



Developing a Faster Payments Strategy for the Small-Business Market

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Recent developments, including the announcement of the FedNow real-time payments system, signal welcome progress in speeding up payments in the United States. But so far, most of the payments innovation has been directed at addressing consumer and corporate applications, with the small-business market largely left on the backburner. That's unfortunate, because small businesses experience perhaps the most significant hardships from the existing payments system, bearing unnecessary costs and inconveniences in what can be complicated accounts payable and receivables processes. In this report, we examine the progress made so far in developing faster payments technologies, how that will influence how small businesses make payments, and how banks and service providers can develop products that will allow business owners speed and convenience, better oversight, more precise control over cash flow, and a host of other benefits.

Key questions discussed in this report:

- What are the current faster payments initiatives in the U.S.?
- What will the future look like?
- How are small businesses currently making payments?
- What is the appetite for faster payments in the small-business market?
- How do businesses anticipate using faster payments methods?
- How can banks design digital services to best serve the payments and business management needs of their clients?

The data in this report was primarily collected from a random-sample survey of 1,000 business owners and decision-makers conducted in June 2019.

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