

SMBanking/**FORWARD**

REDEFINE

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#SMBForward

The State of Small Business

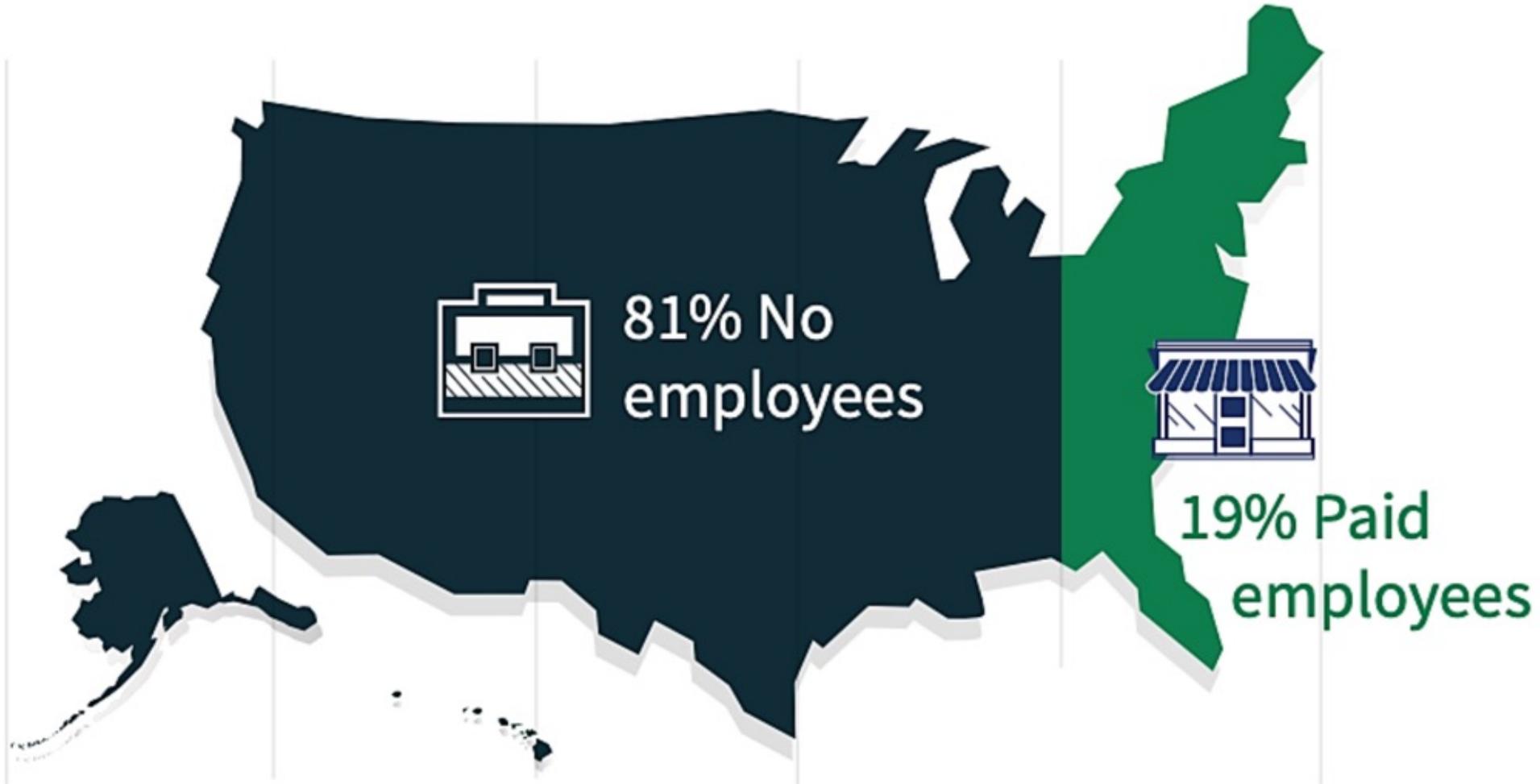
Why *digital intimacy*
is the key differentiator
for serving SMBs

99.9% of the businesses in the United States are Small Businesses

81% of the small businesses in the U.S. do not have employees.

