

# The voice of the SME

Banking experiences  
and expectations

July 2021

A man with short brown hair and a light beard, wearing a light blue polo shirt and a denim apron, is working in a bakery. He is holding a wooden crate filled with small, round loaves of bread. In the foreground, another wooden crate is filled with various pastries and breads. The background shows shelves stocked with more bread and pastries, and several pendant lights hanging from the ceiling.

**EY**

Building a better  
working world

# Contents

---

The voice of the SME	03
About the research	04
The headlines	05
Section 1: The impact of the pandemic on SMEs	13
Section 2: Bank/financial provider usage and experience	25
Section 3: Digital hyperconnection	35
Section 4: Digital banking expectations	40
Section 5: The underfunding challenge	47
Section 6: Building deeper relationships	50
Appendix	56



# The voice of the SME

Small and medium-sized enterprises (SMEs) are the engine room of economies. Their success underpins consumer confidence and builds momentum to drive growth and economic prosperity. As the world begins to emerge from the pandemic, SMEs will play a pivotal role in underpinning the pace at which nations large and small recover.

SMEs are a dynamic and rapidly evolving segment, defined by diversity. The segment is a composite of unique businesses from different sectors, operating at different stages of the business life cycle, with different ambitions, varied prospects and often with owners/leaders with markedly different personalities. It's a complex and disparate segment that is bound together by their size and operational needs.

The pandemic has been confronting for many SMEs, bringing new challenges and amplifying other longstanding ones. At a time of profound change and continued uncertainty, it can be hard to chart a course for the future. Some have reveled through the pandemic, but they are more the exception than the norm. Most have been challenged in ways they would never have imagined.

As banks/financial service providers transform to better meet the needs of SMEs, insight into the prevailing dynamics is imperative in order to understand ...

- ▶ **The SME journey.** including any challenges or opportunities based on their business life stage.
- ▶ **The impact of COVID-19.** how SMEs have adapted to cope with the impacts of the pandemic.
- ▶ **Changes to the SME business model.** the evolution and the support needed to adapt.
- ▶ **Relationships with banks/financial providers.** exploration of the status of current relationships with their bank/financial provider, and usage of products and services.
- ▶ **Support requirements during moments that matter.** opportunities for banks to help overcome challenges and optimize opportunities.
- ▶ **Sources of finance.** factors of importance in the decision-making process.

Against the backdrop, the EY organization set in place a comprehensive program of research to engage with SMEs and to listen to their experiences,

needs, expectations and aspirations. It was underpinned by **5,698 surveys and a series of one-on-one, in-depth interviews** with SMEs and with representatives from major banks.

This report presents the key insights from across 16 countries. Deep-dive, country-specific presentations are also available.

“

Redefining the relationship with SMEs is critical, but complicated. The start-point is to engage with them – to listen, to reflect and then to challenge prevailing assumptions. Through this research, we bring the voice of the SME to the table to help banks transform and deliver market-leading solutions.

Anita Kimber

EY EMEA Business Transformation Leader



# About the research

The research program involved both qualitative and quantitative research across three stages.

## 1

### Interactive client immersions

Discussions with major clients to capture their perspectives on the SME segment and develop insights to inform key areas of coverage with a focus on key risks and challenges.

8 immersions

## 2

### In-depth interviews with SMEs

Exploratory deep-dive interviews with a range of SMEs from the US, UK, Ireland, Australia and Singapore (by size, sector and market). Key focus on unpacking the contextual dynamics that underpin the SME experience.

19 in-depth interviews

## 3

### Qualitative surveys with SMEs

Online surveys with a representative sample of SMEs across 16 countries to quantify SME experiences, perspectives and opinions within each market.

>5,600 interviews

### Definition of an SME

For the purpose of the study, an SME was defined as a business with between 10 and 249 full-time equivalent employees.

### Country coverage: 5,698 surveys



US  
n=903



Canada  
n=301



Brazil  
n=126



Germany  
n=300



UK  
n=712



Italy  
n=300



Netherlands  
n=305



Switzerland  
n=307



Belgium  
n=310



Ireland  
n=310



Australia  
n=306



Indonesia  
n=304



Hong Kong  
n=306



Malaysia  
n=300



Singapore  
n=301



Vietnam  
n=307

The sample size for each country needs to be taken into account when looking at individual country data and any sub-group analysis.

