



## **Greenwich Market Pulse: Bank Switching and Cash Management**

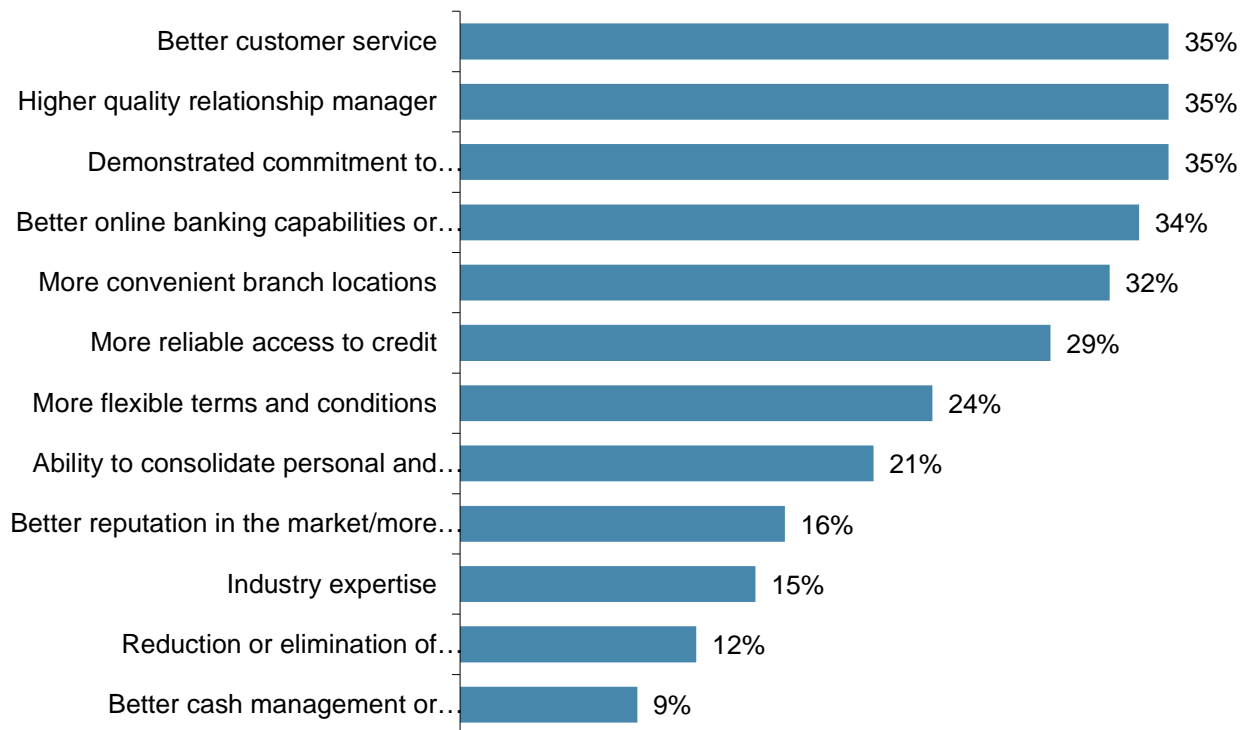
Peer business owner and executive views and outlook on bank switching, cash management product demand, social media and corporate social responsibility

July 2016

# Important Considerations To Small Businesses

Better customer service, a higher quality banker, and a demonstrated commitment to business banking clients

## Most Important Considerations when Adding or Switching Providers – Small Businesses



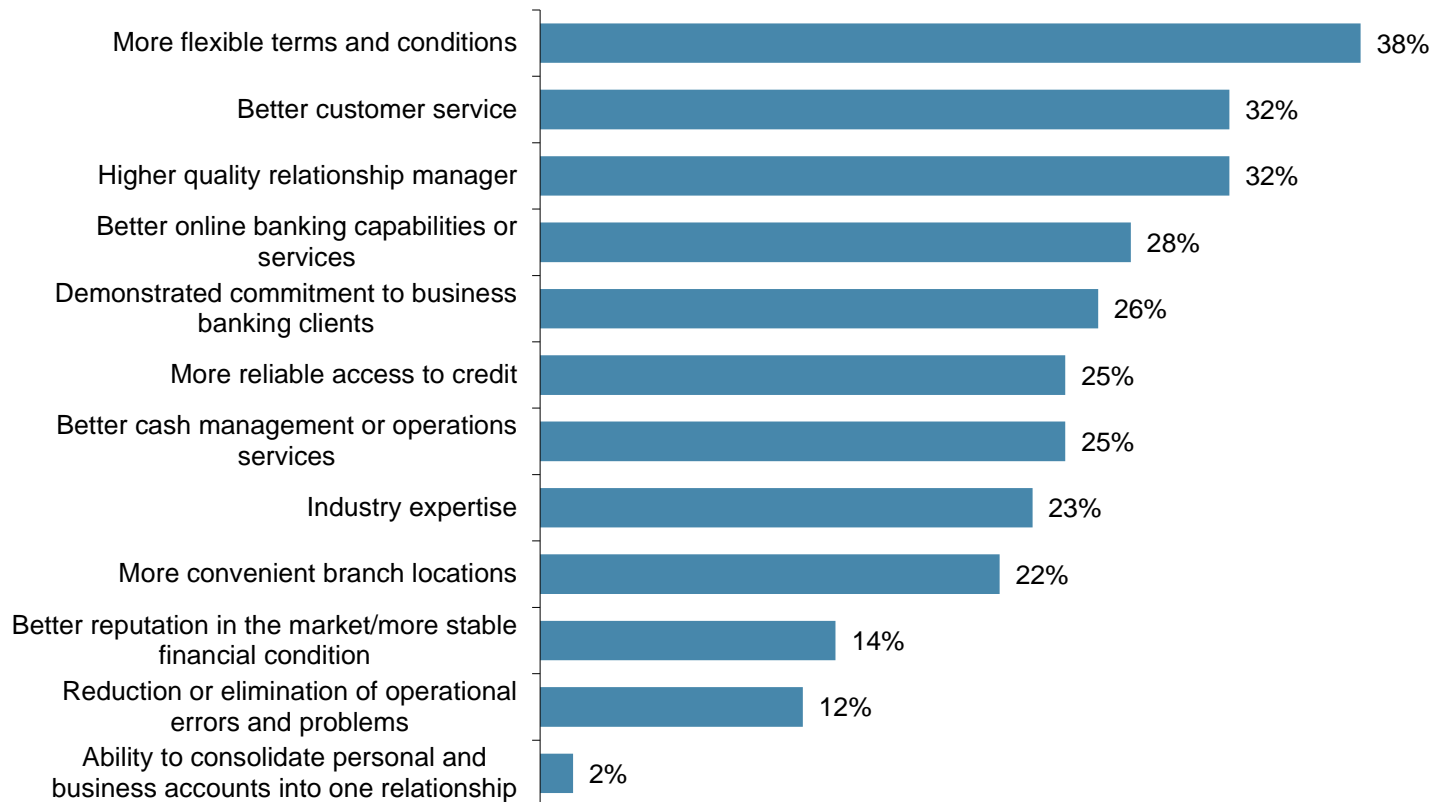
Source: Greenwich Market Pulse v61

Question: Which of the following would be your top three most important considerations when adding or switching providers?

# Important Considerations When Adding Or Switching Providers

More flexible terms and conditions followed by better customer service and a higher quality banker

## Most Important Considerations when Adding or Switching Providers – Mid-Sized Companies



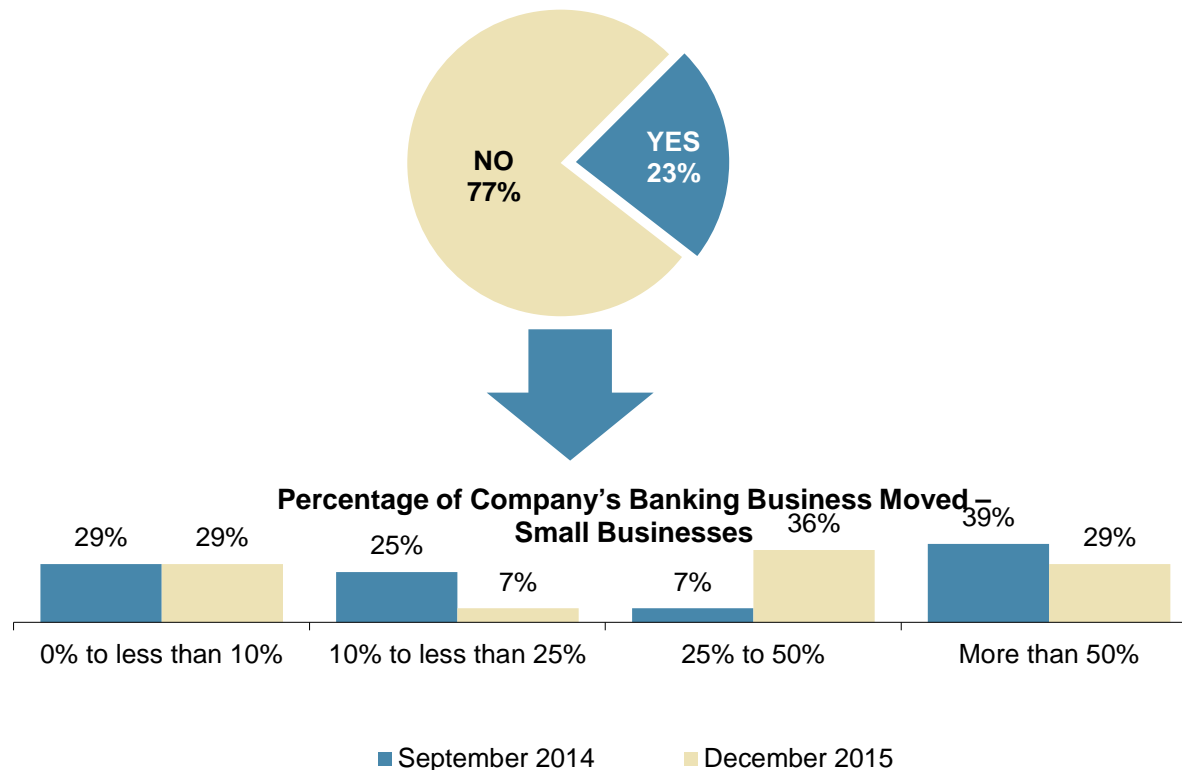
Source: Greenwich Market Pulse v61

Question: Which of the following would be your top three most important considerations when adding or switching providers?

