



WHITE PAPER

# MEETING SMALL BUSINESS NEEDS IN A CHANGING ENVIRONMENT

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As a country and through-out the world, everything has drastically changed in the last year, including within the banking space. The global pandemic has accelerated the requirement of assisting clients in new and more remote ways. Clients are needing to move to a much lower touch environment. But where does that leave the necessity to originate new and expanded relationships within your institution? The industry is trying to rapidly address the new requirements with lasting solutions.

Not only is there a continued push for digital origination for consumers, there is also a growing need to provide a digital solution for small business clients as well. The pandemic may have been the initial accelerant for this new way of engagement, but consumers and business clients have shown that this is a lasting expectation in the industry. Understanding the onboarding experience is the first impression with a small business, it is critical for banks to focus on this key introduction. Let's face it, competition is fierce for new businesses and these customers are not in a hurry to switch banks. Business account opening and servicing has a reputation for being a lengthy process, involving extensive back and forth communication. By focusing on this area, there is a way to optimize the onboarding experience for commercial customers and differentiate your bank in the marketplace when it comes to maintaining and expanding that relationship.

How do I assist my small business customers open accounts remotely? Can I collect all the pertinent data required? Can I extend these services to new and existing clients? Once the account is open, how can I service them remotely?

#### **THIS WHITE PAPER TAKES A CLOSER LOOK AT**

- Current market forces influencing business digital interaction
- What the future holds for digital, low touch small business origination and servicing
- Where banks should focus to address current concerns and prepare for future changes

### **A push for digital**

As clients are becoming more and more technologically savvy, they are expecting to be able to leverage that technology in all aspects of their lives -- from ordering their coffee in advance on their phone to sending in a digital ticket to changing their address on an account. This trend is extending beyond just retail focused clients. Small business clients are also presenting the expectation of a full digital interaction. This puts pressure on institutions to extend features that have previously only been available to retail clients.

With the introduction of the Beneficial Ownership Rule in 2016, a common concern of financial institutions is that small business clients have very different regulatory requirements than retail clients do. The perception is, this creates a requirement much different than those of digital retail originations. This is not necessarily the case and should not be a showstopper. In addition, some financial institutions are weary of the electronic signing process for small business given the traditionally paper-intensive process related to account origination. Again, this should not hinder banks from deploying this fully digital experience. This is an opportunity to shine.

Financial institutions are also trying to find solutions for reducing the touch required for functions that historically have occurred in the branch environment, from origination to servicing. Digital interactions and the need for low touch services are now a requirement.

Providing secure and easy-to-use digital servicing functions are also rapidly becoming a requirement for institutions for small business customers. Clients need to manage their relationship even if they are unable to physically see their relationship manager. Ceasing operations is not an option for small businesses. Technology allows for financial institutions to continue to provide a human touch even if in a fully digital channel. Not having a solution to meet these growing needs is no longer an option. Small businesses now expect the ability to manage their relationship with their institution in a digital format; this has become a deciding factor on which institution small businesses choose to do business with.

Banks and credit unions will find consumer preference have quickly become and will be permanently different even after the crisis passes. At the start of the crisis, in-branch traffic had been a rising problem for banks, but now, more branches have closed and consumers have been forced to use online banking, mobile banking, and telephone banking etc. Here is how respondents said COVID-19 will change the way they interact with their bank:

**22%** 

of respondents use a drive-thru instead of going into a branch bank.<sup>1</sup>

**16%** 

of respondents use more online/mobile banking instead of in-person at a branch bank.<sup>1</sup>

**16%** 

of respondents use a call center/chat services instead of going in-person at a branch bank.<sup>1</sup>

<sup>1</sup>2020 PACE Report, FIS

## Looking to the future

### 1. Does your modernization strategy include more digital services for small business clients?

With the industry leaning more heavily on digital services, it is a natural progression to also extend those services to small business clients. It is imperative to have a strategy in place that includes expanding digital services to small business clients and to know what services your small business clients need in a digital platform.

### 2. Have you considered a consistent client experience?

Many digital offerings focus solely on the client experience and are lackluster when it comes to the institution accessed functionality. This leaves a disconnect between your associates and your clients that can ultimately hurt the client experience. Considering a consistent client experience that expands to the physical channels should be a priority in your modernization strategy.

### 3. How are you meeting the strict regulatory requirements for small business accounts?

It can seem like a monumental task to not only provide the client experience that is becoming an industry demand but to also ensure that the experience is meeting the ever-evolving regulatory requirements. Making sure the solution your financial institution invests in meets regulatory requirements and will continue to evolve with new and updated regulations can be a challenge, but far from impossible. Choosing the right partner is more important than ever.

“Banks are working hard to ensure that they are able to retain their role as trusted advisor in the client relationship by enabling their clients to continue to experience the high touch/high quality relationship. Business banking clients are looking for in an era when more and more of the customers daily interaction with the bank is through a digital channel. Digital distribution platforms like Digital One Business are designed to be an extension of the bank, aligned with and supporting the bank’s customer experience.”

**BLAISE MACNEIL**, DIRECTOR OF DIGITAL FINANCE

## FIS Digital One- Your solution for your small business banking experience

FIS meets the needs of a modernized digital engagement with business clients through a suite of business solutions from Digital One, Open Payment Framework (OPF), Real Time Payments (RTP), and Payments One, to name a few. These solutions allow financial institutions to meet the needs of their small business customers and continue to meet their further modernization strategies.

