Helping International SMBs Thrive

🏷 **business customers**   **international**

Summary: Small businesses are increasingly selling local, but thinking global. Community banks can increase and build deeper relationships by helping these business customers go international.

Some interesting things surfaced during a recent CNBC HR conference, where panels of leaders discussed the future of work. The CEO of IBM said she expects artificial intelligence (AI) to change 100% of jobs within the next 5-10Ys. Also, the head of HR at Adobe said all companies are going through a digital transformation currently, so HR experts need to build an environment where people are constantly adaptive learners. These are just a few of the discussion threads.

Pulling on another thread, we find that community bankers are very focused on their small and medium business customers (SMBs) too. After all, opportunity abounds, as SMBs are increasingly selling local, but thinking global. One way for community banks to tap into this customer growth is to attract more and closer relationships by helping SMBs go international.

Indeed, the 2018 American Express Grow Global Survey, released late last year, found that 90% of US SMBs that export see international markets as a significant growth opportunity.

Despite some political and economic bumps in the road, 75% of respondents said they remain confident that sales outside the US will increase this year. Note that this survey was done before the recent global slowing, but things are rebounding so activity is too.

Here are a few ways to gain global-gazing business customers:

Help SMBs identify their international markets: Not all markets are easy or lucrative to crack. This can be further complicated by a particular type of business or its geographic location in the US. Respondents saw rising opportunities for export in Asia and Europe (26% and 25%, respectively) vs. those that see Canada and Mexico as having the greatest potential (also 25%, down from 34% in last year's survey).

Offer technology to support expansion efforts: Information and mobile technologies can serve an important role in receiving and processing transactions, and managing accounts across varying currencies in an easier and more efficient way. About 78% of SMBs said that access to online technologies is a "major reason" for them to enter new international markets - especially receiving inbound requests through websites or mobile devices.

In addition to offering these customers tools and applications to accept foreign payments and manage international accounts, community banks should consider offering export SMB customers a means to effectively analyze and market their business here. About 45% of SMBs said they chose new export markets based on the incoming website traffic, and 30% said overseas customers found their products online initially.

Offer flexible financing: A huge 83% of SMB exporters agree that selling to countries outside of the US has led their business to make changes to the products or services that they offer. Also, 80% of exporter SMBs said

that selling internationally opens up more flexible financing options on a variety of fronts, and 79% said that their export business positively impacted what financing was available to their business.

To compete on business loans for this segment or drive more fee income through international offerings, community banks may need to make available new financing options that rival what SMBs can get at big banks. Give us a call. We can help you here.

INTERNATIONAL SERVICES FOR COMMUNITY BANKS

Our international services are designed for community banks to help you capture more customers and fees. Contact us today for more information.