# Changed Providers

Close to one-quarter of small businesses moved business and of the companies that moved, most moved more than 25%

## Moved Company's Banking Business to Another Provider in Last 12 Months – Small Businesses



Source: Greenwich Market Pulse v61, v55

Question: Have you actually moved part or all of your company's banking business from one provider to another in the last 12 months?

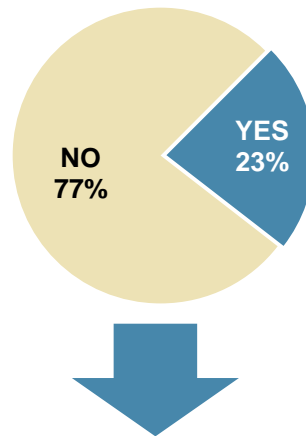
Source: Greenwich Market Pulse v61, v55

Question: How much of your company's banking business (products and loans) did you move?

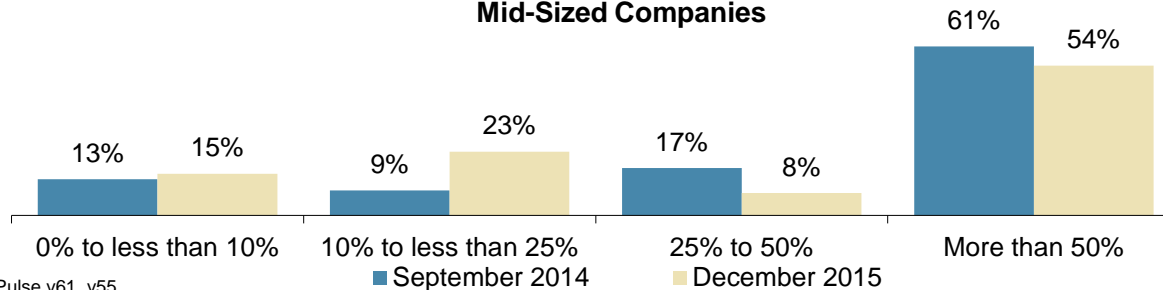
# Changed Providers

One-quarter of mid-sized companies moved all or part of their business to another provider over the last 12 months

**Moved Company's Banking Business to Another Provider in Last 12 Months – Mid-Sized Companies**



**Percentage of Company's Banking Business Moved – Mid-Sized Companies**



Source: Greenwich Market Pulse v61, v55

Question: Have you actually moved part or all of your company's banking business from one provider to another in the last 12 months?

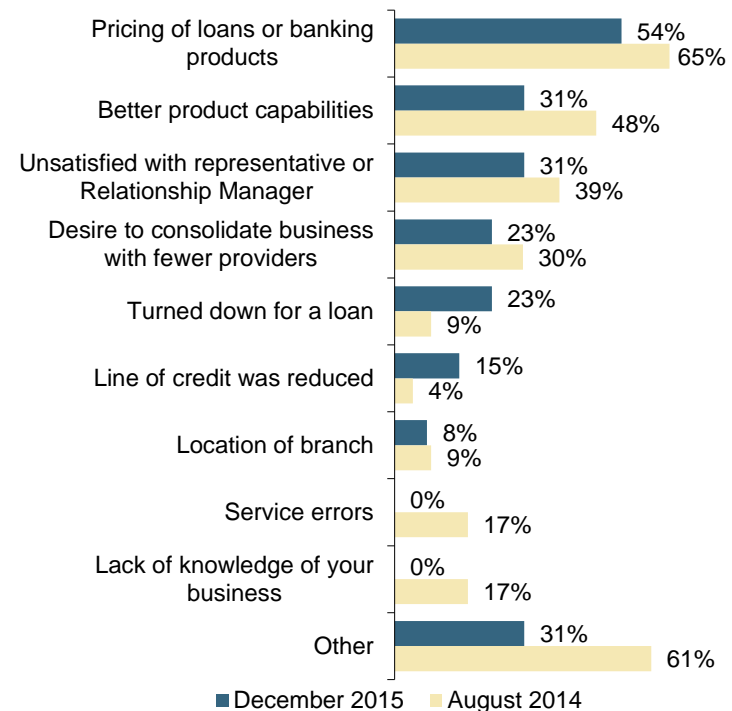
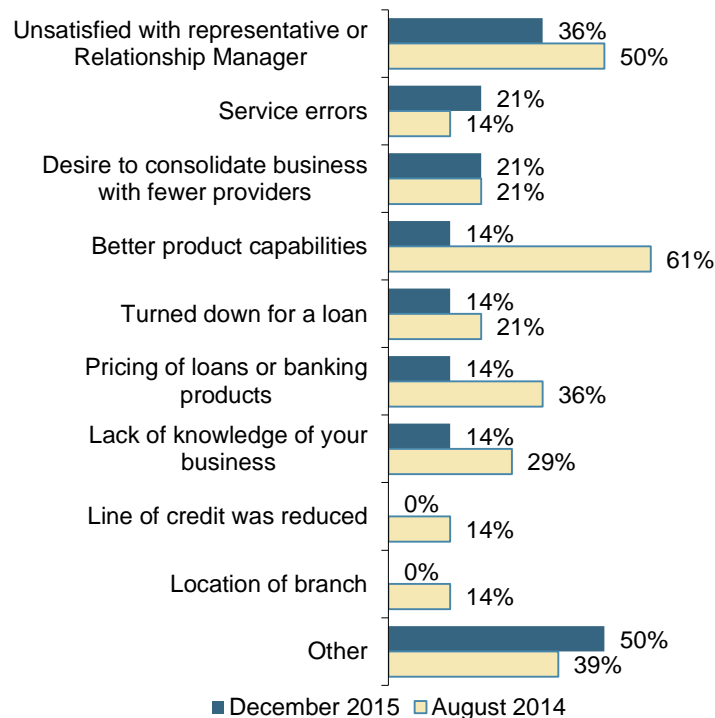
Source: Greenwich Market Pulse v61, v55

Question: How much of your company's banking business (products and loans) did you move?

# Reasons For Move

Small businesses primarily moved business because they were unsatisfied with their banker; mid-sized companies moved due to the pricing of loans or banking products

**Primary Reasons for Moving the Company's Banking Business**



*Other Includes: diversification, followed relationship manager, overall dissatisfaction, expensive product fees*

