



Murthy Veeraghanta

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Taking care of businesses: Why you must get in your business clients' corner

Thousands of small businesses emerge nationwide every day. In fact, the **Kauffman Foundation**, a national entrepreneurship nonprofit, recently revealed that there are now 310 entrepreneurs for every 100,000 adults in the U.S.—which translates into 530,000 new business owners every month. Despite this sharp rise, the **Small Business Administration reports** that approximately half of businesses fail within the first year and the U.S. Bureau of Labor reports that only one-third survives ten years.

Financial institutions simply cannot ignore these staggering statistics. They must “enter the ring” with their business clients, offering them a solid business strategy to support their needs and help them succeed.

The Rise of the “Millennipreneurs”

Today’s entrepreneur is evolving. Millennials – the largest generation in history – now dominate the American workforce and are starting their own businesses faster than generations before them. In fact, these “millennipreneurs” have started twice as many businesses as baby boomers, according to a recent survey from **BNP Paribas and Scorpio Partnership**.

Similarly, business banking is evolving. As bankers already know, millennials have vastly different expectations than previous generations. For example, mobile and digital banking are no longer “nice-to-haves.” They are expected.

Additionally, Nationwide’s recent **Small Business Indicator** report found that millennial business owners are the most prepared and forward-focused in the market. At the same time, they lack the financial tools they need to succeed, creating a huge opportunity for financial institutions to support these new entrepreneurs. Today, more than ever, institutions must be in their business customers’ corner to help them thrive.

Challenges on Both Sides

New entrepreneurs and small business owners – millennials or otherwise – have numerous hurdles they face day in and day out. These challenges include time management, customer attainment and money management. In fact, a **US Bank study** found that a vast majority (82 percent) of businesses fail because of poor cash flow.

But the challenges are not just with the small business. Often, financial institutions have a fragmented approach to business banking, leveraging multiple platforms from different vendors for both consumer and business account holders. This becomes even more problematic for account holders with personal and business accounts at the same institution, and again more problematic when multiple banking channels are used.

Bridging the Gap with a Unified Platform

For financial institutions to gain insight into their consumer and business account holders, a unified platform is needed to bridge the gap. In this scenario, institutions have a consolidated view of account holders and benefit from cost saving solutions through a single provider. Additionally, a single, unified platform provides a seamless experience across all channels for consumers and business account holders, which will ultimately help pave the way for a well-rounded business banking offering.

Moreover, this platform should be built on the latest technology with a flexible architecture that allows for growth and adaptability to industry changes – critical as consumers' channel preferences change and expectations evolve, along with the continuing increase in business accounts.

This thoughtful business banking strategy is imperative to meet today's changes in banking channel preferences, the rapid increase in business accounts and the demand for mobile functionality. Those who fail to deliver better solutions will simply lose to the institutions that do.

Murthy Veeraghanta is chairman and CEO of ***VSoft Corporation***, a global provider of information and technology solutions for financial institutions.