “ecosystem facilitators,”** Olivia Lui, Director of Marketing, Product and Value Proposition at research and analyst firm Curinos told The Financial Brand earlier this year.<sup>14</sup>

This involves banks and credit unions facilitating an ecosystem with a number of third parties to offer “adjacent” products such as payroll management, accounts payable services and more that facilitate and differentiate how banks deliver value for their SMB customers.

Banks or credit union that become ecosystem facilitators can plug all these applications into one utility, allowing the small business owner to manage them all from one place, Lui said. “And then you can provide proactive insights and personalized product recommendations. This is where the world is heading.”

While most banks are not currently playing this role of ecosystem facilitator for small businesses, Lui urged them to seize the opportunity.

“Banks play a very unique role in people’s lives,” she emphasized. “They are trusted, even if they are not necessarily seen as innovative. There is a big opportunity for banks to get out of their traditional mindset.”

## SO WHAT CAN FINANCIAL INSTITUTIONS PROVIDE THAT THEIR SMALL BUSINESS CLIENTS ARE ASKING FOR?



One easy-to-use place to manage all financial and business operations



Accurate, real-time data to help them take action on their business strategy



Relevant small-business products and services

“Banks play a very unique role in people’s lives. They are trusted, even if they are not necessarily seen as innovative. There is a big opportunity for banks to get out of their traditional mindset.”

<sup>13</sup> Juan Antonio Bahillo et al, “How Banks Can Reimagine Lending to Small and Medium-size Enterprises,” May 2022. McKinsey & Company. - [Read](#)

<sup>14</sup> Bryan Yurcan, “Digital UX Key for Banks to Win Back Small Businesses from Fintechs,” March 2021. The Financial Brand. - [Read](#)

# How to Become an Ecosystem Facilitator

It may seem like transforming into an ecosystem provider is a hefty task for all but the biggest and most tech-savvy financial institutions. But there are simple, quick and efficient ways for banks and credit unions to tap into third-party offerings that they can offer to their small business clients. The key is working with a technology partner that has a specific platform that banks and credit unions can extend to small business clients, as well as fintech partners who specialize in meeting the specific needs of small businesses.

They can do this without the need for a large IT staff or an expensive tech overhaul by harnessing application programming interfaces (APIs).

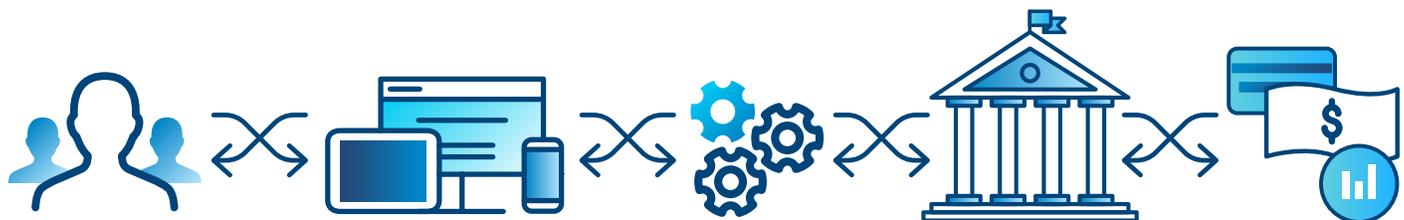
“APIs can serve as the building blocks for banks’ efforts to connect and re-connect with their customers,” Accenture said in a consulting report. “By taking advantage of APIs’ unique abilities to facilitate communications and transactions, and by embracing an API-driven architecture, banks can transform themselves to unlock new sources of business value.”<sup>15</sup>

If banks could offer all the tools small businesses need in one place it would offer convenience, said Aite’s Barry, and businesses would be willing to pay for such a service. By being ecosystem facilitators, banks could also serve their small business clients better, as they would have a full view of their financial situation.

“It gives banks greater insights into the businesses’ financial health and cash flow and enables them to offer timely advice or forecast what they might need in the future,” Barry said.



If banks could offer all the tools small businesses need in one place it would offer convenience, said Aite’s Barry, and businesses would be willing to pay for such a service.



Creating an ecosystem that offers access to adjacent products creates many benefits for financial institutions, their small business customers and third-party providers.

<sup>15</sup> Carmina Lees, Amit Mallick et al, “How Banks Can Thrive in an API Economy,” 2019. Accenture Consulting. - [Read](#)

## TURN COMPETITORS INTO PARTNERS

It's no secret that fintechs have eaten into financial intuition's small business customer base in recent years. Many business owners have flocked to companies such as Square, Stripe, Shopify and many others for various payments, accounting and financial needs. By bringing fintech providers into an ecosystem, however, rather than viewing them as competition, financial institutions can embrace them as potential partners.

**Banks and credit unions "can't be scared of partnering with fintechs,"** said Bottomline's Nilsen. By offering open banking services through APIs as described above, small businesses do not need to spend time and money utilizing a number of fintech services when they can get everything from their financial institution.

"So, when they log in [to a digital banking portal], small business owners can do everything through a bank they trust and, if they can bring in an entire fintech ecosystem of digital services all in one place, of course they will buy it from their bank."

**This not only enables banks to offer their small business customers access to a wider variety of products and services, but can help banks expand revenue streams by charging subscription fees.** And fintech firms with a great product benefit by having access to bring their idea to market at scale.