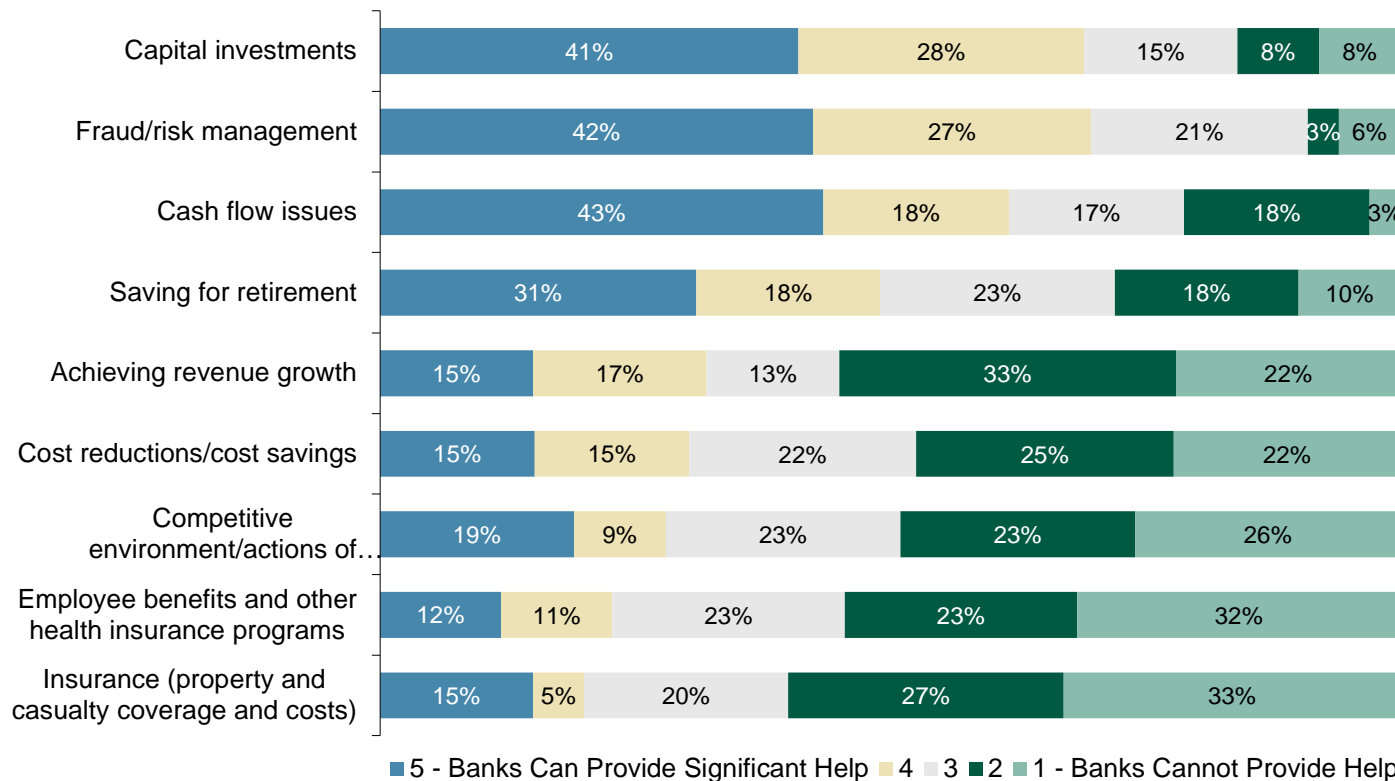
Source: Greenwich Market Pulse v61, v55

Question: What were the primary reasons you moved your company's banking business to another provider? (Choose up to 3)

# How Banks Help Small Businesses

Banks can provide capital investments, fraud/risk management, and assist with cash flow issues to provide help to small businesses

How Banks Can Provide Help to Businesses – Small Businesses



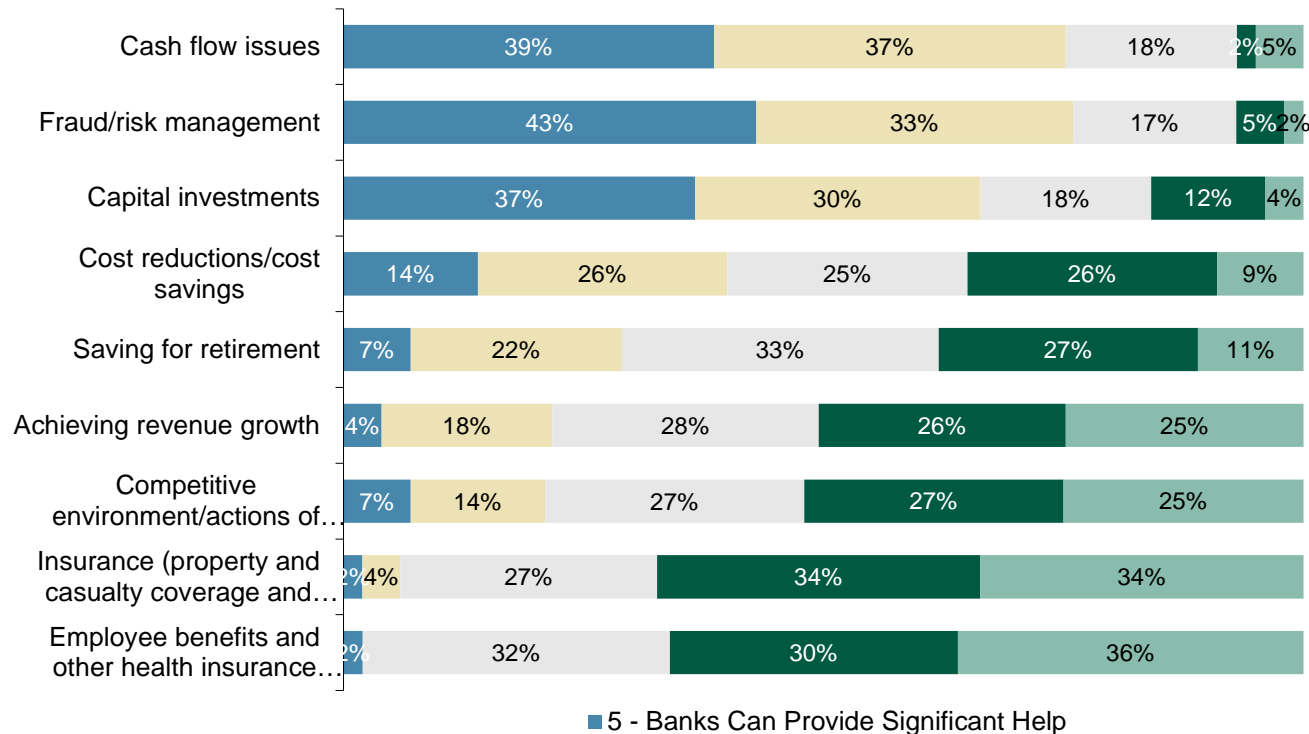
Source: Greenwich Market Pulse v61

Question: Please evaluate each of the following issues on a scale from 1 = Banks Cannot Provide Help to My Business to 5 = Banks Can Provide Significant Help to My Business.

# How Banks Help Mid-Sized Businesses

Mid-sized companies look to banks to provide help with cash flow issues and fraud/risk management.

**How Banks Can Provide Help to Businesses – Mid-Sized Companies**



Source: Greenwich Market Pulse v61

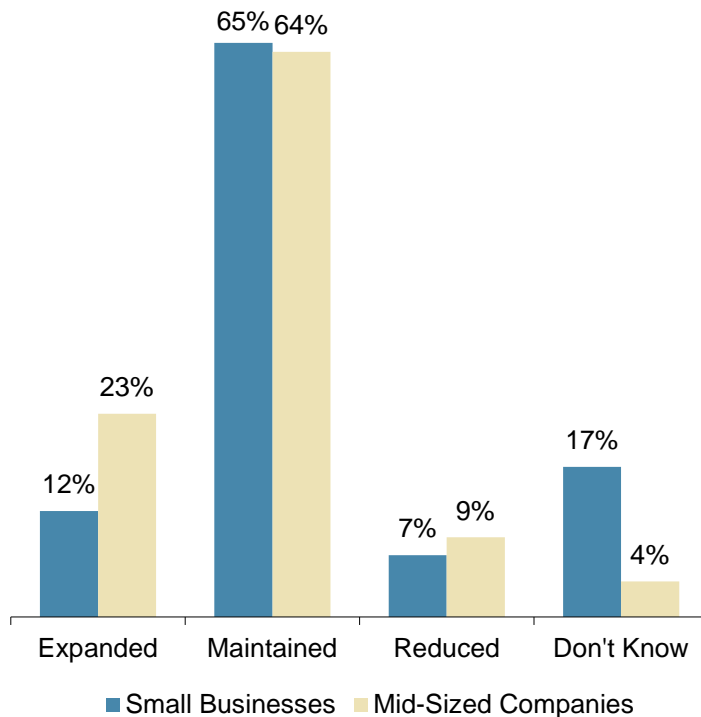
Question: Please evaluate each of the following issues on a scale from 1 = Banks Cannot Provide Help to My Business to 5 = Banks Can Provide Significant Help to My Business.



# Cash Management Product Usage

Small businesses and mid-sized companies largely maintained their Cash Management product usage and approximately one-quarter of mid-sized companies expanded product usage.

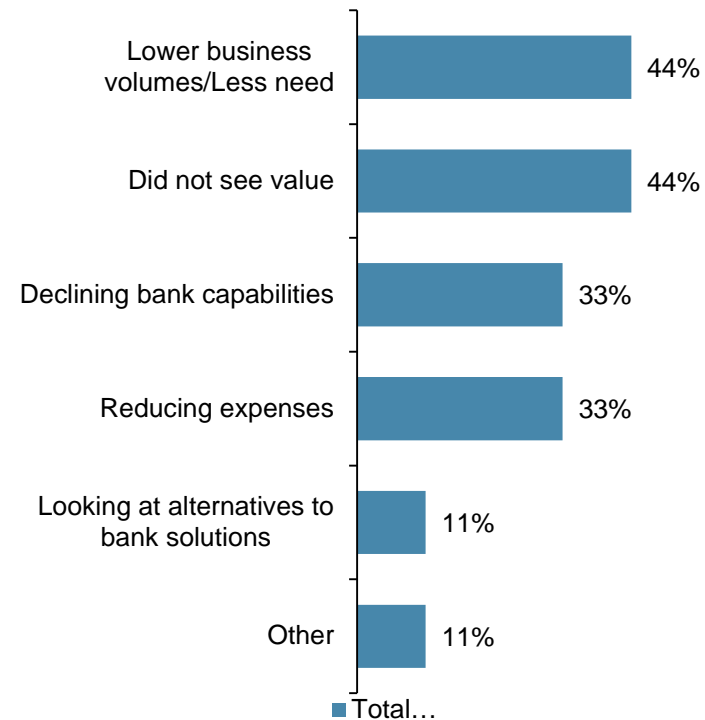
**Cash Management Product Purchase Changes Over the Past 6 to 12 Months**



Source: Greenwich Market Pulse v61

Question: Has your company expanded, reduced, or maintained the level of cash management products/services purchased from your banking partners over the past 6-12 months?

