

Commercial Banking

the digital competitive edge needed for commercial banking

Are You Differentiating Your
Strategy and Technology?

jack henry™



Businesses of every financial lifecycle stage need digital services to help them operate efficiently, expedite payments, enhance cash flow, improve financial management, report accurately, communicate securely, and easily scale. Your ability to give them exactly what they need to operate and grow can make your institution stand out in a sea of traditional and non-traditional financial service providers and effectively compete with fintechs and big banks.

the need to understand and respond to challenges faced by business owners

Every growing business – whether part of the gig economy or an enterprise establishment – requires laser focus and long hours to run. And while small to medium-sized businesses (SMBs) share many of the same challenges of larger businesses, they are challenged with far fewer resources to meet them. Owners of these entities often wear multiple hats (and in the case of solopreneurs – 81% of all businesses – they wear all of them). Their time is stretched to the max. That's why digital commercial services that are accessible anytime, anywhere, and simple to use are so appealing.

Traditionally, banks and credit unions haven't done a good job of serving the needs of small businesses. In fact, only 39% of SMBs think financial institutions really understand them (although 90% wish they did).

Why do SMBs feel that way? For starters, financial institutions have typically offered just two options to businesses:

- **Retail accounts**, which are too basic and leave them underserved, or...
- **Commercial and treasury accounts**, which are too complex and expensive for their needs.

Financial institutions that intentionally develop a business strategy around a banking platform that can configure and seamlessly scale with the relatively predictable life stages of the businesses they serve will position themselves to win.

While there are fintech solutions out there that target niche needs of business users, you can also meet their needs by offering key capabilities and minimizing complexity.



A recent analysis shows that 13% to 35% of all dollars in retail demand deposit accounts (DDAs) actually belong to micro and small businesses.

the need to support sufficient cash flow for growing businesses

The number one reason businesses fail is not poor products or bad service, but insufficient cash flow. It's a matter of timing that in many cases can be eased by innovative digital solutions.

Fintechs have responded to the challenges faced by SMBs with solutions that help small business owners with cash flow management, invoicing, receivables, accounting, and more – services that business owners are willing to pay for. Now these same fintechs are offering traditional banking products that are slowly siphoning deposits, loans, and recurring fee income from chartered financial institutions.

Providing a better way to expedite payments, improve cash flow, and support financial management will help you retain these profitable commercial accounts.



The small business opportunity is bigger than you think. Consider that **99.9% of all businesses in the U.S. are small** (that's 31.7 million businesses). That means there is a \$370B opportunity to provide accounting and digital payment services to SMBs!



what we offer

Serving nearly 8,000 banks and credit unions today, Jack Henry™ offers everything you need to attract, engage, serve, and retain a diverse portfolio of commercial accounts of all sizes.

● Business Banking

A robust set of solutions to support the needs of businesses from micro to SMB to enterprise.

Digital Banking

- Power your financial institution with all the digital business solutions you need to compete across the business spectrum with a scalable banking platform that enables frictionless deposit account opening, digital invoicing, and online payment acceptance, delivers payroll integration and ACH transfers, and more. Our secure chat tool is designed to personally connect you with accountholders at their moment of need and to provide a secure digital channel for businesses to collaborate on financial decisions and approve big money transfers.

Deposit Acquisition and Management

- Provide high-demand services that support money market and investment accounts and help you grow business deposits.

Deposit Escrow Management

- Process a wide variety of deposit escrow accounts with a core-agnostic system that grows deposits, simplifies operations, improves accuracy, and enhances your ability to meet compliance requirements.

Lending

- With a single, fully-integrated loan platform that crosses the divide between commercial and consumer segments and loan products, you can provide businesses access to the capital they need to thrive while reducing workload on your staff, maximizing efficiency, and cutting costs.

Treasury Management and Cash Management

- Help mid-size to enterprise commercial customers manage day-to-day cash flow and near- and long-term financial positions including online account access, access to transaction history, stop payments, the ability to positive pay checks and ACH transactions, and more.
- Support small businesses with online account access, transaction origination, and complete account management capabilities.

Payments Solutions

- **Payrailz® Digital Payments Platform** - Offer businesses next-generation, AI-driven solutions for bill presentment, management, and payments; digital disbursements (B2C); and internal/external transfers (A2A). These frictionless solutions provide modern functionality, elevated payments experiences, unique commercial capabilities, and real-time fraud detection when payment transactions are initiated.
- **Credit/Debit Card Programs** – Provide full-service credit and debit transaction processing backed by a comprehensive suite of tools for fraud mitigation, digital payments, plastics manufacturing and personalization, loyalty programs, and data analytics.
- **Remote Deposit Capture** – Enable diverse businesses to conveniently deposit checks with highly scalable mobile and desktop remote deposit solutions.

- **Bill Pay** – Enable businesses to make one-time and recurring online payments with functionality designed exclusively for commercial use.
- **Faster Payments** – Empower businesses to send and receive real-time payments with seamless connections to the faster payments networks.
- **Integrated Receivables and Remittance** – Virtually eliminate receivables management and processing challenges for businesses with a system that consolidates all receivables, payments, and remittance information in a single platform.
- **Web Payments** – Enhance existing websites to enable business account holders to securely collect online payments.
- **Wires** – Execute a comprehensive e-commerce strategy with the high-demand electronic funds transfer (EFT) services required to compete in today's financial services industry.
- **ACH Origination and Processing** – Organize and automate processing of all outgoing and incoming ACH files and grow fee-based while reducing backroom processing costs.
- **Merchant Services** – Provide access to every major payment processor through a program that simplifies inherently complex merchant services through pre-negotiated, non-exclusive agreements that provide banks and credit unions with the most favorable terms possible.

● Commercial Finance

By utilizing a unique blend of software and services, you can gain the expertise to safely purchase, manage, and monitor accounts receivable while assisting cash-constrained businesses and earning recurring fee income.

A/R Finance

- Help credit-worthy, cash-constrained businesses in your community prosper by providing daily working capital in exchange for their accounts receivable. With a program that is a unique blend of human capital, technology, sales support, and risk management expertise, you can successfully purchase, manage, and monitor an A/R financing portfolio. And you can protect your investment with credit and fraud insurance, underwritten by a leading insurer.

Factoring

- Handle all aspects of managing a factoring portfolio with a highly configurable system that effectively monitors detail, controls risk, and streamlines operations.



summary

Do you offer the technology and services that give your business accountholders assurance, convenience, and stability?

By focusing on and solving for the real challenges faced by businesses of every size, Jack Henry can help you attract and grow these profitable relationships.

create limitless possibilities

Learn more about how your bank or credit union can attract, service and retain more diverse commercial accounts.

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