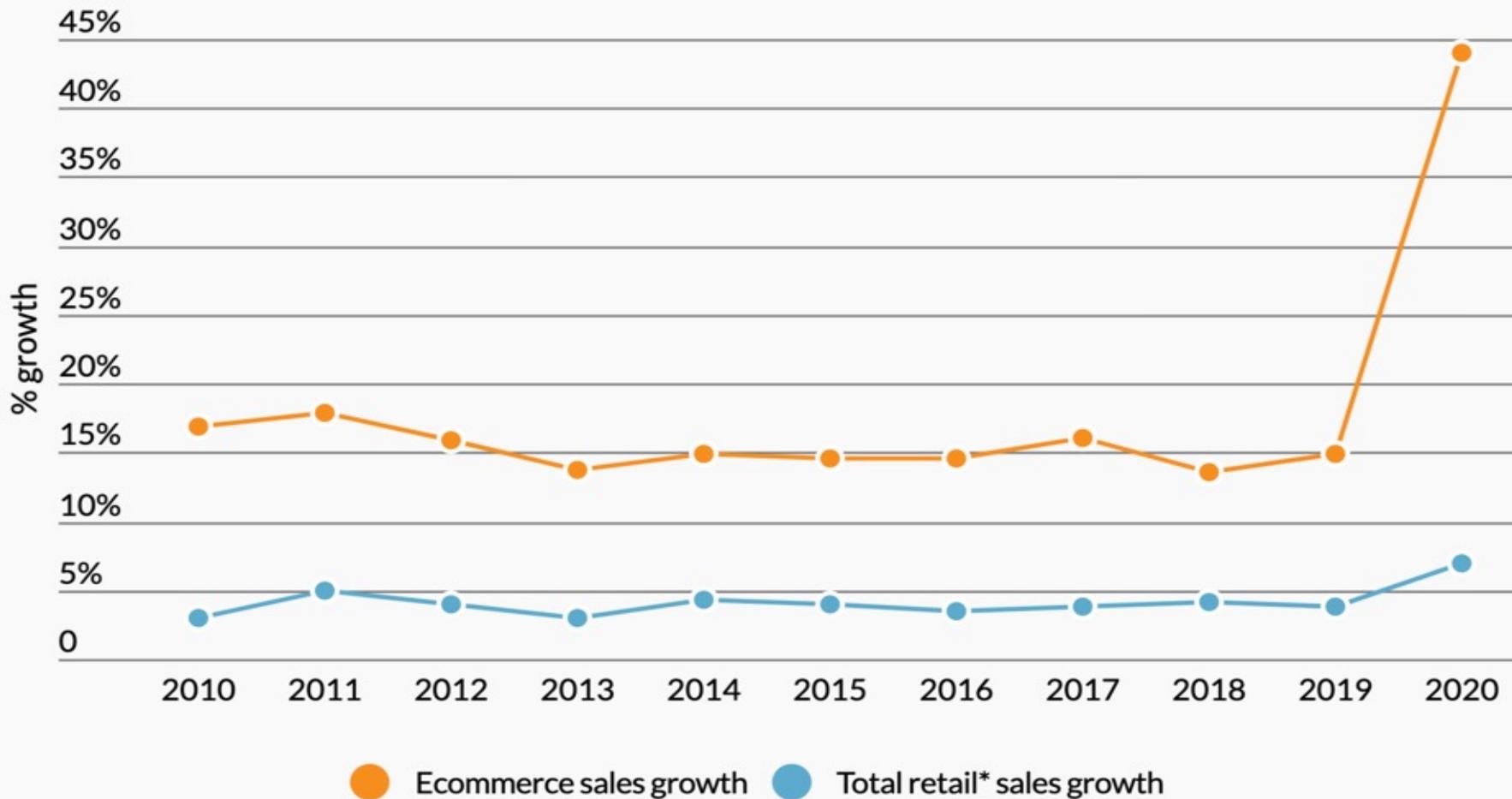
41.1 million independent workers in the United States

30.7 million small businesses in the U.S.