**Reasons for Reduction in Cash Management Product Purchases Over the Past 6 to 12 Months**



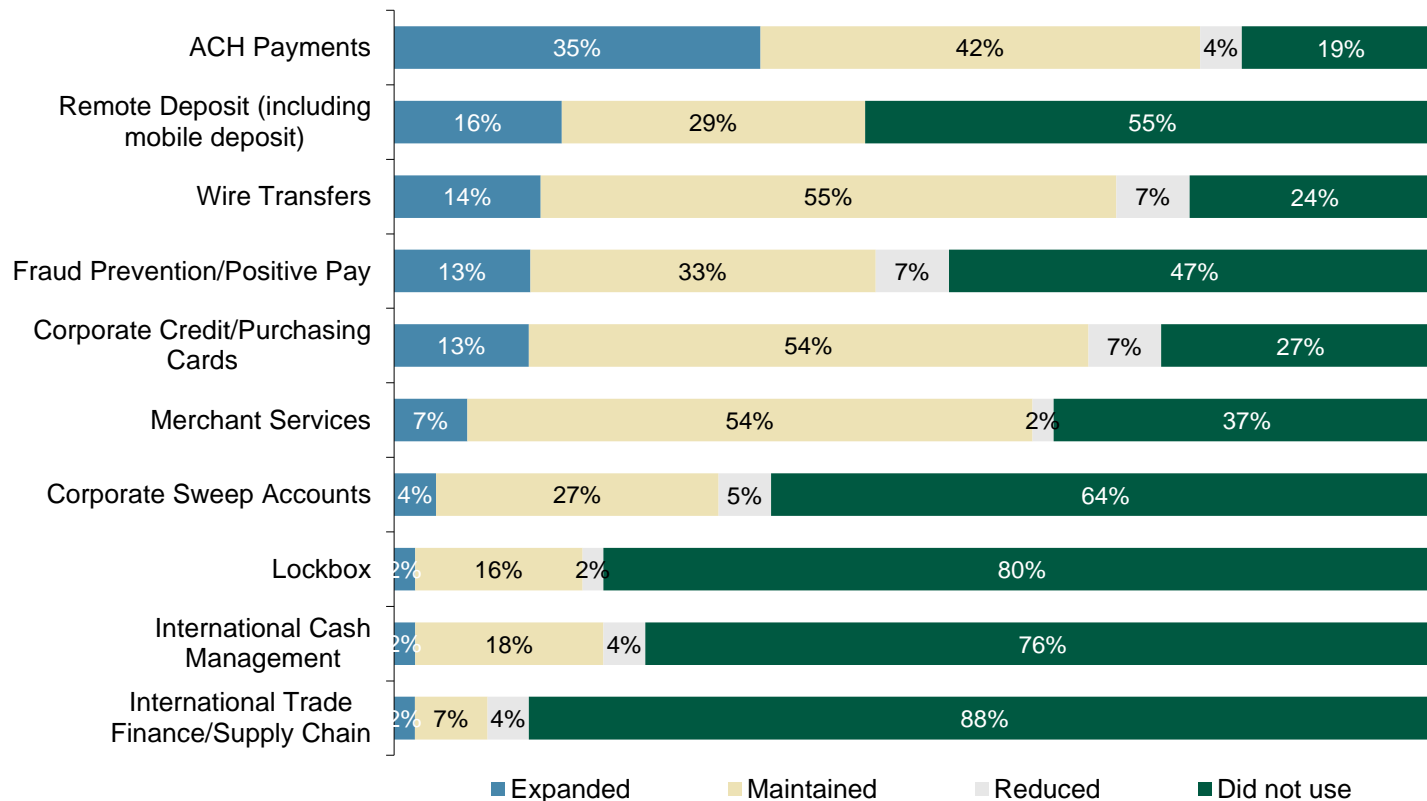
Source: Greenwich Market Pulse v61

Question: What reasons best describe your decision to reduce the amount of cash management products/services purchased from your banking partners over the past 6-12 months? (Select all that apply)

# Small Businesses Cash Management Usage

Small businesses expanded the use of ACH payments and continued use of wire transfers, corporate credit/purchasing cards, and merchant services

**Use of Cash Management Products and Services Over the Past 6 to 12 Months – Small Businesses**



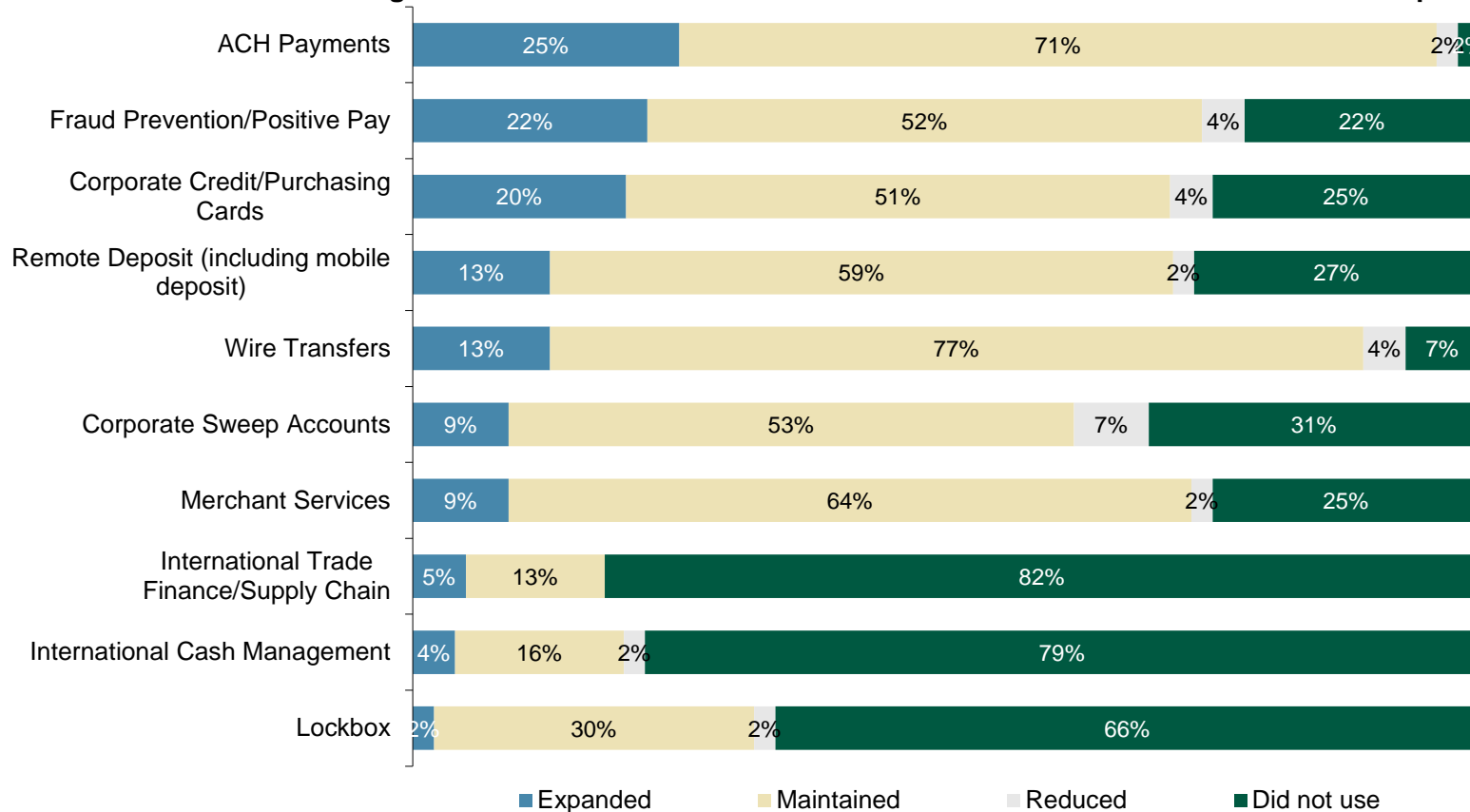
Source: Greenwich Market Pulse v61

Question: Which specific products has your company used and/or adjusted/changed over the past 6-12 months?

# Mid-Sized Companies Cash Management Usage

Mid-sized companies expanded the use of ACH payments, fraud prevention/positive pay, and corporate credit/purchasing cards.

**Use of Cash Management Products and Services Over the Past 6 to 12 Months – Mid-Sized Companies**



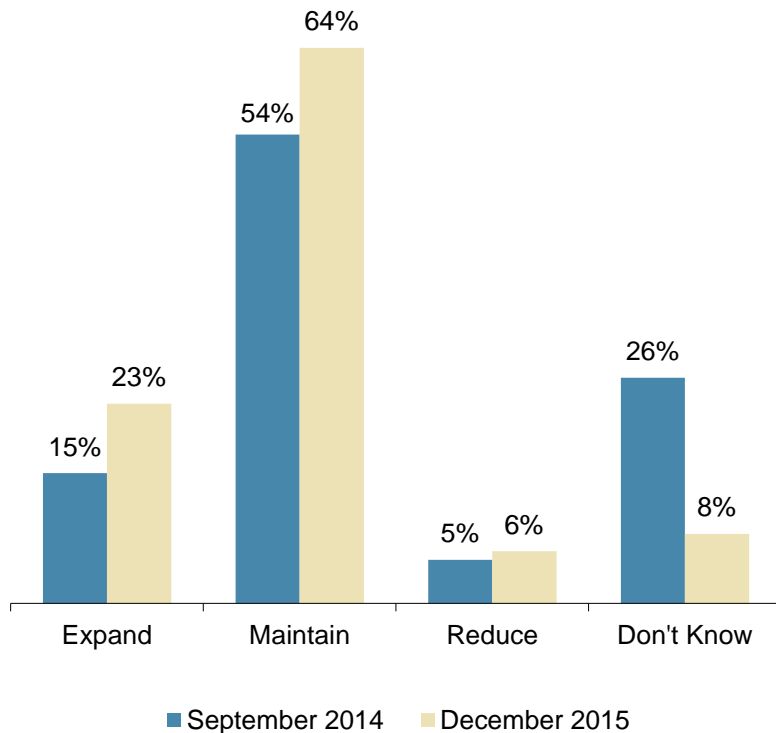
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Question: Which specific products has your company used and/or adjusted/changed over the past 6-12 months?

