

DIEBOLD NIXDORF PERSPECTIVE

Small business is segment to nurture in 2020 and beyond

By Jim Flannery, Senior Manager, Global Advisory Services, Diebold Nixdorf

Small business is actually really big business in the USA, where a whopping 99.9% of companies have fewer than 500 employees and are classified as 'small' by the US Small Business Administration. Small and medium businesses (SMBs) are the most active and profitable segments in retail banking.

Servicing SMBs means grappling with inherent paradoxes

Financial institutions (FIs) are at a crossroads. In a recent poll we conducted of banks and retailers, 85% of FIs said the merchant segment is a growing focus, but only 28% said their service offerings to these clients are sufficient.

SMB transactions are labour-intensive, cash-heavy and often occur during a branch's busiest times. Then there is the management and reconciliation of after-hours deposits, which can be costly and time-consuming. But the biggest challenge in serving this critical segment may be the paradoxical ways they view their relationship with their banks:

- Getting in and out of the branch quickly is paramount, as time is money for sole proprietors and SMBs with just a few employees... yet they value the connection and personal touch of engaging directly with someone at the bank who knows them.
- Three out of four merchants we polled say they would like to use automated or self-service technology to conduct business withdrawals and deposits... yet more than half say that if forced to use self-service instead of a teller, they would consider switching banks.

Banking is evolving, but FIs must address inertia and embrace change

Until recently, self-service solutions often couldn't provide the level of support SMBs needed. Deposit bundle acceptance and withdrawal limits were

designed for the average consumer, not a business professional with large daily cash-in and cash-out requirements.

Modern self-service has evolved to accommodate SMBs' distinctive needs. Diebold Nixdorf's new line of self-service systems, DN Series™, enables larger, envelope-free cash and cheque deposits, more flexibility in denomination choice and immediate funds availability. Paired with new mobility and cardless access solutions, retailers even have the option to administer a one-time QR code that staff can use to conduct transactions, ensuring greater security when business owners can't get to the bank themselves. And they can do it all when they want, without being limited to bankers' hours.

Define the journey, then educate SMBs

One of the first steps we take in the branch is helping FIs develop a playbook that includes lobby management and self-service education for staff and consumers. Lobby leadership and consumer education are crucial to the success of new self-service implementations.

The cash cove on DN Series, for example, is the enabler for much larger bundles. The right concierge or lobby manager can recognise an SMB customer as they enter the branch, direct them to a self-service terminal and describe the benefits of new features, such as the cash cove, cardless access, e-receipts that streamline cash tracking, and electronic pre-staged transactions that are more secure and traceable, and allow for instant account credit of cash deposits.

In a world where nearly a quarter of SMBs we polled say they engage with a branch teller daily, it's only common sense to offer these key customers more options that fit their needs. Plus, educating and empowering SMBs to bank the way they choose can help deepen their relationship with your brand, while enabling you to repurpose staff to other areas of customer development. ■

Learn more about Diebold Nixdorf's revolutionary new line of self-service systems at [DieboldNixdorf.com/DNseries](https://www.dieboldnixdorf.com/DNseries)



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