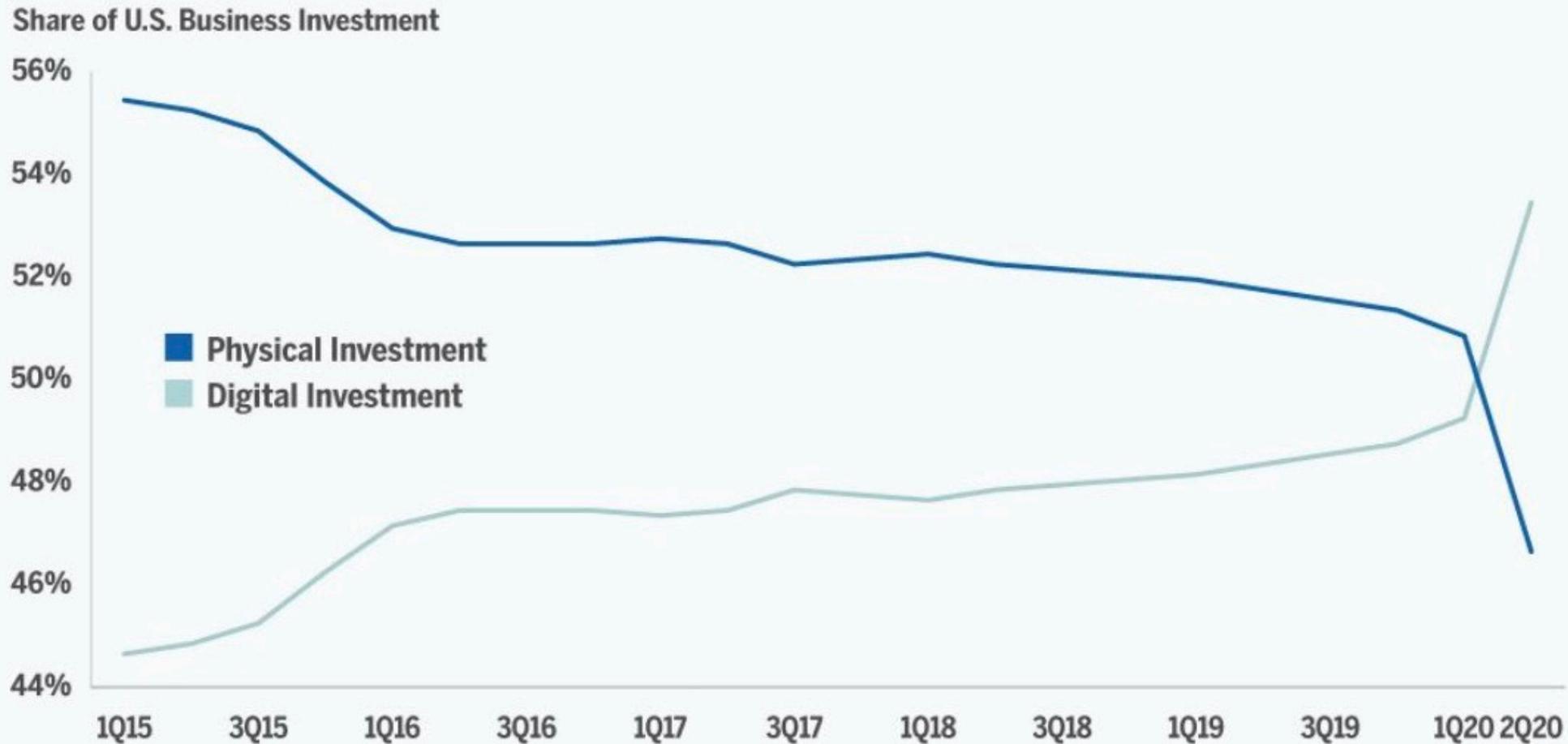
Comparing growth: US **ecommerce** vs. **total retail*** sales

Year-over-year growth, 2010-2020



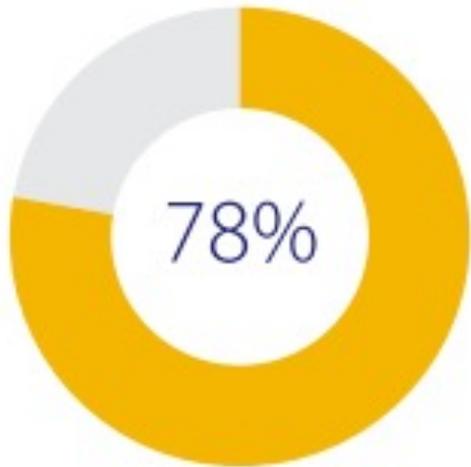
Source: Digital Commerce 360, U.S. Department of Commerce; updated January 2021; *Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

Digital transformation of businesses in the U.S.