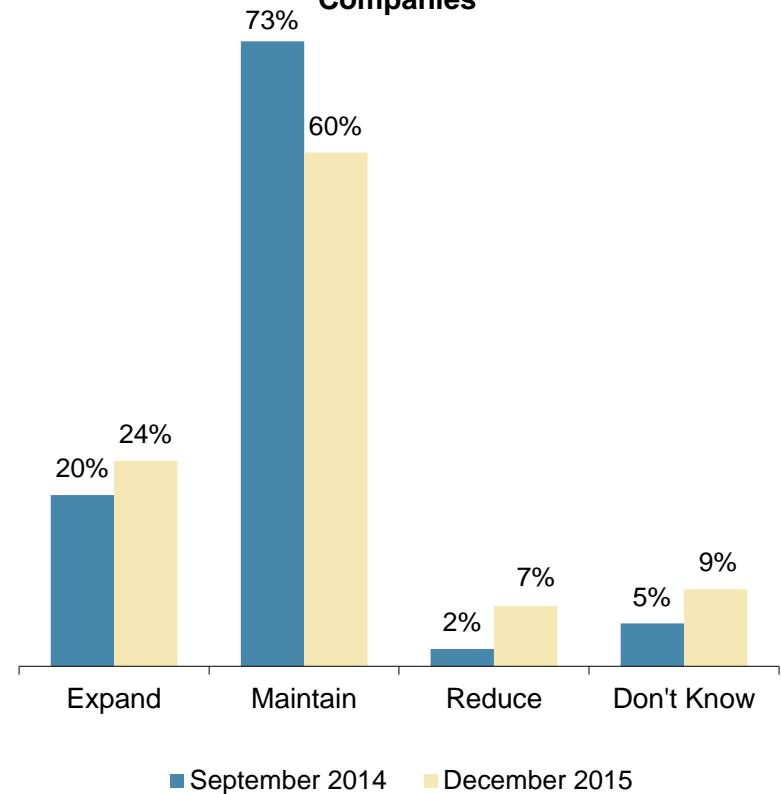
# Future Use of Cash Management Products

Approximately one-quarter of small and mid-sized companies expect to expand use of Cash Management products and services over the next 12 months.

**Expected Future Use of Cash Management Products and Services Over the Next 12 Months – Small Businesses**



**Expected Future Use of Cash Management Products and Services Over the Next 12 Months – Mid-Sized Companies**



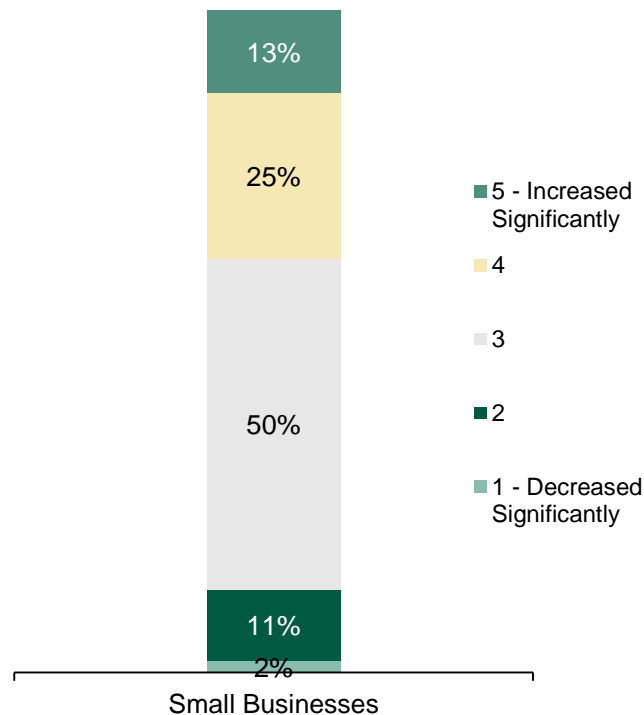
Source: Greenwich Market Pulse v61, v55

Question: Over the next 12 months, do you anticipate that your company will expand, reduce, or maintain the level of cash management products/services purchased from your banking partners?

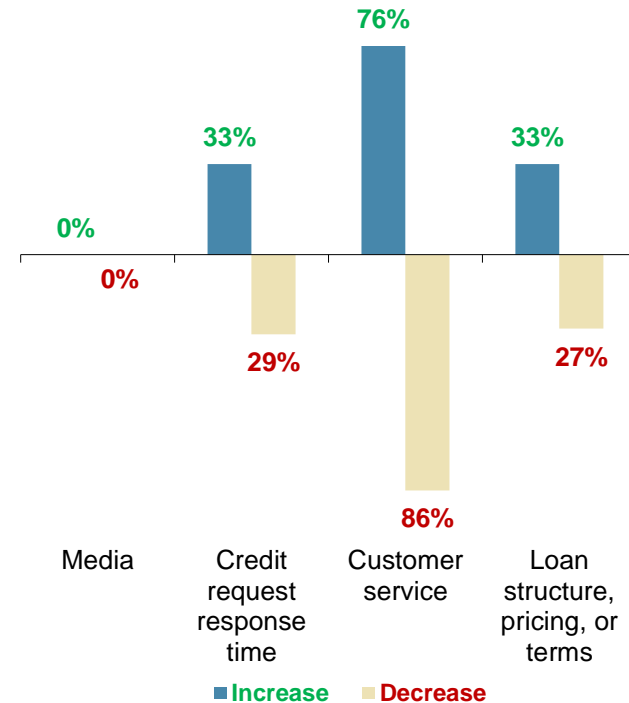
# Level of Trust with Banks

Approximately one third of small businesses noted their trust in banks increased largely due to customer service

**Change in Company's Level of Trust in Banks Over the Past 6 Months – Small Businesses**



**INCREASE in Level of Trust – Small Businesses**



**DECREASE in Level of Trust – Small Businesses**

Source: Greenwich Market Pulse v61

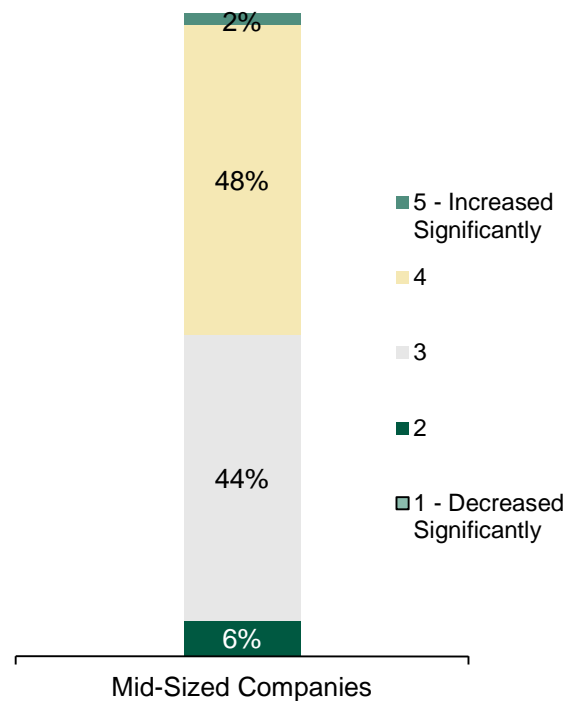
\* "Net Trust" is calculated by subtracting 1s and 2s from 4s and 5s.

Questions: On a scale from 1 = Decreased Significantly to 5 = Increased Significantly, how has your company's level of trust in your bank(s) changed over the past six months? Which of the following has caused your company's level of trust in your bank to increase or decrease?

