

diversify your revenue and retain customers

Businesses of All Sizes Can Benefit from Treasury Management

There's a tightly held fallacy in banking that only the largest commercial customers need treasury management services ... and that only those with exceptional revenues and dozens of locations would even qualify. But the reality is that even smaller businesses can have complex financial needs – the kind that could really benefit from treasury management tools.

With support for commercial banking functions generating over \$550 billion in annual revenue¹ and market conditions driving banks to seek low-cost deposits, it's now an excellent time to take a closer look at how offering treasury management services can help you diversify revenue and attract and retain more business accounts.

the role of cash and liquidity

In today's challenging economic environment, properly managing cash and liquidity is key to remaining viable. Small and large organizations alike regularly cite cash forecasting among their most inefficient processes², and businesses are seeking help navigating the shift from reporting to predicting.

This is where treasury management tools can really shine: JHA Treasury Management™, for example, helps businesses manage their cash position and liquidity more effectively. Through JHA Treasury Management's differentiating features like cash concentration and disbursement (one-to-many and many-



to-one), detailed reporting, and comprehensive dashboards, businesses gain a complete picture of their entire financial position.

Businesses appreciate when you offer them pre-built current day and prior-day balance and transaction reporting capabilities, as well as the extended features that let treasury management users customize their view through extensive filters, sorting options, and more. Their ability to define broad or narrow views of their accounts or transactions, along with the option to save customized views or access the full suite of standard reports, ensures that the business can easily create the informational views they need to manage their finances.

When considering which of your customers would benefit most from treasury services, look at businesses of *any* size that are focused on actively managing their business investments and transaction accounts to maximize their return while achieving liquidity targets. These are the prime candidates for more advanced treasury services.

eCommerce creates a global audience

Today's digital-first environment makes it easier than ever for businesses of any size to reach an international audience. In fact, the U.S. Small Business Administration and other agencies provide free resources to help small businesses sell overseas, and 47% of small businesses report doing more international business now than they were before the pandemic.³

More smaller businesses are managing transactions in foreign currency or initiating international wires or ACH transactions on a regular basis – which is another indicator that even a small business truly needs treasury management.

electronic payments and receivables

While most digital banking solutions that target businesses (like Banno Business) include some business payments features



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such as wire transfers and ACH, treasury management tools bring those capabilities to the next level.

Beyond international wires and foreign exchange capabilities, the advanced ACH capabilities of a treasury management system can mean the difference between serving a commercial customer – and losing them completely.

Receiving EDI data embedded in an ACH batch is critical to businesses managing multiple invoices arriving in a single transaction. Businesses with employees on their payroll recognize the need to manage child support payments, for example, while other businesses that may be carefully watching cash flow appreciate the ability to choose their settlement date when submitting federal and state tax payments.

mitigate risk and reduce fraud

The FBI reported over \$264 million lost⁴ to check, ACH, and recurring payments fraud in 2022 alone. But businesses can use treasury management tools to combat fraud.

Treasury management provides enhanced fraud protection, empowering your commercial customers to return unauthorized check and ACH transactions before any theft occurs. A wide variety of download and upload file formats make it simple to import or export data between JHA Treasury Management positive pay and popular accounts payable or invoicing software, so account reconciliation and fraud mitigation is fast and easy.

With business email compromise (BEC) attacks up 175% over the past two years⁵ and 2022 BEC losses topping \$2.7 billion⁶, your business customers need a solution to address this threat – and Banno Conversations for Business™ does just that. This powerful tool can help prevent expensive losses by removing the need for email communication about financial transactions.

Instead of using email, your business customers can discuss, review, and approve higher-risk transactions like ACH or wire transfers behind a secure login, right within the digital banking experience. Employees can securely message the owner or another transaction approver, pull non-signers like a



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bookkeeper, CFO, or attorney into the conversation, and even add other bank employees into the chat to answer questions.

And until Conversations for Business officially launches within Treasury Management, your business customers can still use Treasury Management's secure messaging capability to connect directly with your bank.

the right amount of access for each role

As a business grows, overseeing its finances – and managing its long-term financial position – becomes more complicated. To successfully keep up with organizational changes, employees need a simple, streamlined workflow to manage and complete their daily banking and money-movement tasks.

JHA Treasury Management centralizes the entire workflow, giving employees the tools they need to succeed. Depending on your needs, Treasury Management can be optimized for peak performance – both at an organizational level and an individual user level. You can easily create new users, clone or edit existing ones, and provide different configurations, permissions, and entitlements for each unique role.

With 32 configurations for ACH entitlements, seven configurations for ACH and check positive pay entitlements, and role-based workflows, Treasury Management offers user controls for everything from approvals to notifications – and anything in between. This gives employees, accountants, and outsourced financial accounting professionals alike the right amount of access to do their jobs effectively.

deliver function plus an exceptional customer experience

Recent research from Accenture revealed that 44% of businesses considered making a move to fintech-provided treasury services⁷



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in the last year. Fifty-five percent of those surveyed responded that ease of use – the customer experience – was the driving factor.

Business happens on the go, so providing a solution that works across smartphones, desktops, and tablets is essential to providing an exceptional customer experience. Customizable dashboards, navigation designed with the user experience in mind, and enhanced forecasting tools are all necessary to help you stand out from the crowd and compete against fintechs and other legacy treasury management providers in your market.

Contracting with your treasury management provider in a consulting arrangement can ensure you're using your software most effectively, creating confidence and expertise in your sales and support teams and improving the treasury management experience for your customers.

deliver value to your bottom line

While there is an expense associated with purchasing and delivering treasury management capabilities to your customers, these capabilities can also generate huge revenue opportunities. By providing treasury services, you can attract and retain a wider variety of business clients – and that can easily deliver a positive return on your investment.

Treasury management helps you attract businesses that bring low-cost deposits to your balance sheet – key in today's competitive environment. These relationships also create interest income through commercial lending relationships and non-interest income through fee-generating activities easily tracked through commercial account analysis. Far from alienating business customers, transparent pricing and the opportunity to use a holistic relationship-based fee structure appeals to those seeking credit for their balances.

In fact, research from McKinsey revealed that banks can achieve first-year revenue gains equating to between 10% and 15%⁸ of their commercial portfolio. And with appropriate focus on pricing and share of wallet, there's potential for additional high-revenue growth.



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get started

Far from yesterday's "are they big enough for treasury" discussions, today's businesses – regardless of size – seek solutions that match the complexity of their financial needs. As a result, it's essential that you create a full spectrum of business banking services to gain share of wallet and retain commercial customers as their needs grow.

After you've embedded basic business tools like Autobooks into your digital banking platform and moved up through cash management or Banno Business, you may find that adding a treasury management system like JHA Treasury Management is the final piece to make your commercial services toolbox complete.

To begin, ask yourself if your business customers need any of the following:

- Liquidity and active management of their cash position
- Ability to conduct international business or eCommerce
- Advanced electronic payments or receivables
- Advanced fraud prevention through check and ACH positive pay
- Entitlements that fit their staffing structure
- A user experience that supports anytime, anywhere business

If so, then it's time to look beyond mid-level cash management services and dive into the revenue-growing world of treasury management.

explore the possibilities

[Learn how](#) Jack Henry™ can help you serve the full spectrum of business customers.

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

sources

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