



## Approaches To Stay Connected With Small Businesses

business customers customer experience

**Summary:** Small business optimism is up from last year. Yet, small businesses are still facing several challenges, including labor shortages and supply chain disruptions. So, they will likely continue to lean on community financial institutions for support. These approaches help your institution get them back on their feet quickly.

A study showed that being optimistic has great health benefits, including 2x the likelihood of having robust cardiovascular health. Another study showed that optimism reinforced immunity. So, it is good to see small business optimism growing from last year.

In April 2020, at the beginning of the pandemic, the Small Business Optimism Index read a measly 90.9. Over a year later in May 2021, the [Small Business Optimism Index was 99.6](#). Nevertheless, things are not totally rosy for businesses these days. While things are opening up, small businesses still face challenges. Labor shortages, [supply chain issues](#), and more continue to affect small businesses. So, more than ever, they need your advice and assistance. Staying close to them to understand any changes to their business and financial services needs is more critical these days. We provide some approaches to facilitate conversations with small business customers.

**Discuss business plans post-pandemic.** You have likely had many conversations with your customers over the years. But, having more in-depth discussions regarding their post-pandemic plans will allow your staff to better understand their current business issues and match them with the right products and services. Questions to ask include:

- What has changed with your business, since the pandemic?
- Did you pivot your business model at all (e.g., maybe selling online in a bigger way)?
- What are your biggest challenges that are new since the pandemic?
- Are you planning on changing things now that the pandemic is winding down?

Having meaningful conversations about their business will remind them of the importance of a relationship manager, who helps them with their financial well-being. These conversations allow you to routinely check in to find out about any challenges they are facing or unmet service needs they may have.

**Stay in touch.** This is one area that community financial institutions (CFIs) excel in, but you may want to think outside of the box. Not only can you follow up with them on the Paycheck Protection Program, but also consider reaching out to see if you can help with any resources, such as staffing or accounting, and refer them appropriately.

Even though things are looking up, your customers would appreciate your continuing guidance and expertise to keep their businesses running smoothly. As Robin Borelli, business director of financial services at CI&T notes, *"Small businesses are considered the lifeblood of the American economy, and banking relationships are the lifeblood of small businesses."*

**Remember age & gender influences.** Roughly 85% of Americans intend to use online and mobile banking tools for some, or even all, of their financial transactions post-pandemic. But specific preferences among age cohorts and gender are drastically different. According to the findings of KeyBank's 2020 Financial Resiliency Survey, individuals over 35Ys prefer to solely rely on digital banking, while those who are 35 and under prefer a blend of in-person and digital banking.

Another KeyBank report found that [70% of female business owners leaned on their primary banks](#) for some sort of financial guidance during the pandemic. Yet, KeyBank also reported that women owners under 35Ys are likely to seek guidance from their primary bank, while women 50+Ys are not as likely to do so.

CFIs are still in a good position to keep business customers engaged both digitally and personally. Yet, some customer trends have shifted, so it is important to stay on top of them to compete effectively.

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## ECONOMY & RATES

Rates As Of: 07/01/2021 08:42AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.04	-0.04
6M	0.06	0.03	-0.03
1Y	0.08	0.00	-0.03
2Y	0.26	0.01	0.13
5Y	0.91	0.02	0.54
10Y	1.48	0.01	0.56
30Y	2.09	0.00	0.44
FF Market	FF Disc		IORB
0.08	0.25		0.15
SOFR	Prime		OBFR
0.05	3.25		0.06

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