



Strengthening Small Business Customer Relationships

business customers customer acquisition customer experience

Summary: CFI's are exceptional at attracting new business. But according to a recent J.D. Power study, there is still room to improve in maintaining those customer relationships after they've been onboarded. We provide 3 tips for your institution to consider to help foster those relationships from the beginning.

Examples abound on the silver screen on how the protagonist – after securing the love of their life – then has to go the extra mile to win over wary parents. Witness Ashton Kuchter schmoozing Bernie Mac in “Guess Who” and Jennifer Lopez facing Jane Fonda in “Monster-in-Law.” And it goes both ways actually. So, says Fonda’s character: “*Everybody knows that when a woman marries a man she marries his mother, too. What if I drive her crazy?*” So, you’re good at attracting new small business customers, by offering attractive rates and terms on loans and lines of credit. But how well do you fare at building and maintaining relationships with them?

Apparently not that many financial institutions do fare well, according to last year’s [J.D. Power U.S. Small Business Banking Satisfaction](#) Study. Indeed, just over a third of small business banking customers believe their institution appreciates their business and even less feel their institution actually understands their business. However, small business banking customer satisfaction is significantly higher – 73 points higher – when a dedicated account manager is assigned to the customer, the study found. While this survey included financial institutions of all sizes, there might be some ideas that CFIs can take away from the survey results.

Finding ways to show you truly care – and that you really do get them – can go a long way toward strengthening relationships with your small business customers. This can not only translate into increasing products and services penetration, but also significantly boost your own bottom line. Here are several tips to foster relationships that your institution should consider:

1. Periodic needs assessments. Have a decided account manager sits down with each of their clients every year or even multiple times a year to assess the progress of the client’s business, and how your institution specifically could help them to even greater heights. Bolster your offerings beyond credit, to also include cash management and treasury management solutions, the latest ACH and wire transfer capabilities, robust reporting and more. Don’t forget to offer the owner of the business personal banking products and services as well.

[The website of a CFI in New York touts](#) its penchant for strengthening relationships. “*As a business owner, you know your business like...nobody’s business. You have a deep understanding of its seasons and cycles – and corresponding financial and cash-flow needs. Wouldn’t it be nice if your bank understood and accommodated your unique situation? While we may not work directly in your field...we do have deep understanding of the challenges of running a small business, and specific expertise in your industry...We care about the same things. The success of our community, and the success of your business.*” This CFI reinforces their dedication to helping its clients by making sure all clients here this “loud and proud”.

2. Partner with outside community groups. Many community financial institutions (CFIs) strike up partnerships with chambers of commerce, state and local business development centers and incubators, as

well as other nonprofits like SCORE that help entrepreneurs and fledging small businesses take off. [One Wisconsin CFI executive said](#), “We don’t have a specific training or education program targeted toward the small businesses in our communities. Instead, we partner with the organizations that already have a robust market share in this space, and, as part of our onboarding process, we start preparing our client-facing colleagues with the tools necessary to make a meaningful impact in these discussions.” There are many different approaches to working with these community groups. You can either bring your staff expertise and partner with the community group’s network and needs, rely on the community group’s skills and resources to educate you on the direction to help their members, or maybe a combination of both.

3. Foster a personal relationship. The SBA recommends that dedicated account managers should focus on the “Three T’s” – [Talk, Time and Trust](#). Encourage free dialogue, make sure to really listen, apprise customers of rate changes or new technologies, and always be honest, even when delivering negative news. Take time to grow the relationship. Your account managers should invite the small business customer to social events. By doing these things, your account manager – and your institution – will engender more trust by cultivating mutual respect.

As a CFI, you know that your small business customers are your life blood, and without them your institution would not succeed. Show that you appreciate them with concrete actions and they will reward you in return!

ATTRACT NEW CUSTOMERS WITH INTERNATIONAL SERVICES

Help new customers with their cross-border commerce using seamless international services from PCBB. It is like having your own international department on call. [Learn more today](#).

ECONOMY & RATES

Rates As Of: 06/13/2022 01:48PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	1.73	0.57	1.67
6M	2.25	0.61	2.06
1Y	2.96	0.87	2.57
2Y	3.38	0.82	2.65
5Y	3.49	0.67	2.23
10Y	3.37	0.52	1.86
30Y	3.36	0.32	1.46
FF Market	FF Disc	IORR	
0.83	1.00	0.90	
SOFR	Prime	OBER	
0.75	4.00	0.82	

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.