

# Be a Top Relationship Bank for Your Clients: Evaluate Your Payments Platform to Grow and Retain Commercial Clients

## Executive Summary

**2021 is the year to create a strategy to grow your commercial banking relationships by leveraging your bank's payments platform.** Listen to your commercial clients. They will speak to their needs related to accepting credit and debit cards, invoicing their vendors, and detailed transaction reporting on deposits and payments. This article suggests five ways to improve your payment product offerings to meet your clients' needs and grow commercial relationships.

**Give yourself five points if your bank has a strategy to grow your commercial client base using the bank's payments platform!** Commercial clients need access to working capital and other loan products to return to growth in 2021. Your lending teams have invested time and effort to cultivate strong relationships with your commercial clients. After all, interest income growth for your bank is predicated on an increased commercial client base. Lending officers with the highest relationship scores work together with their commercial clients to provide a wide-ranging set of products and services. They have earned their commercial clients' trust over a long period to become the lender of choice. To be among the top relationship banks, consider these five ways to improve your payment product offerings to meet your clients' needs.

**Assess how well your current bank's payment products meet your clients' needs.** The best banks listen to their commercial clients and work to provide products that support payment processing and other operational needs. Listen to your clients. Ask them about their needs to capture revenue from selling their products and services. Your clients want a full range of payment solutions from cash acceptance to card acceptance. These clients may also need products to enable them to create invoices and receive payments. All your clients need a way to pay their employees and other vendors. When you listen to your clients, they will share how their customers want to pay for services, whether in person at the point of sale or using electronic payment technology. The payments choices your clients' offer its customers to collect revenue represent the suite of payments products consumers and business partners need to make payments.

**Create a product strategy.** Smart banks use information gathered from conversations with their commercial clients to identify the suite of payments product their clients need. Depending on the type of business, commercial clients need a wide variety of solutions. For example, point of sale retailers such as restaurants and retail stores need products that support cash sales and card terminals to allow their customers to use credit, debit, and stored-value cards to make their purchases. Professional service clients such as attorneys, doctors, and CPAs, require billing and invoicing systems coupled with a platform to collect payments. Your bank can create a product strategy that delivers the needs of the specific industries and clients you are serving and the relationships you want to build. The product strategy needs to encompass the payment products you

need to offer, the vendor solution to deliver the payments solutions, and the approach to collecting fees and other revenues for these services from your commercial clients.

**Identify the best vendor platform to deliver products.** As part of your product strategy, you need to assess how well your existing product vendors meet the needs of your commercial clients. Every year, more vendors emerge in the payments arena with ever-evolving product sets to support banking needs. Technology is advancing at a rapid pace. The risk of falling behind your competition continues to increase. Customers demand faster access to deposits and more information reporting on bank transactions. As you consider vendor selection, concentrate on compatibility with your existing legacy systems, but don't overlook the opportunity to leverage open platforms for connectivity.

**Create a pricing strategy to collect fees.** Payments solutions have value for your commercial clients. All too often, banks waive fees for payment products either because they lack the expertise to implement a pricing strategy or believe they will lose customers if they charge for services. Banks with the most robust commercial relationships have built pricing strategies that reward long-standing customers and attract new customers. A solid pricing strategy recognizes both situations. Collecting non-interest income for payment products can drive bottom-line revenues for banks.

**Align the right people to deliver payment solutions.** How well you assess your bank's ability to provide payment solutions depends entirely on the people you select. Assess the strengths of your team members. Can they gather and understand the needs of your commercial clients? Do they know how to align payment product solutions to meet client needs? Does your team have the regulatory and fraud experience to implement new and exciting payment products for clients? How well does your team understand the many, many vendor platform solutions available today? Does your relationship management team have the needed skills to cross-sell the payment solutions to your commercial clients? Consider whether your team has the bandwidth to tackle creating both a product strategy and a pricing strategy and deliver on them in 2021.

**Start now!** Don't waste the opportunity to leverage your strong commercial client relationships. Build the product strategy that will support your commercial clients' needs and grow revenues for your bank. Commit in 2021 to review your payment product offerings.

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