



## What SMBs Are Looking For In International Payment Solutions

payments business customers international

**Summary:** As your small business customers expand to Canada, Mexico, and beyond, you will want to grow with them. If you provide international payment services, you can support them and gain valuable fee income. We map out what these customers are looking for in international payment solutions.

The Bureau of Economic Analysis reported that [exports increased by \\$6.2B to \\$190B](#) and imports grew by \$3.8B to \$256.6B from November to December 2020. This shows that international trade is inching forward, and with it, so is small business international activity.

According to the Office of the US Trade Representative, small businesses that export “[grow faster, add jobs faster, and pay higher wages](#).” In an increasingly global world, more small and medium-sized businesses (SMBs) have relationships overseas with customers, suppliers, or both. These firms need to make and receive payments from overseas sources, and they expect to do so at the same speed that they send money in the US.

Since these businesses often have relationships with community financial institutions (CFIs), it makes sense for these institutions to help them send and receive funds from abroad. Earning fees from international payments is helpful to CFIs as well, especially at a time of very low interest rates. Here are SMBs’ international payment needs.

### Customers need international payments

International payments can seem mysterious to many business customers, with fees in tiny print and little ability to compare one financial institution’s service with another. Businesses that have only an occasional need to send money overseas may be especially inclined to gravitate to a trusted partner.

Customers that regularly need to send or accept international payments, however, are more discerning. Firms in e-commerce, technology, and imports and exports need payment digitization, so they need accuracy, speed, and reliability. To get this, they’re increasingly going to fintech apps and larger banks.

Even very small businesses are increasingly likely to need international payment services. CFIs that have larger corporate or industrial customers, or who hope to acquire them, will see high volume demand and increased price sensitivity around international payments.

### Reliability, repeatability, competitive cost, and transparency

To get those customers to consider their CFIs as an option in overseas money transfers, you will need to understand what these clients need: transparency, competitive costs, reliability, and repeatability.

When they send a payment, they want to know how much sending that payment will cost and where the money is at any given time. They want to feel confident that it will quickly and reliably reach the correct destination. When they make another set of payments tomorrow or next week, they want to know that the

payment will arrive at its destination just as quickly, transparently, and reliably as it did yesterday. Consistency is key. The good news is that you can provide this for your customers.

### **A reliable partner can demystify international payments**

CFIs that provide international payment services typically align with a partner organization, such as a correspondent bank, to actually move the money, and add a small fee to whatever the partner organization charges.

A partner should also have the experience and the ability to handle these payments efficiently and with an eye to compliance. This is where FDIC-insured correspondent banks have an edge over fintechs. Transparency is important, too. If something goes wrong, customers should be able to find out where their money is and the CFI should have a partner to lean on for additional information. But, most certainly, robust, reliable technology will provide seamless payments for your customers and peace of mind for you and your staff.

Starting small, even with only a few customers, you will need a partner that can help your institution grow. Set your sights high — look for a partner that gives you the same level of service as if you had an international department on-demand! We have customers say that about us. So, if you want to learn more, feel free to contact us.

## **WHITE PAPER: FASTER INTERNATIONAL PAYMENTS**

Businesses want faster international payments to help grow their business. Do you have the capabilities to support them with this? Find out more by downloading our white paper, “[SWIFT gpi: Faster International Payments.](#)”

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