Bottomline

The True Competitive Solution Isn't a Single Platform

COMMERCIAL CUSTOMERS DEMAND A BEST-IN-CLASS JOURNEY

Your business customers are becoming more sophisticated technology consumers, and they expect you to lead the way — those expectations are driving what they wish to see in their relationships with banks. Businesses (from SMBs to the largest corporates) now demand an integrated solution with consolidated reporting to seamlessly manage their banking, payments and cash management activities. They expect fast, simple, and personalized digital experiences in all their interactions, including the banks they choose to do business with.

The advanced offerings that provide this level of value for the customer or the additional revenue streams for the bank are rarely found in a "one platform" system.

The bottom line is simple: Banks must provide best-in-class products and services in all areas or risk losing customers to a competitor that will.

It's Time to Get Serious About Commercial Banking

While many industry vendors and major banks have attempted to combine retail and corporate banking platforms into a single solution to meet customers' evolving needs, the two flavors of transaction banking have very different application profiles and have a completely different set of requirements — they are in fact more different than alike, including key areas such as:

Account Reporting

Payment Management

Bank and Customer Acquisition

While a single platform solution may be less expensive upfront, total cost of ownership is very often higher due to the added cost of losing unhappy business customers when their more complex commercial banking needs are not met. The winners will be those that understand customer journeys must relate to customers' highly specific needs and will provide leading solutions to support them.

"COMMERCIAL BANKING IS IT'S OWN, "MEGAJOURNEY" AND SHOULD NOT BE COMBINED WITH OTHER CUSTOMERS JOURNEYS THAT POSSESS VALUE FOR DIFFERENT NEEDS."

– Boston Consulting Group, 2023

Successful banks start with the understanding that customer journeys encompass the entire customer experience from beginning to end, and they organize themselves to address customer needs in ways that mirror customers' perspective.

– Boston Consulting Group, 2023

Account Reporting

Function	Retail Banking	Corporate Banking
Account Volume	Usually less than 5 accounts per customer.	Up to 5,000 accounts per customer. Many customers can have thousands of transactions a day
Transaction Volume	Most customers have less than 100 transactions per month	Customers could have hundreds and thousands of transactions per day
Reporting Needs	Limited reporting primarily showing the details of one account at a time, or a dashboard of account balances. There is no need to group accounts	Reporting needs to allow configuration to match the type of user's individual needs. Many customers need to group accounts by department, subsidiary, etc.
User Entitlements	Every member of a household has the same privileges to access all accounts	Every user in a corporate could have different rights to view account information where an administrator will often need dual approval to make changes. Previous privileges must remain until full approval occurs
Data Export	Usually Excel Only while user is on-line	Excel, BAI, SWIFT MT94x, CAMT (ISO20022). Exports can be done on-line or scheduled. Scheduled exports can be retrieved via SFTP
Alerts	Rarely included with limited capabilities and usually fixed across all customers	Must support a library of alert types that can be tailored to notify individual users of critical events

Payment Management

Function	Retail Banking	Corporate Banking
Transaction Volumes	Less than 100/week	Up to thousands per day
Beneficiary Directory	Name, Address, and Account for check and EFT payments.	Must accommodate the requirements to handle different settlement details across domestic/international wires, various types of ACH payments, Real Time Payments and Account Transfers.
Payment Templates	Not Included	Must accommodate the requirements to handle different settlement details across domestic/international wires, various types of ACH payments, Real Time Payments and Account Transfers. New or changed entries require approval workflow. Fields can be locked or not.
Payment Batches	Not Included	ACH and imported files can be managed as part of a batch that can contain thousands of individual payments coming from a single debit
International Payments	Not Included	• Must accommodate multiple types of bank codes (ABA, Non-US National Sort Codes, SWIFT BIC) • Must enforce STP validation rules variable by country clearing system. • Must be able to validate an IBAN and resolved the BIC Code using industry reference data. • Must allow for the on-line integration of FX services to enable cross-currency payments
Wires	Rarely Available	Must support both wires and draw downs
Payroll Payments	Not Included	Must include with support for Child Support garnishes
State and Federal Tax Payments	Not Included	Must be included with a library of required fields by state tax authority as well the rules to format the addenda correctly
Reporting	Simple Listing	Must address all different payment types and present them in a combined way that makes sense to the end users, as well as provide custom filters based on the user's job (i.e. payroll clerk).
ACH CTX and Vendor Payments	Vendor Payments may go over ACH rails depending on the vendor/bank	Support for Vendor Payments and CTX required