### Weighting

The data has been weighted to help ensure it is reflective of the profile of the SME market within each country based upon the number of employees.

For the global-level data, each country has been given equal weighting to help ensure the results of each country are sufficiently represented in the global results.

# The headlines

The past 18 months have tested the resilience of the owners and leaders of SMEs in ways they could never have been anticipated. The pressure has been intense, as longstanding assumptions of the past gave way to sustained uncertainty. SMEs thrive on stability and that can feel like a distant memory for large tranches of the businesses involved in our research.

While revenue and profitability are always high on the agenda for SMEs, the level of focus on all things financial became all the more acute, including their relationship with their bank and other providers. The way they think about the business and the drive for efficiency has them looking at their operations and aspirations through new eyes. For some it has been a story of capitalizing on the disruption, for most it has been about making it to the other side.

As they move through recovery and beyond, the opportunity for banks is to embrace the new perspective of SMEs and to understand emerging expectations. As more certainty comes into play, SMEs will be more assertive in assessing their banking/financial relationships and will challenge things they may have done by default in the past. Traditional products and services and conventional delivery channels will be in the spotlight and they are more likely to be looking laterally at different options,

including those from non-traditional providers. Their experience with their bank through the pandemic will also play a role.

Success for banks will be predicated on more advanced digital capabilities to streamline and enhance the individual experience; the ability to deliver the Brilliant Basics; delivering faster access to funding; adding value through bundled ancillary services; orchestrating ecosystems to connect and support SMEs; and developing stronger fee-based income streams. Overlaid on this is brand and reputation – major banks have a higher level of trust than non-bank competitors and that is a competitive edge coming out of the pandemic.

We have distilled **12 key headlines** and within each there are important layers and nuance by SME size and geography that need to be embraced to help drive successful customer-led transformation that will resonate with the market. What is clear is that the sharper focus and the roiling economic environment mean that opportunities to drive growth in this segment abound, but current assumptions about how the SME segment operates need to be recalibrated and the strategy redefined.



# 1 The pandemic: a profound and deep negative impact

- ▶ The headline figure tells the story – almost three-quarters of SMEs (74%) said they have been negatively impacted by the pandemic. The impact has been felt most sharply in revenue and profit margin.
- ▶ The outlook is also challenging, with almost four in five SMEs (78%) suggesting that the impact of the pandemic and global recession will make charting a course into the future difficult.
- ▶ While the downturn and scale of the hit is not unexpected, it is the impact on mindset, outlook and priorities that hold most relevance. SMEs will invariably talk of the challenges of running a small business – it's an age-old dynamic. Now, those challenges have gone up a level. SMEs revel in the independence and control afforded by their business, but the trade-off is the breadth of responsibility and the issues that invariably emerge from left field.
- ▶ There is much talk of the legacy of the pandemic and whether the changes in place now will be sustained. The reality is that SME leaders were hit quickly and hard in the first stages of the pandemic. The pressure has then been sustained. Through all of this, there is an emotional impact and that is what underpins the shift in outlook and behavior over the longer term. The past 18 months have hardened their disposition and sharpened their business acumen.

# 2 Business priorities: the introspective and more assertive SME will demand a new relationship

- ▶ The extreme uncertainty brought to bear by the pandemic forced change and saw SMEs adapt at pace. The scale of the disruption, prevailing anxiety and lack of clarity saw the leaders of SMEs look at their business through different eyes.
- ▶ They turned inwards, becoming much more introspective and focused on the fundamentals of what they do and how they do it. For some it was about survival, for others about embracing newfound opportunities. For all, any complacency of the past disappeared. They are focused on “what matters most” in helping them realize their goals.
- ▶ This has seen most SMEs change shape and direction, with further transition pending. More than half of SMEs in the research (56%) expect to change their current business model.
- ▶ Their relationship with their bank/main financial institution (MFI) has been cast in a new light – driven by new expectations and priorities, as well as the extent to which they felt they were supported as they navigated the past 18 months. Significant numbers of SMEs (51%) said their bank/MFI could have done more to help them through the pandemic.
- ▶ As stability and momentum return for SMEs they will have different expectations around transactional service levels, how the relationship is managed and where the bank can provide more support beyond the core offering. Central to this will be personalized products and services delivered more quickly which requires high-end data analytics capability.

