




Digital Tools That Help
Commercial Bankers Win and
Grow SMB Relationships

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In the U.S. alone, there are more than 33 million small businesses, accounting for essentially 99.9% of all U.S. enterprises¹.

The Importance of SMBs

The small and midsize business (SMB) segment is frequently underestimated within the financial services industry, both in terms of scale and strategic importance. Many banks focus their attention on large corporates, assuming that SMBs are too fragmented or resource-constrained to drive meaningful growth. Yet the numbers tell a different story. In the U.S. alone, there are more than 33 million small businesses, accounting for essentially 99.9% of all U.S. enterprises¹. Collectively, they employ nearly half of the private workforce, making them vital engines of economic stability and innovation. Despite their smaller individual size, in aggregate they represent a vast and dynamic customer base with diverse financial needs. For commercial banks, this means far more than transactional opportunities: small businesses are a gateway to sticky, long-term relationships that can evolve as these firms grow into midsize and corporate clients. Ignoring or underestimating this segment means overlooking one of the most critical drivers of future profitability.

From a bank's vantage point, winning and retaining small and midsize business clients is not just about capturing deposits or adding incremental loans. It's about positioning the bank as an indispensable financial partner as businesses grow, scale, and confront ever-more complex cash flow, payments, and treasury needs. **According to industry research, 62% of small businesses name banks as their primary financial partner**, even as many supplement their needs via fintechs or alternative providers. And trust matters.

¹ Garden Financial. (n.d.). *The small business banking data report: Understanding trends and threats impacting your financial institution*.

² Gusto Embedded. (2023, March 9). *The small biz banking value-added services report*.

97% of banking leaders say trust is “critical” or “very important” in retaining SMB clients².

The Untapped Opportunity

Despite the upside, many banks struggle to meet the evolving needs of SMB clients. One fundamental reason is insufficient effort in understanding the diversity and nuance of small business operations. **As one banking industry commentator noted, “some banks ... have failed to do the spadework required to understand the diverse needs of this group and how their own institution can best serve them”³.**

Digital transformation has fundamentally raised the bar for what small businesses expect from their banking partners. Just as they do in retail and consumer apps, SMBs now demand real-time visibility, frictionless payments, integrated tools, embedded workflows, and strong fraud protection. Yet many financial institutions are still anchored to legacy systems, siloed channels, and workflows originally designed for larger corporate clients. The result is a widening gap between what banks offer and what SMBs actually need.

To manage their daily financial operations, many SMBs are forced to stitch together multiple providers, with many using the bank for core services, separate accounting platforms for invoicing and reconciliation, and third-party fintechs for payments or mobile capabilities. This fragmented experience not only creates inefficiencies and security risks but also diminishes the bank’s role as the primary financial partner.

These gaps create a sizeable opportunity for rethinking how banks approach the SMB relationship. A bank that can deliver an integrated, intuitive, secure digital platform, particularly one that handles payments, cash visibility, receivables, and even basic treasury services, will position themselves as indispensable partners in growth and will win both loyalty and deeper wallet share in a segment too often overlooked.

It’s no surprise that 39% of regional bank customers say they are dissatisfied enough to consider switching banks within the next two years.

³ Bank Administration Institute. (2023, February 16). *Why banks still don’t like small businesses*. BAI.





The Digital Toolkit: Empowering SMBs to Operate Smarter, Faster, and More Securely

Small businesses today expect banking experiences that mirror the efficiency, speed, and intelligence of the tools they use to run their operations. Yet too often, their financial workflows remain fragmented, spread across accounting software, payment processors, mobile apps, and bank portals that don't fully connect. The next generation of commercial digital banking addresses this fragmentation head-on by embedding essential tools directly into the banking experience, creating a single, secure hub for financial activity.

One key area of innovation is streamlining day-to-day payments and administrative workflows. Modern platforms now allow SMBs to initiate ACH and wire payments through intuitive interfaces, while features like reverse positive pay offer a pragmatic, cost-effective approach to fraud prevention, particularly for lower-volume check writers. Enhanced entitlement and administrative workflows further reduce friction, enabling business owners or their teams to manage approvals and permissions without relying on manual processes or multiple touchpoints.

Another transformative shift is the embedding of invoicing, receivables, and contactless payment capabilities directly within the banking experience. Through partnerships with providers like Autobooks, banks can offer tools that enable SMBs to create and send invoices, automate receivables, and even accept Tap to Pay transactions on iPhones. For small businesses, this represents a major leap in convenience, eliminating the need for separate invoicing platforms, while for banks, it opens new pathways to deepen relationships and drive incremental revenue through stickier services.

⁴ Datos Insights. (2025, July 31). *Fighting SMB attrition: Priorities, pain points, and opportunities for growth*. Datos Insights.

Mobile, Secure, and Data-Driven Experiences

Mobility has also become essential. Native mobile applications now deliver real-time cash flow tracking, payments, and administrative controls that give business owners the flexibility to manage their finances from anywhere. Whether approving payments between meetings or monitoring daily cash positions on the go, mobile banking is no longer a convenience — it's a baseline expectation.

Security and trust remain paramount. As payment fraud becomes increasingly sophisticated, tools like real-time fraud detection and reverse positive pay shift banks from reactive responders to proactive guardians. When coupled with compliance and risk controls built into the digital banking experience, these capabilities build confidence for SMBs navigating complex financial environments.

Finally, data intelligence is emerging as a differentiator. Advanced analytics and machine learning tools now allow banks to understand SMB behaviors more deeply, enabling personalized interactions, targeted recommendations, and smarter decision-making. Whether it's identifying opportunities for treasury services as businesses scale, flagging cash flow risks earlier, or delivering tailored product suggestions, data-driven insights transform the bank-SMB relationship from transactional to strategic.



Top 5 Digital Tools SMBs Value Most

1. Integrated Payments & Cash Management

Simplified ACH and wire initiation, paired with tools like reverse positive pay, enable SMBs to manage payments and mitigate fraud without relying on multiple vendors.

2. Embedded Invoicing & Receivables

Seamless invoicing, receivables automation, and Tap to Pay capabilities allow SMBs to accelerate cash flow while keeping everything within their bank's ecosystem.

3. Mobile-First Banking

Real-time account visibility, payment approvals, and cash flow insights from anywhere are no longer optional — they're baseline expectations for modern business owners.

4. Proactive Fraud Prevention & Compliance

Built-in fraud detection, alerts, and compliance workflows reduce operational risk and give SMBs confidence that their transactions are protected.

5. Data-Driven Insights & Personalization

Advanced analytics and machine learning help banks understand SMB behavior, deliver tailored recommendations, and flag emerging cash flow risks, transforming the banking relationship from transactional to strategic.



Why This Matters

For SMBs, this digital toolkit isn't just about convenience. It's about empowerment. Integrated banking experiences allow them to simplify operations, reduce risk, accelerate cash flow, and focus on growth rather than administrative overhead. For banks, offering these capabilities through a unified platform positions them as indispensable partners in their customers' success stories.

The future of SMB banking will be defined by experiences that are mobile-first, fraud-aware, analytics-powered, and seamlessly embedded into daily business operations. Institutions that embrace this approach will not only retain SMB clients but will also unlock new value streams and strengthen their role as trusted advisors in a fast-changing financial landscape.



About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions globally. With over 35 years of experience, moving more than \$16 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than \$179 billion in assets under management.

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