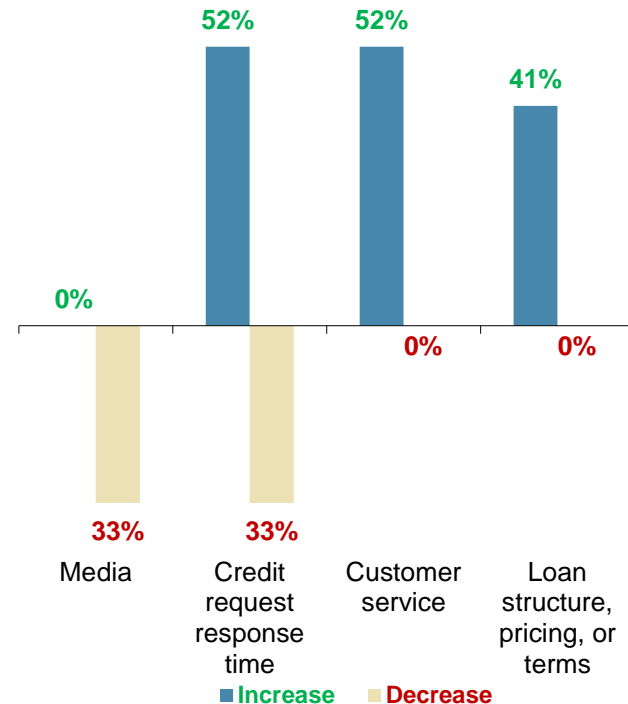
# Level of Trust with Banks

Half of mid-sized companies cited their trust in banks increased largely attributed to credit request response time and customer service

Change in Company's Level of Trust in Banks Over the Past 6 Months – Mid-Sized Companies



INCREASE in Level of Trust – Mid-Sized Companies



DECREASE in Level of Trust – Mid-Sized Companies

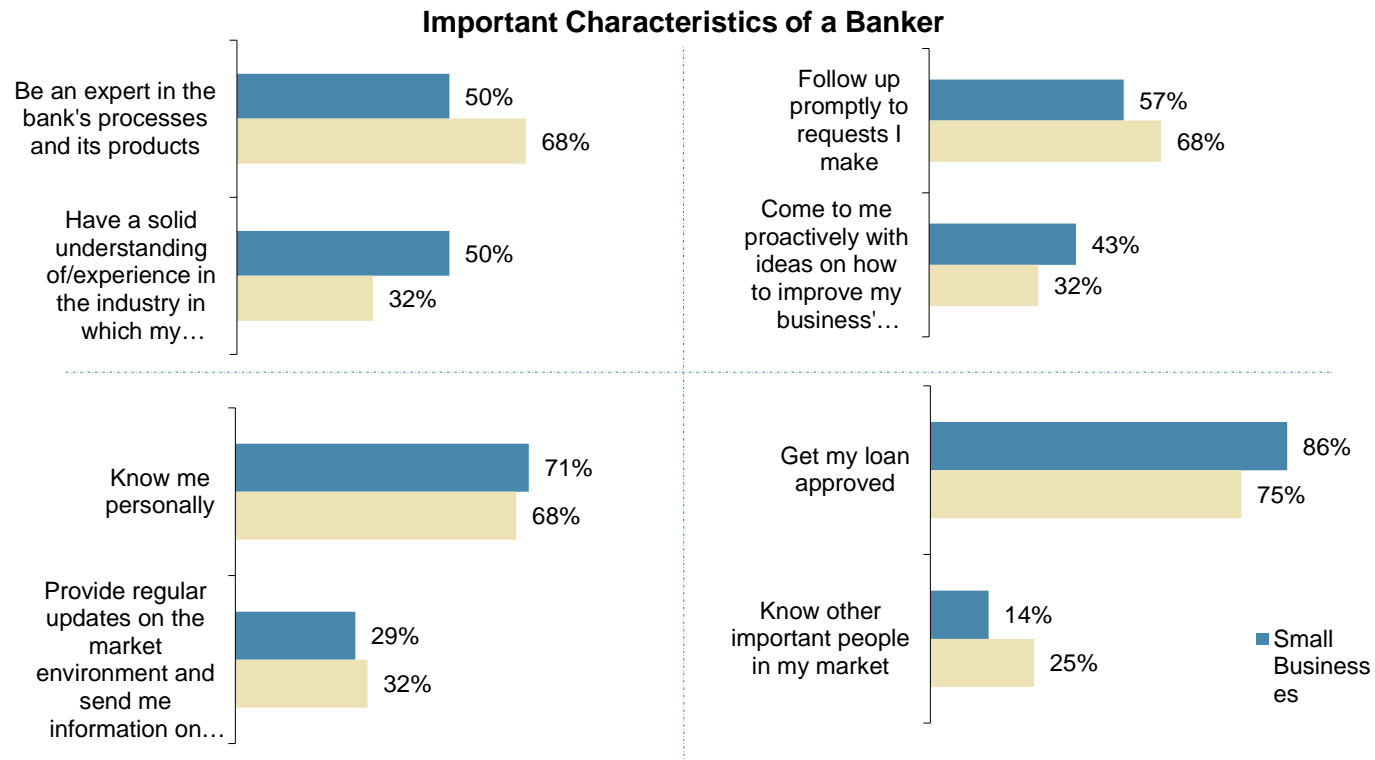
Source: Greenwich Market Pulse v61

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# Important Characteristics of a Banker

Small and mid-sized companies believe prompt follow up is more important than proactively providing ideas



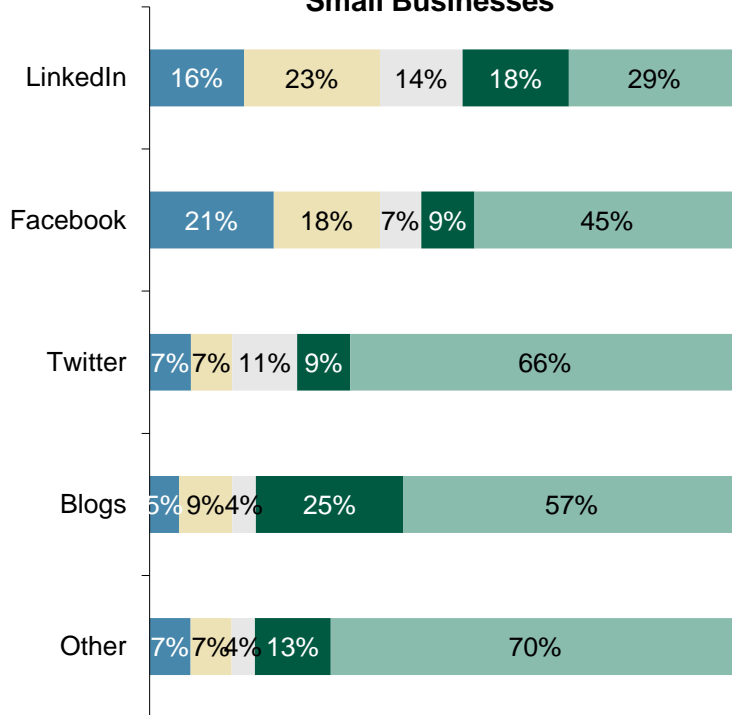
Source: Greenwich Market Pulse v61

Question: Based on the statements below, given the choice between options, which characteristics of a banker are more important to you in your overall banking relationship?

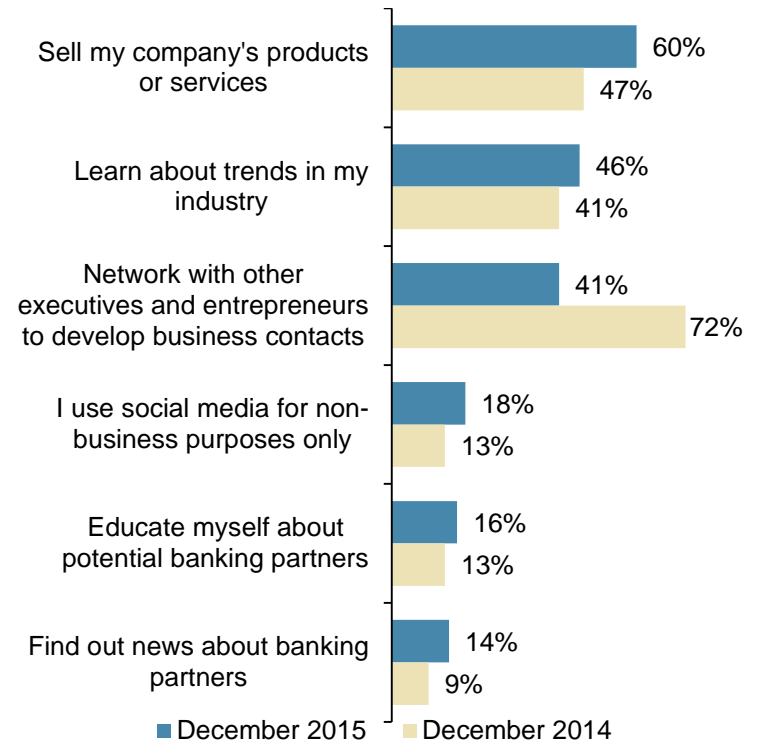
# Social Media Use

LinkedIn and Facebook are used most by small businesses for business. They are using social media to sell products or services and learn about industry trends

**Frequency of Social Media Use by Outlet – Small Businesses**



**Reasons Owners/Executives Use Social Media – Small Businesses**



Source: Greenwich Market Pulse v61, v56

Question: How frequently do you use the following social media platforms for business or company purposes?

