

the reinvention of SMB banking

It's increasingly challenging for most banks and credit unions to generate historic levels of interchange, interest, and non-interest income – much less meaningful increases. Material challenges largely driven by the new competitive environment have forced traditional financial institutions to compete with innovative fintechs, big tech, and neo- or megabanks today that are only an app away.

The SMB market – defined as businesses **with less than 20 employees and now representing 98%** of all U.S. businesses – has been underserved by banks and credit unions. As we know, fintechs and other competitors are ready, willing, and able to fill the void and have been hard at work developing strategic financial management solutions for the significant and growing SMB market.



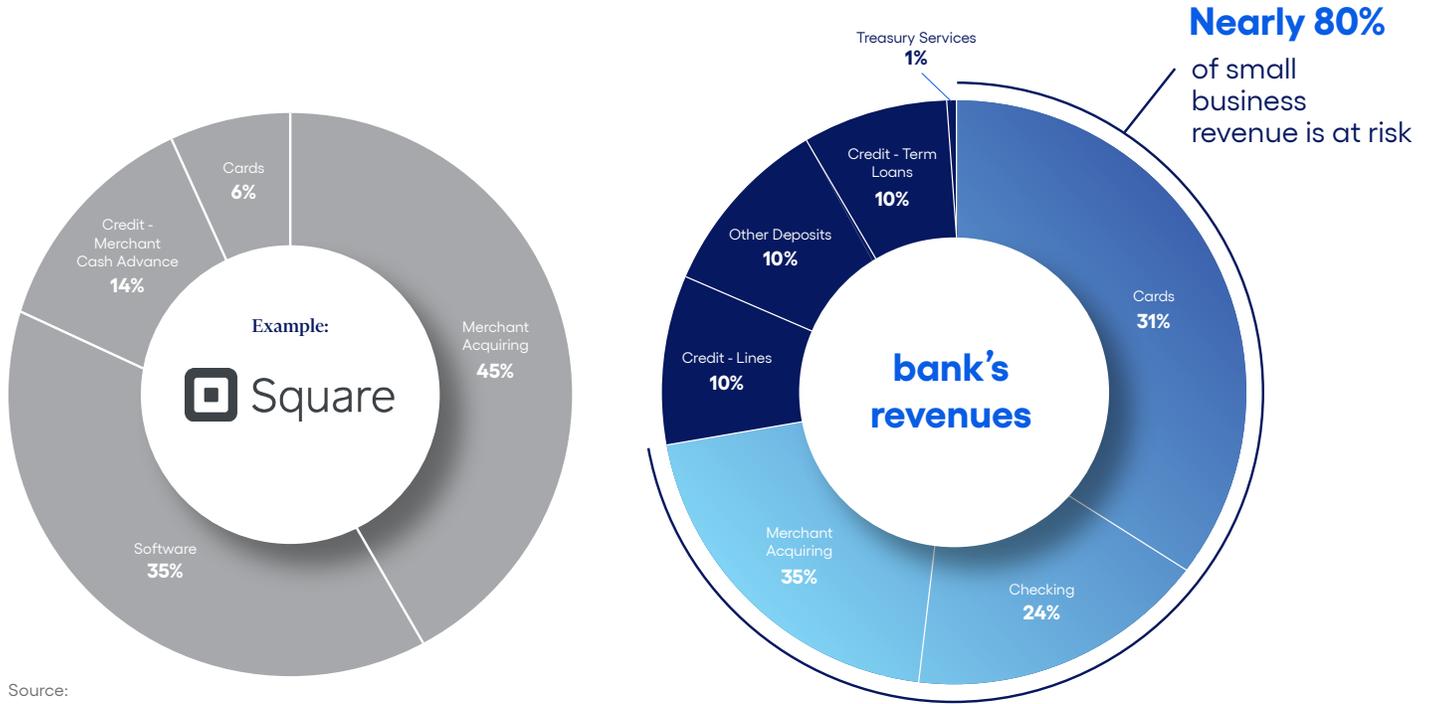
SMBs are looking for new banking relationships