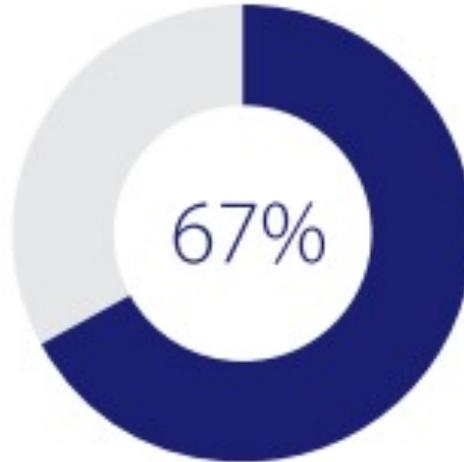


Source: U.S. Bureau of Economic Analysis and Alger. Digital investment comprises nonresidential fixed investment of intellectual property products (software and R&D) and information processing equipment. Physical investment comprises nonresidential structures and equipment (ex-information processing).

Consumers/SMBs shifting payment methods

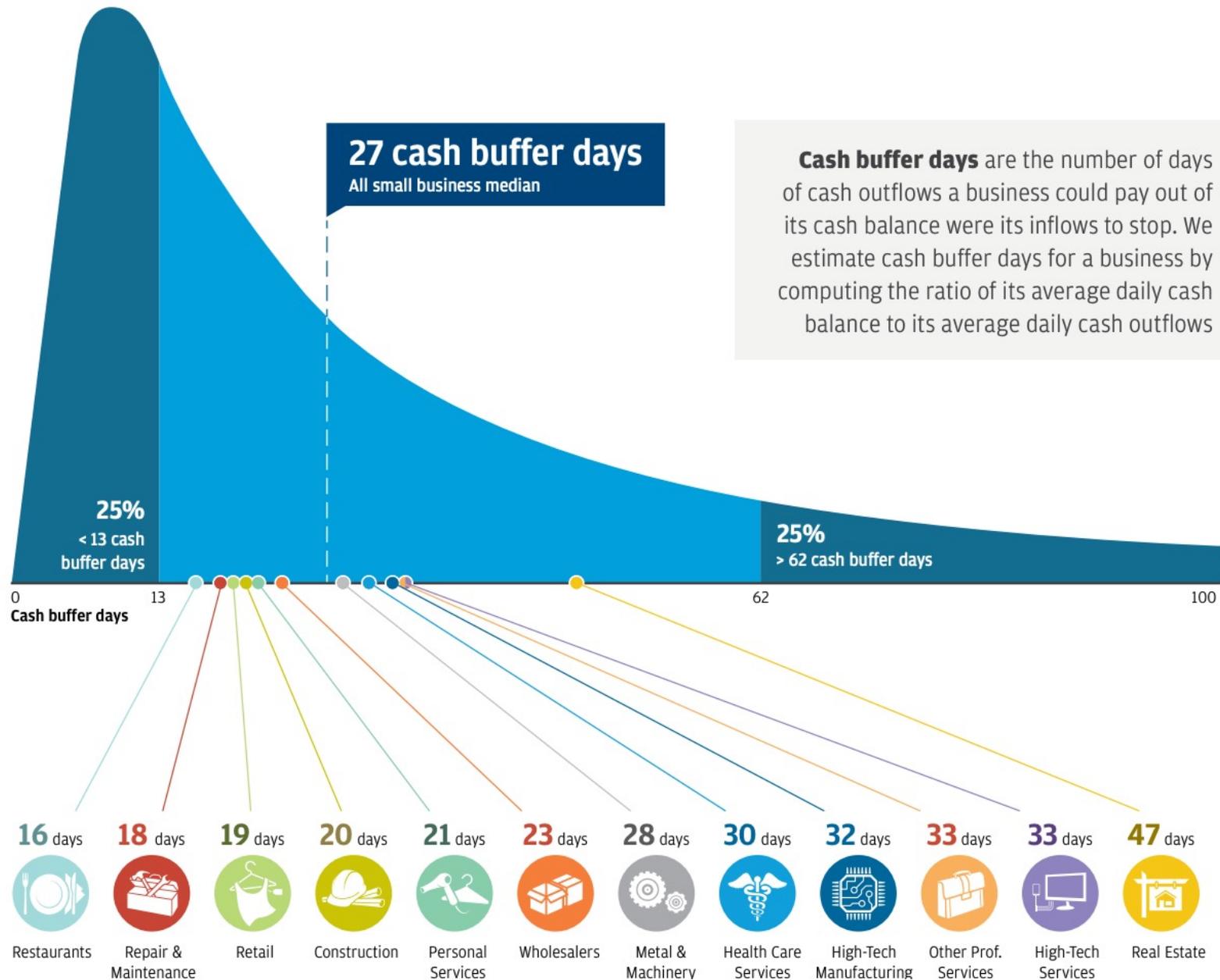


78% of global consumers have adjusted the way they pay for items in the wake of intensified safety concerns.



More than two-thirds (67%) of SMBs have tried a new approach to keep their business on track and meet shifting consumer demands since the onset of COVID-19.

