

## HELPING YOU HELP YOUR SMALL BUSINESS CUSTOMER

by [Steve Brown](#)

Since community bankers are focused on small business customers and since loans are so hard to get, we thought a few tips in different areas of the sector might help keep your existing customers stronger, capture more business of their own and stay on top of the changing environment to improve. By helping your customer in this way, we hope they do more business with your bank and become more profitable as well.

To kick things off, we begin with internet security and focus on a poll conducted by Applied Research in mid 2010. The poll found that an amazing 33% of small businesses still didn't even have antivirus software installed on their computers. Also of concern, those small businesses that had protection tended to rely only on antivirus software and basic network firewalls. Security experts say antivirus is a good way to block attacks and eliminate well-known viruses, but it does little to thwart new attacks that pop up every day. Similarly, firewalls can help businesses keep out the bad guys, but they are only effective when used often and kept updated. Many small business owners also conduct business remotely (from their homes, at a Starbucks, etc.), so very often computers operate outside the firewall more than within it. Since these small business clients are linking into your bank more and more through remote channels, warning them how important it is to install antivirus software, keep it up to date, think about where they are accessing the internet and protect themselves against opening email from unknown sources just makes good business sense. Education is power, which is why you should tell your small business clients experts say most small businesses get hit when employees either visit a compromised website on their own or by clicking a link in an email (usually in a fake email that says simply, "click here to win some cash").

Small business owners are also leaning more about how to generate more business through their website. Here, experts say it is critical to be objective and take a few key steps to boost results. First, take some time to design the flow of your website. You want customers to feel comfortable and have a way to see where people are leaving the site, what they like and where you can improve. Next, customers want a positive fresh experience, so they are looking for updated content, responses posted to those who ask questions or make comments and a dynamic format. Third, make sure the site is designed around addressing customer needs, wants and desires. People don't care about your company; rather, they want to hear about how the things you offer solve their own problem - period. Finally, make it easy to find the web site and you are off to the races.

Finally, if another recent study is any indication, community bankers are still very well positioned to help small business clients address their most pressing business needs. Here, the top 5 areas where small business owners said they needed the most help were financing (44%); marketing or advertising (43%); improving their management skills (32%); web development and technology issues (28%); and insurance/taxes (tied with business plan development at 26%). Bankers can help with all of these areas, if by doing nothing more than educating your customers and holding community events at the bank, to name a few.

Small businesses are the lifeblood of the US and community bankers understand this because they are small businesses themselves. That is one reason why about 50% of small business lending comes from community banks working with small business clients in cities and towns throughout the country.

Relationship banking is much more than a catchy phrase - it is the way community bankers conduct themselves day in and day out as they support local businesses in their community. So, no matter what method(s) you choose to assist your small business customers in maintaining their vibrancy, we thank you.

## **BANK NEWS**

### **Interchange**

Large banks have threatened they will cap debit usage at \$100 or less if proposed rules go into effect.

### **OCC In-Line**

The OCC issued a proposal that amends its advanced risk-based capital adequacy standards in order to bring them in-line with the Dodd-Frank Act (DFA).

### **ING Direct**

The US internet arm of the Dutch Bank ING is actively for sale with CIT being a potential purchaser. As we have often pointed out, despite having a large number of customers with high satisfaction rates, raising high cost deposits and investing in low margin loans is a problematic business model.

### **Farm Loans**

The FDIC sent a letter out warning banks to increase risk management on agriculture loans. It can be argued that on a historic basis Ag land and borrower values are in a bubble, due to rising commodity prices. As such, banks are cautioned to be diligent when assessing land value and passing credit judgment.

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