How likely is your company to look for a new banking relationship in the net 12 months?
(% responding “somewhat” or “very” likely)



Business accounts represent an extremely important market, opportunity, and revenue source for growth-focused financial institutions. But in today's highly competitive financial services industry, the ability to attract, serve, and retain truly profitable business accounts requires a finely tuned strategy and the ability to seamlessly deliver the solutions businesses need to more effectively and efficiently manage their finances. The institutions and companies that are now most effective at serving small businesses are doing so mainly with self-serve, low-cost digital solutions.

Platform Players are Targeting Banks' Revenues



The digital reinvention of financial services and the prolonged pandemic magnified the SMB need for modern payment and financial management solutions that can expedite receivables, streamline payables, and improve cash flow. All of these needs can be addressed by one solution – Autobooks.

about Autobooks

Autobooks is an integrated receivables and payables solution built for a wide range of small businesses. This proven business-banking solution positions a financial institution as an all-in-one destination by offering self-service payment acceptance and accounting management tools that enable small businesses to manage their customers, electronically send invoices, collect payments, pay bills, and automate their reporting and accounting.

In addition, Autobooks supports budgeting requirements, cash-flow forecasting, financial statement generation, and automated reconciliation. It leverages entitlements to support multiple business accounts, employees, and bookkeepers. It also encompasses a hosted merchant service solution for ACH, credit card, prepaid, and lockbox.

Just as importantly, Autobooks allows small businesses to get paid directly into their business checking account at their financial institution — facilitating easy access to working capital. Third-party platforms, on the other hand, often make it hard to transfer funds from virtual wallets with funds availability delays and added fees.

Autobooks can be customized to support the unique near- and long-term requirements of most small businesses. Autobooks enables banks and credit unions to:

- **Attract, retrain, nurture, and grow** SMB relationships.
- **Gain additional monetization opportunities** with commercial accountholders.
- **Aggressively and successfully compete** with traditional competitors and fintech challengers.
- **Increase** non-interest income.
- **Generate deposits** and new lending opportunities.
- **Quickly and cost-effectively deploy** the solution with seamless integration into existing internet banking platforms and the convenience of single sign-on.



Autobooks can seamlessly integrate into the Banno Platform™ via open APIs and is available for Banno™ users at no cost.

SMB services can be a material source of recurring revenue

For a small business owner, Autobooks offers a clear value proposition. However, for a financial institution, there are additional factors to consider. At the top of the list for any decisionmaker is a return on investment (ROI). To help banks and credit unions determine the financial impact of Autobooks, here is a [Guide to Autobooks ROI](#), for your convenience.

marketing support

A marketing and engagement team is available to help financial institutions ensure the successful launch, adoption, and ongoing use of Autobooks. A detailed communications guide – [Signal Transaction Guide](#) – is also available to help ensure the right message is being delivered to the right commercial accountholder at the right time – without spamming them.

the SMB opportunity is urgent and significant

Banks and credit unions have the unique and urgent opportunity to become the growth engine for SMBs by leveraging the trust small business owners have in traditional financial institutions and their position as the provider of primary bank accounts. Banks and credit unions can successfully compete in the significant SMB market with an offensive strategy that leverages existing account relationships and provides modern solutions – like Autobooks – that support the unique needs of SMBs.

Capitalizing on this unique and urgent opportunity will require banks and credit unions to understand what financial services SMBs need in the new environment reshaped by digital innovation and the pandemic, and to strategically bundle and competitively price the modern services SMBs need.



Offering modern SMB solutions, delivered with the convenience and accessibility of a mobile and online service, is becoming a competitive necessity for financial institutions with successful commercial strategies.

connecting possibilities

[Learn more](#) about overcoming today's revenue challenges.

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