



# **4 Reasons Why Investing in Business Banking Makes Good Business Sense**



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Why are many financial institutions hesitant to invest in digital banking platforms that are purpose-built for small and mid-size businesses? Some banks and credit unions believe that a “consumer-plus” solution will adequately serve these customers. But supporting the business segment with solutions originally designed to serve consumers usually falls short.

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Businesses require complex cash management functionality and third-party integrations that don't typically fit into consumer banking solutions. This leads to business solutions that are retrofitted, incomplete, or just don't meet the needs of today's small businesses.

Businesses want to be recognized for what they are—businesses, not consumers—and often don't feel their unique needs are being met with adapted consumer solutions. According to an [Aite-Novarica study](#), 50% of businesses consider it a requirement, and another 29% consider it important, for financial institutions to provide solutions tailored to them.

By offering a digital banking platform built to service businesses, one that helps them save time, increase convenience, and operate more efficiently, community and regional financial institutions can better align with the expectations of businesses and deliver the value they are willing to pay for.





Below are four compelling reasons for financial institutions to provide businesses with a dedicated solution for business banking.

## 1. Businesses Need Access to Sophisticated Features

As small businesses grow, the challenge of running operations efficiently becomes more difficult. Businesses require intuitive, easy-to-use banking solutions that allow them to spend less time banking and more time running their business. Offering them a “consumer-plus” or retrofitted solution is not ideal because much of the functionality they require is too complex for consumer banking models, forcing businesses to seek options outside their primary financial institution.

Functionality targeted to businesses should include:

**Cash management:** Businesses’ payments capabilities go well beyond the bill pay and external transfers functions offered in consumer banking solutions. They need more sophisticated tools like the following to help them manage daily cash flow and mitigate fraud:

- ACH
- Wires
- Advanced transfers
- Tax payments
- Advanced reporting
- Positive pay

**Intuitive workflows around payment processes:** Advanced workflow capabilities enable businesses to streamline processes like payroll, vendor payments, and collections. Small businesses are also increasingly making international payments and require greater transparency around payments. Some small-business owners are less tech-savvy or familiar with initiating online payments and need additional information, assistance, and a simplified workflow that doesn’t require them to understand complex banking terminology.

**Entitlements:** Businesses need a detailed entitlements structure within business banking to drive differentiated experiences for each of their employees based on what each user can see and do.

**Collaboration tools:** Today’s support platforms offer multiple methods—screen sharing, video, voice, text, and chat—to engage with and provide support to users in real time. Because financial institutions often need to support business customers quickly or on-the-go, offering flexible support options allows business users to interact with their primary financial institution using the method they prefer.

**Reporting:** Consumer banking platforms often don’t include the reporting tools that businesses need to monitor their financial operations. A business banking platform featuring comprehensive reporting tools can help businesses keep close watch on cash position, financial health, and regulatory compliance.

## 2. Dedicated Business Banking Promotes New Revenue Streams

Implementing a dedicated business banking platform opens opportunities to identify and cultivate new, lucrative revenue streams through incremental service fees. According to McKinsey's [Global Banking Annual Review](#), financial institutions that move away from traditional business models toward a fee structure can help future-proof their business.



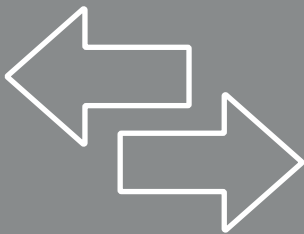
When primary financial institutions don't offer robust capabilities—including international payments, positive pay, entitlements, enhanced alerting through mobile, business analytics programs, and faster payment options—small businesses must go outside of their business banking solution to find a vendor that does. And businesses end up paying fees for these services to a third party.

Today, according to Aite-Novarica, 65% of these small businesses already go outside their primary financial institution to a fintech company to fill unmet needs, although most would prefer to get all of their business banking capabilities from their primary financial institution.

Financial institutions that choose to invest in a dedicated business banking platform empower their business clients with the services they need to thrive, preventing them from turning to third-party vendors. And as a result, institutions keep incremental service fees in-house.

## 3. Dedicated Business Banking Can Seamlessly Integrate with Third Parties

A seamless experience and single login are important to 57% of small businesses, according to Aite-Novarica. As a result, Institutions looking to add business banking to their existing solution set should look for a business banking solution that seamlessly integrates with their consumer banking platform. Doing so will allow business customers to consolidate both personal and business accounts with a single login, simplifying their access and experience.



In addition, business banking platforms can integrate with third parties such as accounting systems, merchant services, or cross-currency payments software to deliver enhanced convenience to business users. Single sign-on capabilities or APIs can be used to deliver a more seamless experience, transitioning users to features delivered by third parties without the need to separately log in.



## 4. Businesses Demand a More Personalized Experience

With everyday online experiences becoming increasingly personalized, small businesses expect the same when it comes to digital banking. One way for financial institutions to stand out is to tailor banking experiences based on insights from data. New data intelligence tools are available to help institutions incorporate greater levels of personalization to demonstrate their ability to meet a business's unique needs.

For instance, banks and credit unions can leverage data-driven tools to:

- Seamlessly connect a digital banking solution with a business's accounting package to provide tailored insights about cashflow forecasting, financial event planning, benchmarking, and expense optimization.
- Evaluate how users interact with their digital banking solution, enabling financial institutions to create tailored pop-up messages within their digital banking solution to encourage use of specific features or to cross-sell products and services.
- Consolidate financial data from digital banking solutions and a wide range of third-party sources and visualize key insights in easily digestible, interactive charts and graphs. Armed with these insights, financial institutions can define groups of users with similar characteristics and create highly relevant, targeted campaigns to deliver a more personalized digital banking experience.

### Turning the Investment into an Advantage

Businesses are clear that “consumer-plus” digital banking solutions do not provide the sophisticated capabilities they need. Businesses have demonstrated that they will find ways to bypass their financial institutions to get needed financial tools—unless institutions begin to provide the functionality businesses need to run their operations effectively.

Offering robust functionality personalized for businesses—such as cash management tools, reporting, integrations to accounting packages, business analytics, and more—can set primary financial institutions up as a one-stop-shop for business banking. And bridging the functionality gaps with a dedicated business banking solution can help foster a long-term partnership between a business and its primary financial institution, setting both entities up for success.



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## About Apiture

Apiture delivers award-winning digital banking solutions to banks and credit unions throughout the U.S. Our flexible, highly configurable solutions meet a wide range of financial institutions' needs, from leveling the playing field with larger institutions to supporting growth through innovative data intelligence and embedded banking strategies. With our API-first approach, our clients can maximize the capabilities of their platform while preserving a seamless user experience. Our exclusive focus on digital banking, and a team with hundreds of years of collective experience working at U.S. financial institutions, means we're dedicated to meeting the unique needs of our clients while providing a level of support that's unmatched in the industry. Apiture is headquartered in Wilmington, North Carolina, with offices in Austin, Texas.

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