Payment Management

Function	Retail Banking	Corporate Banking

Approval Workflow	Not Included	Must be very configurable to allow the corporation to enforce corporate compliance rules:
		
		• Multiple approvers (from 2-6)
		
		• Four Eyes Rule for smaller customers
		
		• Panel Approval by Amount (For example 2 clerks can approve a payment up to $1,000, but 2 clerks and a manager is required for payments over $1,000)
		
		• Approval Limits must be by transaction size and daily aggregates to a single base currency, and must be variable by Entry Method (For Example a user's permissions may vary depending on how the payment was created:
		
		    ✓ free-form
		    ✓ using a template
		    ✓ using the beneficiary directory
		    ✓ file import
		    ✓ locked and unlocked batches of payments
		
		• Interaction with FX rates to enforce base currency limits and deal with rate expirations as well as FX trading dependencies if FX trading is included.
		
		• Must be able to Reject a payment providing a reason

Alerts	Usually, a standard set controlled by the bank	A wide variety of alerts must be configurable by the end user: • Payments waiting approval • Un-Approved payments approaching cutoff • Payments getting rejected • Payment failing validation • Payments Successfully or Un-Successfully imported • Payment completion

Bank and Customer Administration

Function	Retail Banking	Corporate Banking
User Setup	Controlled only by Bank	Client Admins must be able to add, modify, and delete approve users within their company AND the bank must be able to do this too.
User Entitlements	Controlled only by Bank	Client Admins must be able to configure what functions are available to which users across which accounts and ACH Company IDs
Dual Approval	Bank Users Only	Must allow for forcing two Admin Users (either from the bank, company, or both) to approve any additions or changes to Users or their Entitlements. Entitlements must be left un-changed until final approval is completed.
Entitlement Inter-dependencies	None	Settings must be cross-referenced to ensure that conflicting rules are caught or rationalized.

Other Corporate Banking Functions Not Included in Retail

Function	Retail Banking	Corporate Banking
Controlled Disbursements	Not Included	Required
Check Positive Pay	Not Included	Required
Check Issuance File Import	Not Included	Required for both file import and manual entry with workflow
ACH Positive Pay	Not Included	Nice to have
Direct Debits	Not Included	Required
Multi-Bank Payments (MT101)	Not Included	Nice to have
Lockbox Reporting	Not Included	Required
Stop Check and Stop Cancel	Sometimes Included	Required

Non-Functional Requirement Comparison

Architecture

Function	Retail Banking	Corporate Banking
Instruction Processing	Everything is real-time with the back office.	Payments and other transactions can be staged on the client tier and only sent to the back office on the transaction date when they are fully approved.
Large Reports and File Exports	Not an option	If a large report or export is requested, it will be run in the background to avoid timing out
File Passthroughs	Not an option	• Reports produced by back-office systems must be routed to the correct client and made available for access. • Files such as NACHA files need to be passed through to the back-office in-tact after validation
Data Access and information reporting	All bank data usually comes directly from the DDA or other back-end applications using real-time calls	• Data must be stored and indexed on the front-end tier to optimize/enable complex reporting across large numbers of accounts and high transaction volumes with varying data access privileges • Real time calls are required for current day updates
Notifications and Alerts	Simple Fixed Framework	Must be extremely flexible and allow for targeted campaigns using a combination of email, SMS, and banners
Market Segmentation	If any it would be very limited	Must have the ability to cater to large MNCs down to very small businesses with scaled sophistication

Bottomline is Best in Class

Aité Novarica

AITf MATRIX:
U.S. CASH MANAGEMENT
TECHNOLOGY PROVIDERS, 2023

BEST IN CLASS

B Bottomline

"In recent years it [Bottomline] has been a top choice for many of the largest banks replacing their cash management platforms while also successfully enabling smaller regional banks to be more competitive and win the business of larger corporations." - Christine Barry, AiteNovarica

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