This shift to digital-first commerce and technologies like contactless payments has ushered in a new generation of consumer tendencies that will have a ripple effect on the global economy for years to come.



Source: <https://institute.jpmorganchase.com/institute/research/small-business/report-cash-flows-balances-and-buffer-days.htm>



THE \$370 BILLION SMALL BUSINESS OPPORTUNITY FOR BANKS

Ron Shevlin
Director of Research
Cornerstone Advisors

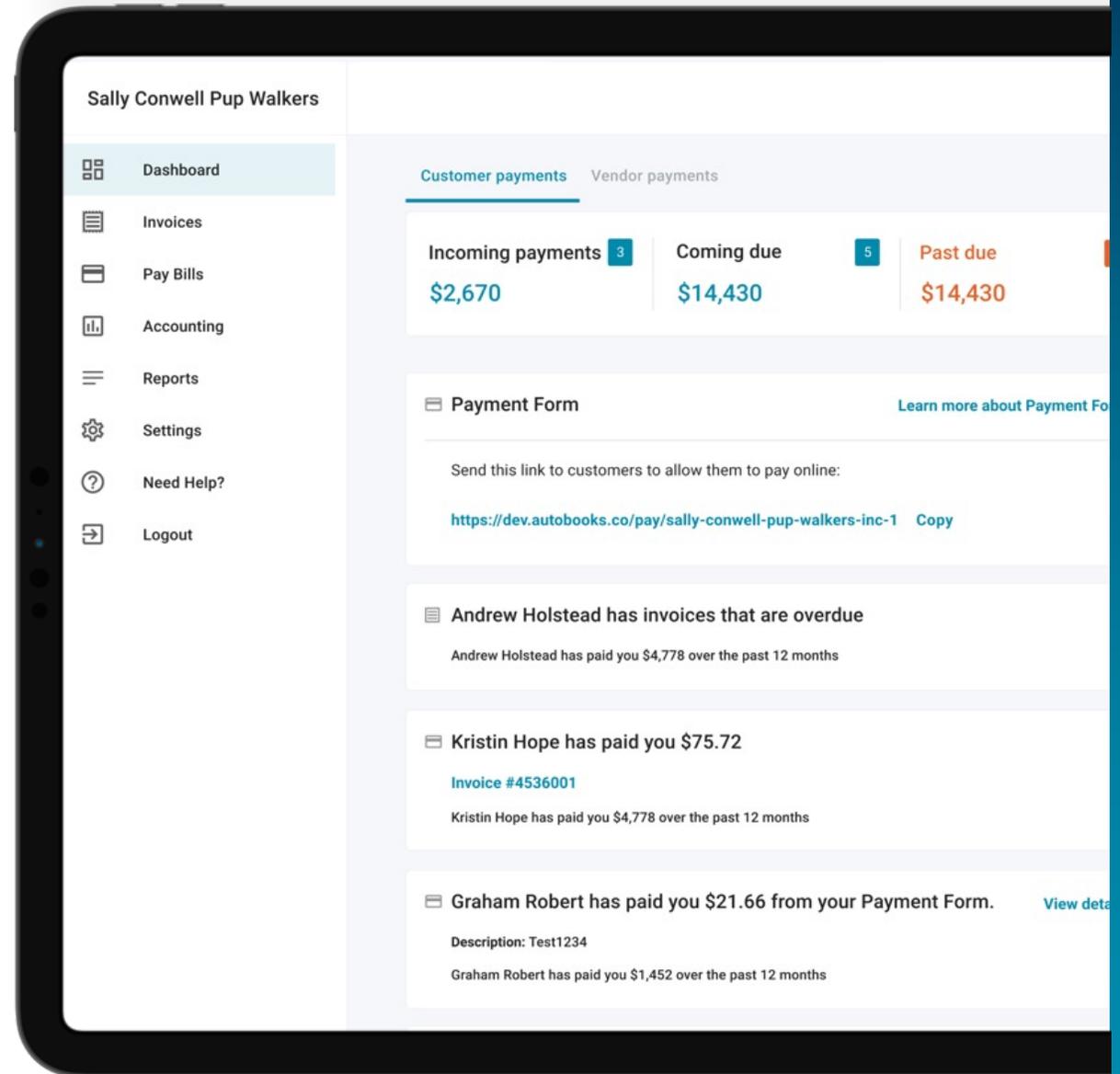
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The pandemic exposed a \$370B opportunity to provide accounting and payments services to SMBs.