Source: Greenwich Market Pulse v61, v56

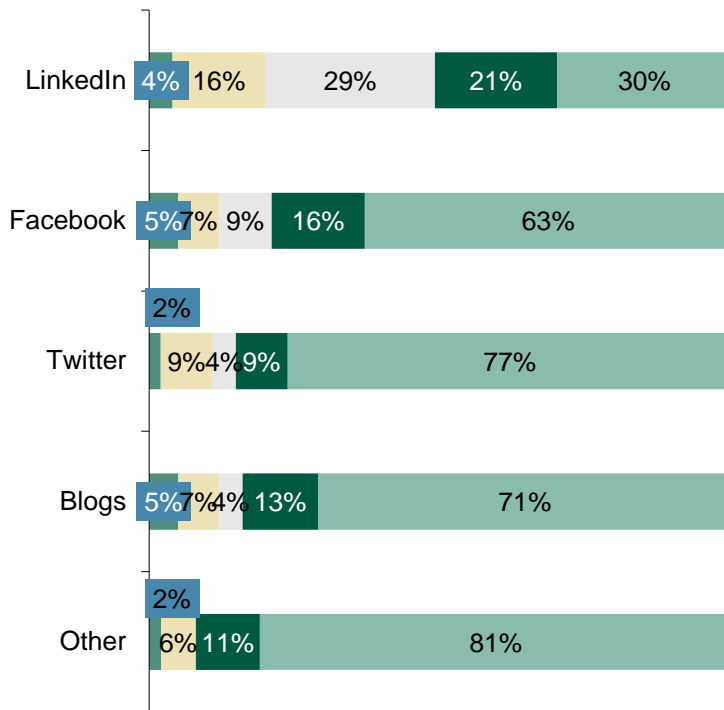
Question: For which of the following purposes do you use social media? (Select all that apply)



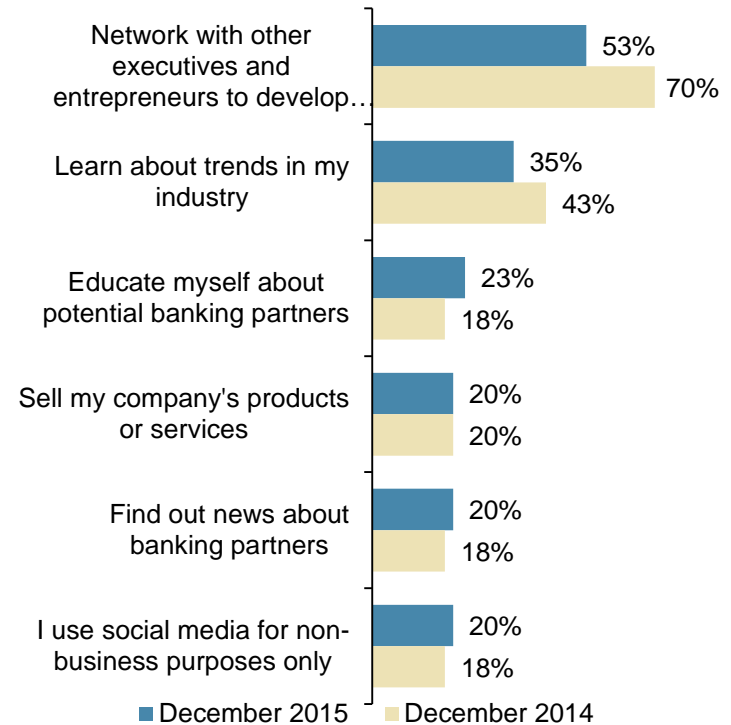
# Social Media Use

LinkedIn is most often by mid-sized business executives for business.  
Executives primarily use social media to network

**Frequency of Social Media Use by Outlet – Mid-Sized Companies**



**Reasons Owners/Executives Use Social Media – Mid-Sized Companies**



Source: Greenwich Market Pulse v61, v56

Question: How frequently do you use the following social media platforms for business or company purposes?

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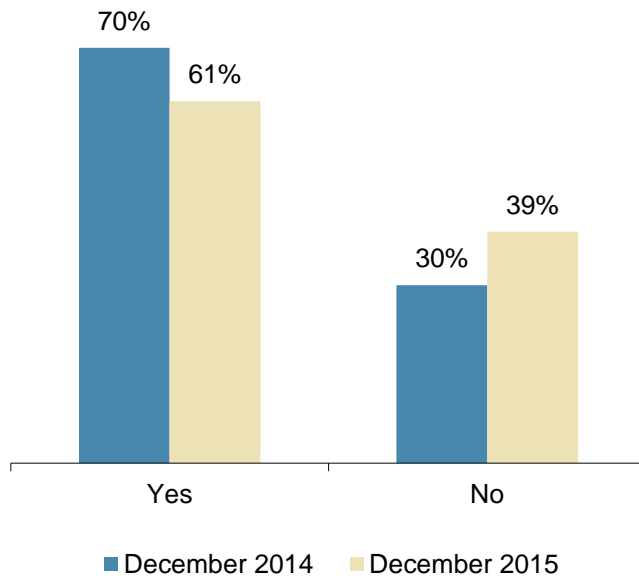
Source: Greenwich Market Pulse v61, v56

Question: For which of the following purposes do you use social media? (Select all that apply)

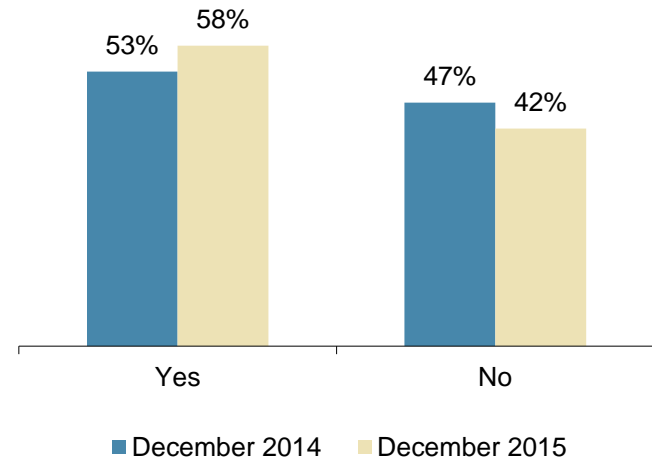
# Social Media Furthers Business Goals

Approximately six out of ten small and mid-sized companies believe social media furthers business goals

**Believe Current Use of Social Media  
Furthers Business Goals –  
Small Businesses**



**Believe Current Use of Social Media  
Furthers Business Goals –  
Mid-Sized Companies**



Source: Greenwich Market Pulse v61, v56

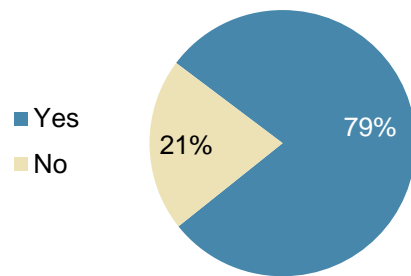
Question: Do you believe the social media you are using furthers your business goals?

# Environmentally Responsible Efforts

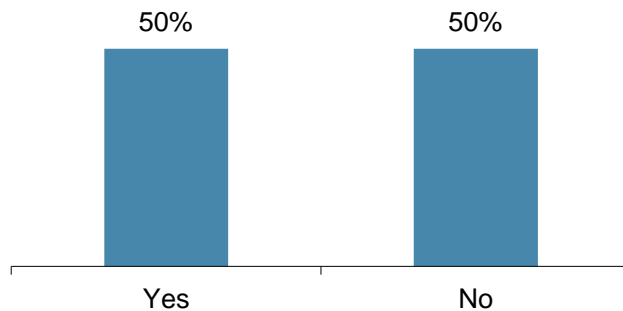
A majority of small businesses are adopting more environmentally friendly business practices by saving energy, recycling waste, and using electronic versus paper consumption

## Small Businesses

### Adoption of Environmentally Friendly Business Practices



### Expect a Return on Investments?

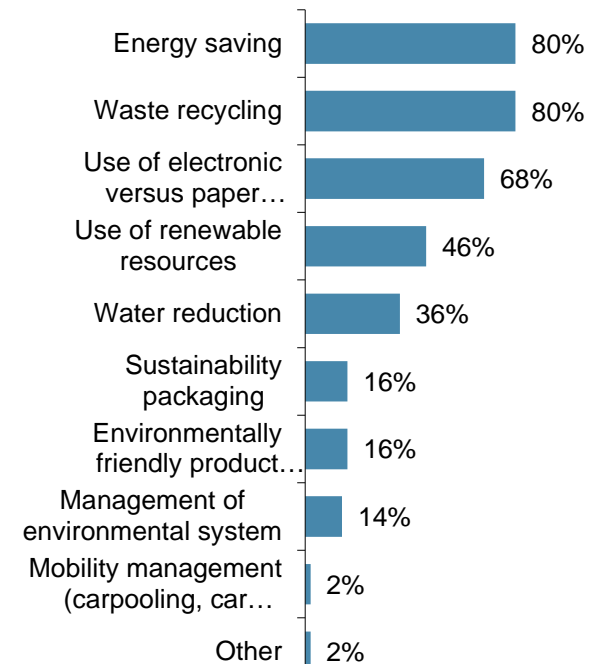


Source: Greenwich Market Pulse v61

Questions: Are you adopting more environmentally friendly business practices? Do you expect to see a return on these investments?

