

# winning the small business market

How Your Financial Institution Can Grow Market Share and Serve Small Businesses With Confidence

jack henry™



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# identifying your biggest opportunity for growth

Community and regional banks and credit unions are constantly looking for new ways to grow revenue, deepen relationships, and stand out.

**One of the most promising opportunities? Small- to medium-sized businesses (SMBs).**

These businesses are more than just a segment – they’re the heartbeat of local economies and the foundation of future growth. Yet despite their scale and impact, many small businesses remain underserved. They’re often forced to combine financial services from multiple providers, leading to inefficiencies, missed opportunities, and fragmented relationships.

Here’s the exciting part: you can become the go-to financial champion for small businesses.

By aligning your strategy, technology, and marketing efforts, you can gain new revenue streams, strengthen loyalty, and deliver the kind of personalized service that truly sets you apart. Whether you’re just beginning to explore the small business market or you’re looking to refine your approach, the insights and strategies ahead will help you build a roadmap for success.



You can become the go-to financial champion for small businesses.

# analyzing key trends in the small business market

## Understanding the Landscape to Unlock Opportunity

Small businesses are evolving – and so are their expectations.

As the backbone of the U.S. economy, they represent a massive opportunity for financial institutions who are ready to meet their needs with modern, personalized solutions. **Here's what's shaping the small business banking landscape today:**

### Massive Market Potential

With 34.8 million SMBs in the United States, they make up 99.9% of all businesses.<sup>1</sup> The estimated \$130 billion revenue pool available to financial institutions includes deposits, loans, and payments – but only 9% of SMBs bank with community banks or credit unions.<sup>2,3</sup>

### Hidden in Plain Sight

Many small businesses are hiding in retail accounts. Research shows that about 20% of retail accounts exhibit small business traits, meaning your financial institution may already be serving SMBs without realizing it.<sup>4</sup>

### Cash Flow Challenges

Cash flow problems are cited as a contributing factor by 82% of failed small businesses. Most only have enough cash on hand to cover three to four weeks of expenses, and many struggle with past-due invoices.<sup>5</sup> Yet only 27% use their bank's cash flow projection tools – a clear gap in service.<sup>6</sup>

### Switching Behavior

SMBs are actively looking for better banking relationships, with 37% saying they will definitely or probably switch in the next two years.<sup>7</sup> Many are looking for better product features, faster service, and more integrated tools.

### Deposit Opportunity

SMB accounts hold 4.6x larger deposit balances than retail accounts. However, \$1 of every \$8 collected through third-party apps like PayPal or Square never makes it back to the primary financial institution – a missed opportunity for deposit growth.<sup>8</sup>

These trends signal a clear call to action: financial institutions that understand the needs of small businesses – and respond with the right tools, technology, and service – are positioned to win.

# developing strategic solutions for small business success

## Building the Technology Ecosystem Small Businesses Need

Small businesses aren't just looking for a place to store their money.

They're looking for a partner – someone who understands their challenges and provides integrated tools to help them thrive. To win in this market, financial institutions need to deliver a connected technology ecosystem that brings together fragmented solutions, helping small businesses manage every financial aspect of their business in one place.

An SMB technology roadmap – based on five key financial needs for small businesses – can offer a clear framework for building this ecosystem.



Small businesses aren't just looking for a place to store their money.

## 1. Financial Services

Small businesses need their primary financial institution to be built on a reliable core provider, offer seamless account opening and onboarding, and be accessible through a robust digital banking platform.

Jack Henry™ helps with solutions like:

- **Core platform** options that are scalable and secure
- **Banno Digital Platform™** to provide a unified platform for mobile and online banking
- **JHA OpenAnywhere™** for digital account opening made simple

## 2. Payments

Payments are the lifeblood of small businesses. They need to be fast, secure, flexible, and easy to accept and send.

Jack Henry helps with solutions like:

- **Tap2Local™** for contactless, hardware-free merchant acceptance

- **JHA SmartPay™** for integrated receivables and remote deposit capture
- **JHA PayCenter™** for near real-time payments via RTP and FedNow
- **Payrailz®** Payments Platform for peer-to-peer, loan payments, and transfers
- **Jack Henry Wires™** for domestic and international wire transfers

## 3. Cash Management

Cash flow is the number one reason small businesses fail. They need tools that simplify forecasting and reconciliation.

Jack Henry helps with solutions like:

- **Autobooks** for embedded invoicing and accounting
- **Jack Henry™ Rapid Transfers** for near-instant me-to-me fund movement
- **Tap2Local's** automated reconciliation and transaction reporting

## 4. Fraud and Security

Between a small business and its financial institution, trust is non-negotiable. Small businesses expect strong protection against fraud and cyber threats.

Jack Henry helps with solutions like:

- **Banno Conversations™** for secure chat
- **Positive Pay** for check fraud prevention
- **Multi-factor authentication** embedded into the Banno Digital Platform

## 5. Access to Capital

Growth requires capital, and small businesses want fast, digital-first lending experiences.

Jack Henry helps with solutions like:

- **LoanVantage™** for streamlined loan origination
- **Payrailz Pay a Loan** for easy repayment workflows
- **Integrated lending** within digital banking

# The SMB technology roadmap

## Financial Services

- Core platform
- Banno Digital Platform
- JHA OpenAnywhere

## Access to Capital

- LoanVantage
- Payrailz Pay a Loan
- Integrated lending

## Payments

- Tap2Local
- JHA SmartPay
- JHA PayCenter
- Payrailz Payments Platform
- Jack Henry Wires

## Fraud & Security

- Banno Conversations
- Positive Pay
- Multi-Factor Authentication

## Cash Management

- Autobooks
- Jack Henry Rapid Transfers
- Tap2Local





# taking the next step

## Your Opportunity to Lead in the Small Business Market

Small businesses are ready for better banking.

They're actively seeking financial partners who understand their needs, offer modern tools, and deliver personalized service. For community and regional financial institutions, this is a moment to lead.

By recognizing key trends and deploying strategic solutions, your financial institution can become an essential hub for small businesses. When you use Jack Henry's complete SMB ecosystem, your financial institution can become that essential hub, helping them manage payments, cash flow, security, capital, and insights all in one place.

The opportunity is clear. The tools are available. Now is the time to act – and win the small business market.



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# explore the possibilities

[Contact Jack Henry](#) to turn your financial institution into the essential hub for small businesses in your community.

For more information about Jack Henry, visit [jackhenry.com](https://jackhenry.com).

## Sources

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