Help manage and grow small businesses.



FINTECH'S TARGET BUSINESS BANKING

BUSINESSES URGENTLY ALTER PAYMENT STRATEGIES

Businesses are Embracing Digital Payments

Recent changes in the way we work and live have accelerated the need for digital services, especially among small businesses. These shifts magnified pre-existing vulnerabilities and risks in the small business market, exposing the need for digital transformation.

FinTechs are Answering the Call

Banks and credit unions are behind in this market, they have not made it simple for businesses to get paid which is allowing consumers to drive payment choices. The places they are sending their clients to are becoming banks (Square, QuickBooks).

Cash Optimization and Universal Payments are Crucial

What's needed is a single view where business users can manage all of their cash positions, send and receive payments, optimize cash by delivering predictions and actionable insights that support its specific needs.

"Only 39% of businesses think their bank understands them. 90% wish they did."

~ Barlow Research

The War for Merchants

	HR Management	Marketing	Sales	Payments	Accounting	Deposits	Funding
 Square	✓	✓	✓	*	✓	✓	✓
 stripe				*	✓	✓	✓
 amazon		*	✓	✓			✓
 PayPal		✓	✓	*			✓
 shopify		*	✓	✓		✓	✓

* Relationship starting point

Square Banking

Your payments, banking, and cash flow. Working as one.

Get started

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Square, Inc. is a financial services company, not a bank. Banking services are provided by Square's banking affiliate, Square Financial Services, Inc. or Sutton Bank; Members FDIC.

Sell, save, spend, and borrow as fast as you need to.

Your payments, business banking accounts, and cash flow, synced together seamlessly. When you take payments and bank through Square, everything is connected. Watch your sales flow directly into Square Banking, so accessing and moving your money is fast, easy—and can even be automated.



\$0 overdraft fees



\$0 opening deposit



\$0 minimum balance

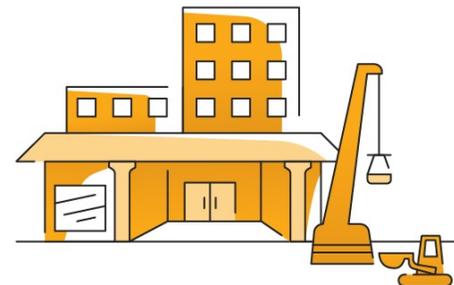
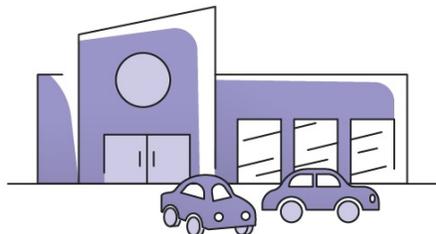
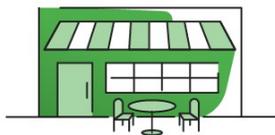


\$0 monthly account fees

SMB payments (flows) dictate cash flow, which determines credit-worthiness, which qualifies opportunities for lending and financing short-term working capital needs...

Business banking for all.

Serving the business spectrum of today.



