

capturing your fair share (and more)

Digital Strategies to Attract and Retain SMBs with Banno Business™

In the contest for valuable business banking relationships, community and regional financial institutions have some built-in advantages. You know your communities intimately, your employees are well known in the marketplace, and you understand how to address the unique challenges faced by businesses in your community.

Unfortunately, those factors aren't leading you to capture your fair share of business banking accounts. Only 8% of businesses formed within the last five years have chosen a community bank or credit union as their primary financial institution. The remaining 92% chose from one of the top 25 U.S. banks.¹

a problem of perception

Why this disparity – when community and regional banks and credit unions should be perfectly positioned to capture and serve small-to-medium businesses?

It appears to be a matter of perception.

Owners of newer businesses are motivated by digital tools. Larger banks have historically done a better job at building and touting their digital prowess – especially on the business banking side.

At a time when newer businesses are more motivated by online and mobile banking capabilities than any other factor when choosing a primary financial institution,² it makes sense that those institutions with the strongest digital reputations are winning the business.



tackling the technology

Before you can enlist your marketing department and business development teams to spread the word, it's essential to make sure your tech stack is ready to handle what today's small-to-medium businesses (SMBs) need.

Here's a look at the digital elements that can provide a strong foundation for your business banking strategy.

1. a platform tailored to growing businesses

38-48% of businesses admit to using personal checking accounts for business purposes.³ This implies that it's easier for new businesses to launch using the personal accounts of their founders.

That's why it's so essential for banks and credit unions to create a digital banking continuum, enabling microbusinesses and gig economy workers to use the digital banking tools they're comfortable with on day one, while providing the option to toggle on additional features and capabilities as their business grows.

It's a strategy delivered by Jack Henry's digital banking suite that includes the Banno Digital Platform™ and Banno Business™. With the flip of a switch, your back-office support staff can enable business-centric features like ACH, Wire Transfers, and Check Positive Pay, giving businesses the powerful tools that they need to manage business banking accounts through a familiar digital interface.

Features can be added as the business grows. When new employees come on board, business owners have the authority to add new digital banking users and grant them access to the financial management features they need to perform their jobs – making the management of entitlements easy and efficient for SMB owners.



38-48% of businesses admit to using personal checking accounts for business purposes.

2. cash flow tools

Although 72% of businesses indicate that cash flow projection is vital to the operation of their business, almost two-thirds still use pen and paper, Excel, or other manual tools to calculate and project their cash position.⁴

In addition, 86% of U.S. small business owners indicate that they need a consolidated place to check in on the financial health of their business, with 87% wishing they could better use their business' financial data to make informed decisions.⁵

This is where a robust suite of reporting, combined with open banking and account aggregation within the digital banking experience really shine. It ensures your small business digital banking offers out-of-the-box reports that help small businesses get started, along with the option to create and save custom reports that meet their unique circumstances and needs.

3. invoicing and payment acceptance

Third-party, non-bank fintechs continue to capture market share among SMBs looking for ways to simplify their invoicing and payment acceptance processes. In fact, 92% of small businesses in the U.S. have indicated they're interested in using fintech tools for billing, invoicing, and payment acceptance.⁶

Offering these tools within your digital banking experience not only prevents additional financial fragmentation by serving your business clients in-house, it also provides a boost to your balance sheet, as only \$1 out of every \$8 collected through a third-party payments tool ever makes its way back to the primary financial institution.⁷

It's one of the reasons that Banno Business has baked Autobooks digital invoicing and payment acceptance tools directly into the digital banking platform. Rather than sending your accountholders to third-party providers, they can send digital invoices and collect payments directly from within the digital experience.



Only \$1 out of every \$8 collected through a third-party payments tool ever makes its way back to the primary financial institution.

4. fraud prevention

Often less technology-savvy than larger corporations, SMBs can easily fall prey to today's fraudsters. Business email compromise (BEC) is especially challenging, since email remains the most common tool for business communications and 98% of employees failed to report known attacks.⁸

Even more troubling, generative AI is making BEC lures more convincing and easier to create. By mid-2024, an estimated 40% of BEC phishing emails were AI generated.¹⁰

It's an expensive problem. That's why Banno Business includes Conversations for Business™, a built-in solution to BEC. This secure communication tool takes financial conversations and approvals out of email or SMS texts and into an authenticated experience. This means that high-stakes financial transactions like wires and ACH can be securely discussed within the digital banking app – and from any desktop or mobile device – making it easy to conduct legitimate financial business while keeping fraudsters away.