FIS Digital One is not a monolithic point solution, it is a holistic platform that brings a continuous client experience to both clients and bankers at your institution. Digital One is a modular based platform allowing for an incremental roll out approach to suit your institution's individual modernization needs.

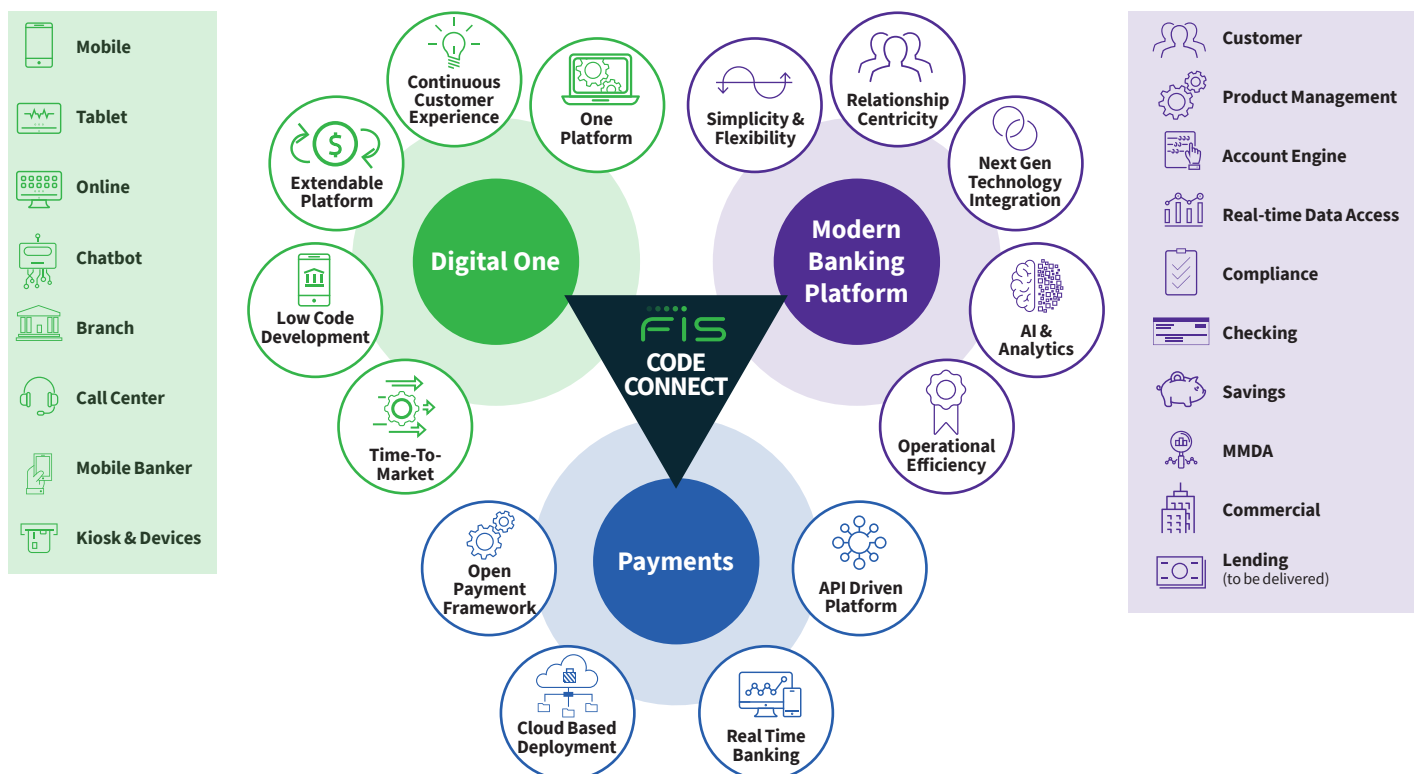
The Digital One platform offers not only a solution for consumer origination, it expands into the much needed small business origination space. Recognizing the additional compliance requirements, FIS has built small business origination into our Digital One platform ensuring compliance enablement. The solution allows for small business clients to begin an origination process remotely, providing all required documentation digitally and then to complete the origination process, if needed, in a low touch environment within the branch.

The seamless client experience continues after the initial origination process with easy to navigate servicing functionality. From signer

change requests to digital tax document requests, Digital One creates an environment that empowers the end user to complete interactions with your institution digitally, ensuring a safe and relevant experience. This extends to additional services as well including OPF and RTP. Giving small businesses the powerful tools they require to maintain and grow their businesses. Small Businesses now expect to be able to digitally pay invoices and employees in an expedient and seamless fashion.

With a single platform, bankers also have the same seamless experience as they receive servicing requests and new account applications from the digital channel. Bankers can receive automated notifications depending on their role within the platform to alleviate manually checking for new requests, thus expediting workflow processes. Application persistence within the account origination process allows for bankers to assist clients with completion of any partially saved application. Utilizing these features allow bankers to seamlessly assist small business clients in-person or virtual environment.

Digital One is built on an open API platform allowing for the ability to leverage your investment and reduce spend over time. Digital One allows for an incremental approach for implementation, making it the best choice for reaching your institution's modernization goals and ensuring you continue to provide excellent customer service to your small business clients.



## About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our employees are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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