This is especially important as banks are facing pressure to eliminate or severely curtail overdraft fees, which have long been a prime source of revenue. According to a report from S&P Global from January 2022, large banks as well as smaller community institutions are dropping overdraft fees. Overdraft revenue was down 27% from pre-pandemic levels as of the third quarter of 2021.<sup>16</sup>

"The flurry of moves come as regulatory and competitive pressures are building on banks to move away from a costly service that is disproportionately used by financially vulnerable customers," the S&P Global report states. "Politicians have taken big bank executives to task over their overdraft policies at congressional hearings, and the Consumer Financial Protection Bureau issued a report in December 2021 that showed banks were still heavily dependent on overdraft revenue, pledging stepped-up supervisory and enforcement scrutiny of banks dependent on the fees."

Nilsen noted that **revenue that comes from an ecosystem subscription service can go a long way towards replacing lost overdraft revenue.** "A small business will gladly spend \$100 a month to access all these adjacent products and services," he said. "That's roughly the equivalent of three overdrafts. Businesses will pay for this value."

Barry added that small businesses—and indeed all consumers—"are very clear that they want to see their bank partnering with fintechs."

The clear implication for banks is that "you need to change the mindset of thinking about fintechs as competitors, and think about them as partners," she added.

By bringing fintech providers into an ecosystem, however, rather than viewing them as competition, financial institutions can now see them as potential partners.

# 27%

of overdraft revenue was lost from pre-pandemic levels as of the 2021 third quarter

<sup>16</sup> Zach Fox, Ronamil Portes, "More Banks Cut Overdraft Fees as Pressure Builds," January 2022. S&P Global. - [Read](#)

## REMAIN COMPETITIVE AGAINST BIGGER FINANCIAL INSTITUTIONS

The vast majority of the nearly 10,000 banks and credit unions do not have the tech budget or resources to compete with the largest global banks. But with an ecosystem model, they don't have to. Indeed, McKinsey opined that many banks are turning to ecosystem models to collaborate with fintech companies rather than develop their own in-house solutions, taking advantage of proven technologies and business models (and sometimes customer bases) while also often saving costs.<sup>17</sup>

This allows smaller banks that lack the financial heft of the largest institutions to compete effectively and offer their small business clients access to real-time innovative digital products and services that they want to make their job easier.

## ENABLE SEAMLESS ENGAGEMENT

As we have discussed, many banks and credit unions shoehorn small businesses into online banking solutions created for retail customers. But institutions can provide the seamless, unified digital experience small business clients desire. The key is to deliver a comprehensive set of integrated solutions, including payments and cash management, payment fraud and risk management, account opening and onboarding and relationship development all via APIs.

## UNDERSTAND CUSTOMER BUSINESSES AND DEEPEN RELATIONSHIPS

As banks and credit unions deliver digital, real-time products and services to their small business customers, they will also understand those client's needs better and be able to offer proactive help in real time. By delivering timely guidance and advice to small business clients and helping them to not only survive but to thrive, institutions can deepen customer relationships and make them longer lasting and more profitable.

"There is significant customer experience upside in the rapid delivery of small business products," wrote management consulting firm West Monroe.

"Small businesses appreciate streamlined processes that allow them to quickly obtain information, quotes, and ultimately capital to support their business needs.

These businesses recognize and appreciate a financial partner that values their time, addresses their specific needs, and meets them where they are digitally."<sup>18</sup>

The vast majority of the nearly 10,000 banks and credit unions do not have the tech budget or resources to compete with the largest global banks. But with an ecosystem model, they don't have to.

<sup>17</sup> "Getting Hitched." McKinsey & Company. - [Read](#)

<sup>18</sup> Roger Taylor, Nathan Porter, John Stockamp, "How to Apply a 'Bank-in-a-Box' Model to the Small Business Segment," July 2021. West Monroe. - [Read](#)



# Conclusion

Most banks and credit unions do not have unlimited budgets or vast internal resources to create an entire suite of small business products in-house. But luckily, they don't need that. By offering their small business clients access to adjacent products via an ecosystem environment, even the smallest financial institution can provide innovative, cutting-edge services to their clients.

"Banks that choose to engage fully in the new banking ecosystem based on open data will focus on the element of their environment that they can control—the organizations they choose to collaborate with to create new services based on pooled data," wrote Louise Beaumont, then Co-chair of the Open Banking Working Group at TechUK, a trade association, in a 2018 article. "These will be partnerships of mutual advantage, with the potential to create new sources of profit for both parties that will be shared between them."<sup>19</sup> "Success will come from the ability to be open to ideas from outside and collaborate effectively," she concluded.

Of course, many institutions simply can't become ecosystem providers overnight, said Autobooks' Sutton. But they can start small and go from there. "Understand what are the most important one, two or three things for a business owner and start there and work towards an endpoint," Sutton added. "Even consider building a prototype. Put yourself in your customer's shoes."

Sutton also recommended that financial institutions lean on their technology providers, and demand more from them if necessary. "Don't just simply take what your core banking and digital banking providers are offering. Hold them accountable," he said. "Evaluate how they are positioning your firm to take advantage of the digital services available for small businesses. Ask how they are making it simpler or easier—or harder—to find and connect with third-party fintech services and offer them to your small business customers."

Sutton emphasized this is not simply "vendor-blaming," but financial institutions should approach their relationships with their technology providers as more cooperative with a spirit of "we're in this together." "Become an active participant and be informed by what customers want," Sutton concluded.

There is certainly "a lot of work to be done," added Nilsen, but banks and credit unions should not be afraid of making this transition to ecosystem provider.

**In the end, any bank or credit union can provide SMB customers with a best-in-class digital banking experience.** This experience begins with account opening, and continues with cash flow management, digital payments, real-time payments, invoicing, accounting, reporting and insights, all in one place, saving time and effort for the business owner. This helps attract new business clients and deepens relationships with existing ones.

<sup>19</sup> Louise Beaumont, "Building New Banking Ecosystems Using Data and Collaboration," March 2018. The Financial Brand. - [Read](#)



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