

your guide to serving SMBs: insights for banks and credit unions

Learn How to Build Stronger Relationships With Profitable SMB Accounts

Jack Henry™ recently explored how small- to medium-sized business (SMB) owners and decision-makers truly feel about their finances – and the results reveal powerful ways you can attract, serve, and keep your business accounts thriving. Read on to discover insights from our first annual sentiment study.

challenges for SMBs are opportunities for financial institutions

SMBs are the backbone of every thriving community.

They create jobs, drive innovation, and spark local economic growth. Every product sold or job created carries a story of perseverance and ambition. Yet, SMB owners face significant challenges, including balancing cash flow, navigating growth, and planning for uncertainty.

These challenges are opportunities for financial institutions like yours to step into the role of trusted advisors.



Community banks, regional banks, and credit unions who can offer strategic, proactive support during these transitions will meet SMB needs while deepening community ties. For example, financial institutions who offer easy-to-adopt digital tools or flexible loan options can reduce the administrative burden SMBs face while enabling growth. Ultimately this could help you grow your accountholder and revenue base.

The insights below illustrate their priorities and opportunities for community and regional banks and credit unions to step in as strategic partners.

cracking the code for loyalty

Financial confidence is the cornerstone of strong accountholder relationships.

It's what turns a financial institution from a simple service provider into a trusted partner. When small business owners feel confident managing their finances, they're not just more likely to trust their financial institution, they're also much more likely to stick around.

But confidence is delicate. It often wavers during a business's big moments, such as hiring their first employee, launching a new product, or investing in growing their business.

In these moments, community banks, regional banks, and credit unions have long stood as pillars of trust and stability. But as SMB needs evolve, so must the role of financial institutions. Today's SMB owners aren't just looking for a safe place to put their money, they're looking for someone who understands their goals, their struggles, and the human story behind every financial decision.

SMBs Are Very Cautious

While 77% of SMB decision-makers are confident in managing their finances, this confidence doesn't always translate into growth. Only 34% of SMBs feel comfortable pursuing riskier growth strategies, such as taking out loans or expanding operations.

This cautious approach highlights a need for community and regional banks and credit unions to provide clear, actionable guidance that helps SMBs balance growth with stability.

Study Methodology: SMB Accountholder Sentiment

In August of 2024, Jack Henry conducted the inaugural "Jack Henry Financial Sentiment" survey – a quantitative survey designed to be carried out annually – to measure how people feel about their financial situations, factors influencing those sentiments, and the effect on accountholder acquisition, retention, and loyalty.

For the SMB portion of this first annual survey, we targeted 320 small- to medium-sized business (SMB) decision makers/owners, including individuals aged 18+ in full-time executive or ownership roles, with organizations primarily having fewer than 50 employees.

Segments within these groups were analyzed to explore behavioral differences across financial products and institutions.

This study is intended to provide community and regional banks and credit unions with insights to better understand and serve current and potential SMB accountholders.

Uneven Digital Adoption Among SMBs

Digital tools have revolutionized financial management for SMBs, but adoption is uneven:

- SMBs that integrate digital tools report higher satisfaction, yet many still rely on traditional systems .
- The gap in digital adoption presents an opportunity for financial institutions to offer intuitive, accessible solutions tailored to SMB needs.

Understanding SMB Priorities and Challenges

SMBs prioritize stability and cost-effectiveness:

- Low or no fees were cited as the most critical factor when selecting financial products.
- Many also expressed a need for better support in cash flow management and navigating transitions, such as market fluctuations or seasonal demands.

opportunities to attract and hold SMB accountholders

Small businesses thrive on adaptability and resilience, but they often face an uphill battle when it comes to scaling operations or navigating financial complexity. These challenges offer you an opportunity to offer products and services that attract and retain SMB accounts.

Many SMB owners are confident in their ability to manage day-to-day finances, yet they hesitate to pursue growth opportunities like expanding to new markets or adopting innovative tools. This hesitation seems to stem from a fear of risk and the lack of tailored guidance from financial partners.

Community and regional banks and credit unions have an opportunity to bridge this gap by acting as proactive collaborators. By offering targeted SMB programs, you can empower them to take bold, calculated steps forward. These might include:

- Growth-planning consultations



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- Dynamic credit options
- Industry-specific insights

Moreover, the uneven adoption of digital tools among SMBs highlights a chance to drive efficiency and streamline operations. Accessible solutions can both save time and help SMB owners focus on their core goals, including:

- Automated expense tracking
- Simplified payroll systems
- Instant cash flow alerts

We've also heard directly from SMBs about their strong desire for a simpler, more responsive payments experience. They told Jack Henry they really value:

- Getting paid instantly when a sale happens, so there's no waiting or manual processing from an app
- A streamlined payments system that doesn't demand extra hardware or yet another app
- A payments process integrated with, and supported by, their local bank or credit union

These clear preferences reveal real challenges SMBs face with payments – and offer a powerful opening for your financial institution to step in and draw in new SMB accounts.



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discover your path to attracting and profitably serving SMBs

[Learn more](#) about creating an SMB account ecosystem to serve their unique needs.

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