



Digital Account Opening in Small-Business Banking: Keys to Evaluating Vendors

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Business digital account opening is finally becoming a priority for financial institutions. As the fight for deposits has brought renewed investment in small-business digital acquisition and onboarding, the industry has galvanized around a desire to successfully make omnichannel and digital account opening the norm for new business accounts. That will be a tall order considering the challenges of opening a business account, which tends to be an asynchronous and friction-heavy process across multiple channels and multiple sessions.

Digital banking vendors have grabbed the reins to solve these challenges, quietly developing features over the past few years tailored to the unique animal that is small business. If the innovative elements of the vendor community have their way, early-mover banks will have a distinct advantage in their ability to meet rising expectations head-on and tackle the persistent challenges presented by account opening in small business banking. This report is Part I in Javelin's examination of the account opening vendor space. It provides an overview of the current state of the market and lays out our framework for measuring a vendor's success. Part II, upcoming, will feature a scorecard for vendor capabilities in small business digital account opening.

Key questions discussed in this report:

- How are businesses currently opening new accounts today?
- How would they prefer the experience to be handled?
- What framework and detailed criteria should bankers use to evaluate vendors?
- How can vendors be successful not only in enabling a seamless user experience, but also satisfying the behind-the-scenes needs of financial institutions?

The data in this report was collected from a random-sample survey conducted in May 2018 of 1,000 business owners and decision makers with annual business revenue between \$100,000 and \$10 million.

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