Conversations can happen securely and instantaneously between authenticated employees of the business or financial stakeholders like accountants or attorneys, making group chats friction-free even when approvers are in different offices or locations. And if a question comes up that requires support from your financial institution, a member of the chat can simply add your team to the conversation.

By removing email from the equation, Conversations for Business is an easy way to protect your accountholders from the dangers associated with BEC while providing them with an easy, low-friction way to hold secure financial conversations.



Generative AI is making BEC lures more convincing and easier to create. By mid-2024, an estimated 40% of BEC phishing emails were AI generated.

5. powerful digital service experience

Beyond preventing fraud, an in-app secure communication tool like Conversations for Business will ensure that the high-touch service you're known for is available through the SMB's preferred methods of contact: online and mobile banking.

With this powerful piece of embedded technology, you can easily offer businesses a digital service continuum that includes options like authenticated and augmented chat, secure file sharing, video chat, and screen sharing.

Conversations for Business also lets accountholders ask questions or submit forms or applications at their convenience, while offering your business accountholders the opportunity to provide context to an inquiry by attaching a particular account, transaction, or form. This helps speed time from the initial inquiry to resolution, freeing the business owners to focus on what they do best – run their businesses.

The ability to offer secure video chat and screen sharing benefits your service team as well as the business. Business banking specialists can help troubleshoot or walk new users through more advanced features in real time, while relationship officers can jump onto calls that provide retention or cross-sales opportunities without having to leave the office. And because these video calls are pre-scheduled and initiated by your team, you'll never need to worry about business owners waiting in a queue for a video chat or struggling to manage fluctuating on-demand volume in your call center.



With this powerful piece of embedded technology, you can easily offer businesses a digital service continuum that includes options like **authenticated and augmented chat, secure file sharing, video chat, and screen sharing.**

6. technology that unlocks your advantages

The personal touch and powerful knowledge that your business bankers, lenders, and officers bring to their interactions with your business accountholders does pay off.

Businesses that identify a community bank or credit union as their primary institution are:

- Far more satisfied than those using larger institutions
- More likely to recommend their institution to others
- Far less likely to move their relationships over the next 12 months¹¹

And yet, despite serving existing business relationships well, the largest institutions are still capturing the lion's share of new business relationships due to the perception that community banks and credit unions don't offer the digital features SMBs desire.

That's why it's essential to include a best-in-breed business banking solution like Banno Business in your business banking delivery strategy. Beyond serving today's business accountholders well, you'll have the technology to attract and retain new SMBs, bolstering your bottom line by diversifying your portfolio, delivering new deposits, and uncovering new lending opportunities that simultaneously build your community.

get started today

Speak with a member of our digital experience team to [learn more](#) about Banno Business and how it can help you meet your business banking goals.

For more information about Jack Henry, visit jackhenry.com.

sources

1. Ian Benton and Gregory Magana, *Redefining "Community": How Small Banks and Credit Unions Can Compete and Thrive in Business Banking*, Javelin, accessed May 2023.
2. *Redefining "Community": How Small Banks and Credit Unions Can Compete and Thrive in Business Banking*.
3. *Redefining "Community": How Small Banks and Credit Unions Can Compete and Thrive in Business Banking*.
4. Ian Benton, Jacob Jegher, and Red Gillen, *How Cash-Flow Tools Can Transform Small-Business Digital Banking*, Javelin, accessed May 2023.
5. *Empowering small and mid-sized business growth by unleashing their data*, Finicity, accessed May 2023.
6. *Empowering small and mid-sized business growth by unleashing their data*.
7. *2022 Autobooks Small Business Data Report*, accessed May 2023.
8. Menghan Xiao, *BEC attacks surged 81% in 2022, 98% employees failed to report threat*, SC Media, accessed May 2023.
9. *BEC attacks surged 81% in 2022, 98% employees failed to report threat*.
10. *VIPRE's Email Threat Trends Report: Q2 2024*, accessed August 2026.
11. *Redefining "Community": How Small Banks and Credit Unions Can Compete and Thrive in Business Banking*.