

Supporting Businesses Through Commercial Services

Understanding the Need

For a community financial institution, the benefits of working with business customers can extend beyond banking. Not only do these relationships grow the business, they can also solidify the institution's ties to the community it serves. However, in order to begin exploring a deeper relationship with local businesses, an institution must be able to properly address and serve the unique banking needs of the business.

For a small business, these needs often concern cash flow. According to the Federal Reserve's 2019 Small Business Credit Survey Report on Employer Firms, 64% of the small businesses surveyed had faced financial challenges in the previous 12 months. These challenges included paying for operational expenses, repaying debt, accessing credits, purchasing inventory and supplies, and more. Meeting these challenges has a direct impact on the viability of a small business.



By helping those businesses meet their needs to pay bills, easily collect on invoices and protect the money they've earned, a community financial institution can begin a relationship that will benefit both the institution and the community. A full suite of cash management and commercial services, and knowing how to deliver these to customers in a meaningful and impactful way, can differentiate an institution within a competitive small business banking environment.

One-Stop Shop

That full suite starts simply with an account that allows for multiple channels of access, providing and consistent customer experience along all channels. From the branch to online and mobile banking to ATM and debit card use, enabling business customers to access their accounts seamlessly and in real time is the first step in an immersive relationship. Providing the right tools at the right time can turn an institution into the trusted local advisor of financial solutions for a small business.

Once established, the advisor-advisee relationship, not simply the banker-customer relationship, can blossom. In the same survey referenced above, more than half of respondents seeking financing did so at a community bank or credit union. Of those who applied at a community institution, 65% noted an existing relationship with the lender as the leading factor for applying there. That personal relationship opens the doors for an institution to help a business grow and thrive through deposit and lending solutions. It can also lead to deeper conversations to help cash flow concerns with tools such as remote deposit, ACH management, wire authorizations, merchant services, Positive Pay and treasury management. Each solution, delivered at the right time, makes life easier for the business customer and their employees.

Consumers and businesses alike choose community institutions because they are seen as a more personal banking experience than larger regional and national banks, not necessarily because of a perceived wealth of products. However, when paired with the right technology partner, a community institution can deliver all of the technology and solutions needed for businesses of any size with the added personal touch that is the hallmark of community banking. A chain of aligned missions from technology through delivery to user, dedicated to providing exceptional personal service, puts the community financial institution and its customers in position to succeed.