Individual

Large Business



REUTERS

August 11, 2021
11:14 AM EDT
Last Updated 2 months ago

Finance

Citigroup tries hand as matchmaker for U.S. small businesses and local banks

2 minute read

By David Henry





REUTERS

“Citigroup has saved money by cutting back on branch buildings and staff in favor of offering deposit and credit card accounts online. The strategy has left it with fewer places where smaller businesses might talk with lending officers who know their communities.”

SOURCE: <https://www.reuters.com/business/finance/citigroup-tries-hand-matchmaker-us-small-businesses-local-banks-2021-08-11/>

Square has started keeping 30% of some retailers' payments at the worst possible time



By [Jordan Valinsky](#), CNN Business

Updated 8:45 AM ET, Tue June 23, 2020

Square, Jack Dorsey's Pay Service, Is Withholding Money Merchants Say They Need

Small businesses say the Twitter chief's other company is holding on to 30 percent of their customers' payments during the pandemic.

NEWS

Cash App scam could wipe out your bank account



He couldn't find a phone number to call, and [Cash App doesn't have live customer support](#), so Harrison sent an email.

"I reach out to Cash App, and [they took about two days to get back to me](#)," Harrison said.

The needs of SMBs are more complex and nuanced than that of consumers.

That complexity requires relationship of an order and kind that is more intensive and demanding because the stakes are higher. Not just between FI and SMB, but among people at the SMB growing the business together.

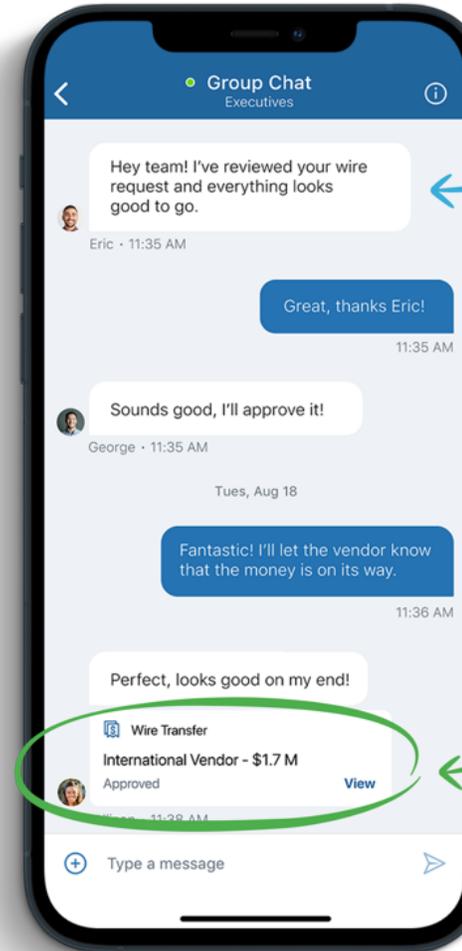
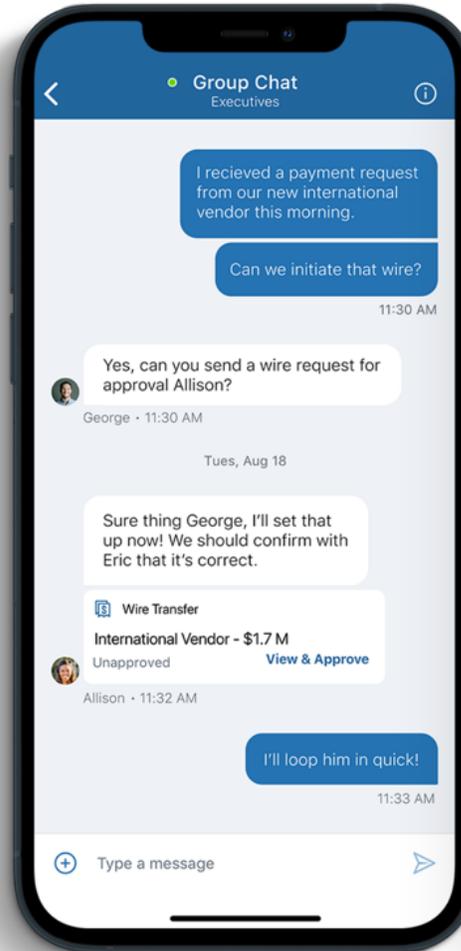
#digitalintimacy

Conversations for Business

Send big wires with confidence.

CEO

CFO



BANK REP

SECURELY APPROVED WIRE

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