Greenwich Associates

### Measures to Reduce Environmental Impact



Source: Greenwich Market Pulse v61

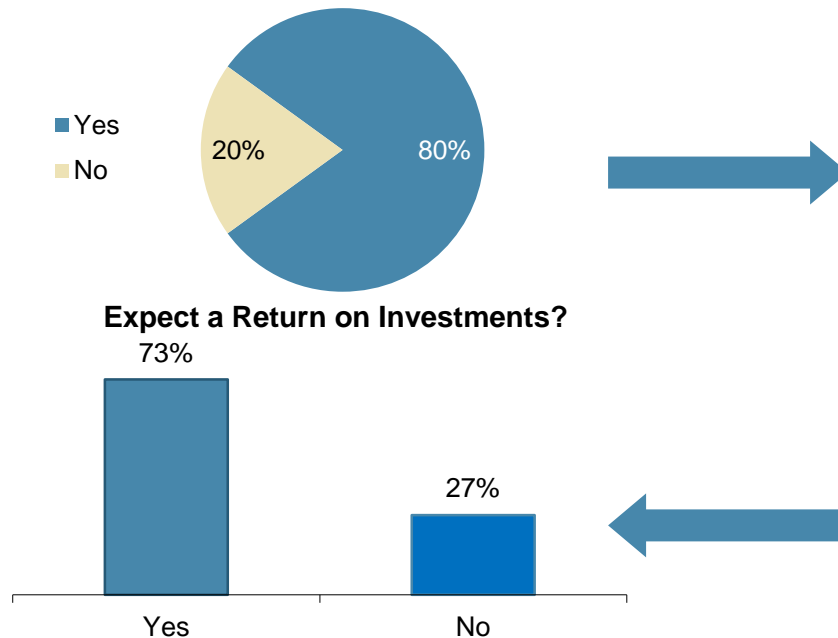
Question: Which of the following measures has your company adopted to reduce environmental impact? (Select all that apply)

# Environmentally Responsible Efforts

Eight out of ten mid-sized companies are adopting environmentally friendly business practices. Most use electronic versus paper consumption and waste recycling to reduce environmental impact.

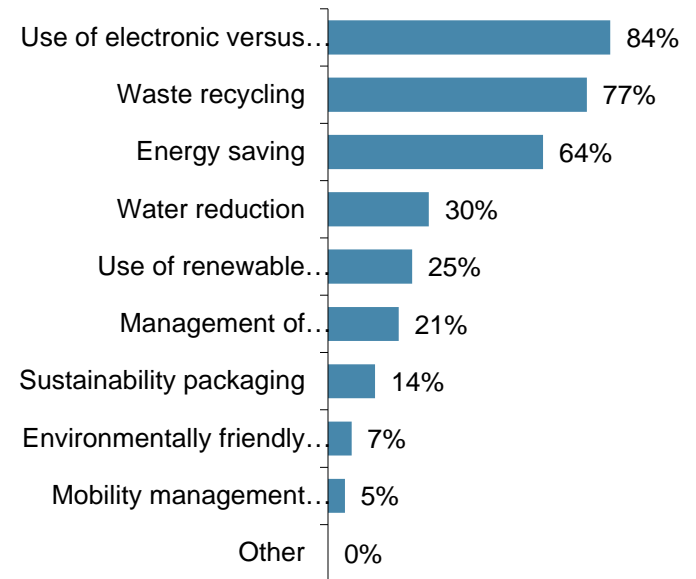
## Mid-Sized Companies

### Adoption of Environmentally Friendly Business Practices



Source: Greenwich Market Pulse v61  
Questions: Are you adopting more environmentally friendly business practices? Do you expect to see a return on these investments?

### Measures to Reduce Environmental Impact

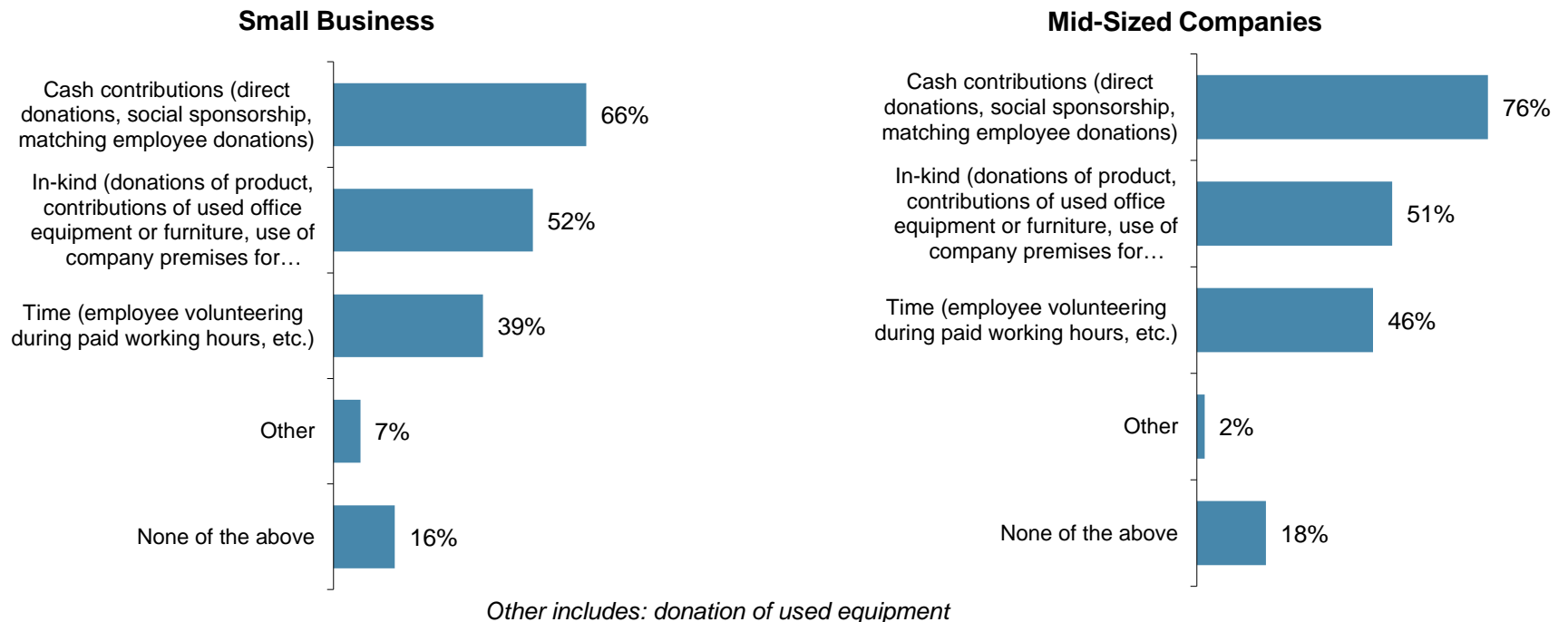


Source: Greenwich Market Pulse v61  
Question: Which of the following measures has your company adopted to reduce environmental impact? (Select all that apply)

# Community Outreach

Most small and mid-sized companies provide cash contributions to give back to communities in which the company operates and close to half of mid-sized company contribute time (e.g. employee volunteering during paid working hours)

## Community Outreach Actions



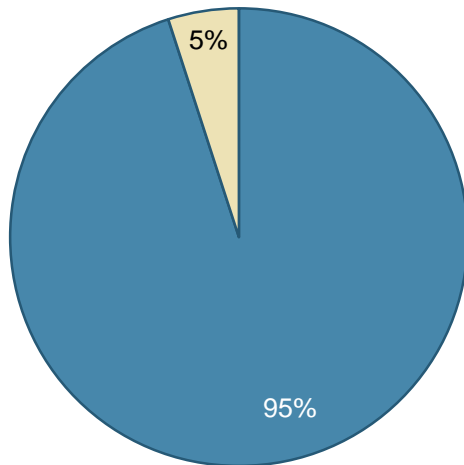
Source: Greenwich Market Pulse v61

Question: Which are concrete actions towards the communities in which your company operates? (Select all that apply)

# Social Responsibility

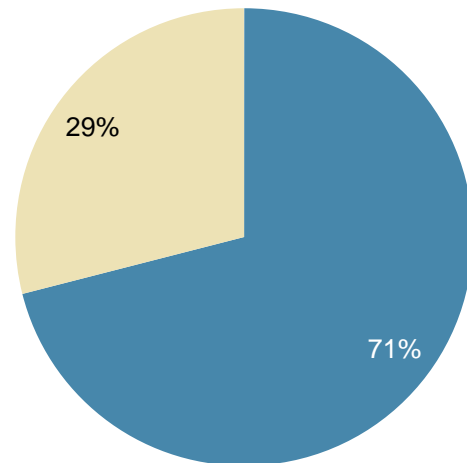
A majority of both small and mid-sized companies would choose to do business with a company that practices social responsibility over one that does not given equal features

**Social Responsibility as a Business Practice  
Differentiator – Small Businesses**



- Yes, given equal features we would choose to do business with a company that practices social responsibility over one that does not
- No, given equal features we would not choose to do business with a company that practices social responsibility over one that does not

**Social Responsibility as a Business Practice  
Differentiator – Mid-Sized Companies**



Source: Greenwich Market Pulse v61

Question: Given equal features, would you choose to do business with a company that practices socially responsible business practices or investing over one that does not?

## Greenwich Market Pulse

**Greenwich Market Pulse** is an ongoing research series that addresses the most important and timely issues facing small (\$1mm-\$10mm) and mid-sized (\$10mm-\$500mm) company executives and their banking relationships. Greenwich Associates' access to thousands of financial decision-makers in the United States allows for constant contact with the market. Greenwich Market Pulse reports deliver the unbiased perspectives of these individuals in concise and actionable charts, complemented by insights and analysis from Greenwich Associates' industry experts. Greenwich Market Pulse studies are conducted four times per year and are often used in tandem with other annual Greenwich Associates research.

Methodology: 133 companies interviewed in November and December 2015 representing 68 small businesses and 65 mid-sized companies.

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