# 3 Business cycle transition: talking about the evolution and the need to re-think segments

- ▶ The SME segment is dynamic, with businesses at different points of the life cycle at any point in time. We typically look at six SME lifestages – conception, start-up, growth/rapid growth, maturity/stabilize, decline and exit. It's a critical lens.
- ▶ The pandemic has accelerated change, with many in the SME segment transient – moving from one stage to another. Only 55% have stayed in the same life cycle stage over the duration of the pandemic.
- ▶ One of the greatest shifts is an increase in those entering the decline stage of the SME life cycle (12% at a global level). This has been driven by those in both the growth/rapid growth stage and the maturity/stabilize stage. Importantly, for those in decline it is a case of refocusing and adapting rather than progressing to the exit stage. The actions taken by those in decline include – streamlining the business to reduce costs, borrowing money and reducing the working hours of employees.
- ▶ The SME market has shapeshifted. Some businesses are accelerating, others slowing down and under pressure. This forces a rethink of how the customer base for banks are defined and segmented, the engagement strategies, the product offering and the support required. As the businesses evolve through different points of the life cycle so too do their banking needs. New priorities emerge and it's imperative banks both recognize and proactively manage this transition.

## 4 Pandemic financial support: critical lifeline, but challenges and risk prevail

- ▶ Support from the government and loans from financial institutions provided essential support for SMEs.
- ▶ Overall, 63% of SMEs received some sort of support from financial institutions and/or the government. Fifty-one percent of SMEs accessed government support, while 42% borrowed money (bank, government subsidy, personal assets/finance).
- ▶ A high number appear to remain in a precarious situation, with 29% of those who borrowed money very/extremely concerned about their ability to repay the loan. This is highest amongst SMEs with 100-249 employees and those in decline.
- ▶ SMEs will require ongoing support as anxiety about what the future holds remains rife. Nearly two in five SMEs (39%) see recovering from the pandemic as a key challenge in years to come. There will be a fine line between risk assessment and conservative support policies and managing longer-term success and loyalty of SMEs by providing access to funds.

## 5 Retention: the staunch and the promiscuous

- ▶ SMEs hold an average of 3.5 business banking products and have a relationship with two financial institutions on average. Almost two-thirds (64%) of SMEs receive financial services via a traditional bank with 57% stating that a traditional bank is their MFI. Overall satisfaction is high with their MFI, with 72% saying they are satisfied with their provider.
- ▶ More than two in five SMEs (42%) have acquired new products in the last 12 months, with satisfaction around the experience high (60%+ across a range of key dimensions).
- ▶ The propensity to switch sits at 36% of SMEs, with 26% in the mid-ground neither actively considering or dismissing changing. The types of organizations to be considered if switching or extending relationships varies, with a bank with branches (43%), a FinTech (31%) and a large corporation that traditionally provides non financial products (30%) heading the list.
- ▶ The potential for FinTech and Big Tech to further disrupt is significant. While only 14% of SMEs overall are considering FinTechs as a source of funds, it does elevate to 19% when looking at larger businesses (50-249 employees)..Where it becomes interesting is when we look at the drivers of selecting a provider. Having a physical presence was the factor of least importance (at 45% vs. the most important factor – the cost or interest rate offered at 70%). However, a major variable is trust, where there is a gulf between traditional institutions and the digital only players in FinTech and Big Tech.

## 6 Digital business: major aspiration, but concern about keeping up

- ▶ “Digital” and all it encompasses is a constant and enduring priority for SMEs as they look to improve how they engage with customers, bring more efficiency into the business and differentiate against competitors.
- ▶ More than three-quarters of SMEs (77%) have either maintained or increased the level of digitization of their business processes over the last 12 months. While lockdowns and new ways of doing business have forced change, the pandemic has also helped many SMEs realize long-held digital ambitions or breakdown barriers and overcome reticence.
- ▶ Digital transformation can provoke mixed emotions in SMEs – it can be inspiring and exciting, while equally being daunting and problematic. The latter is underlined by almost two in five SMEs (39%) being concerned about keeping up with digital advancements (47% amongst those in the decline lifestage) and almost a quarter of SMEs (24%) saying insufficient IT is a major threat for their business (33% amongst those in the conception lifestage).
- ▶ Overlaid on this is the concern over cybersecurity, with 29% seeing it as a major challenge going forward. Feeling vulnerable around data security and more broadly business security is a confronting topic for many SMEs.
- ▶ The need for support in the digital space is significant. Large numbers of those that implemented a digital strategy, but did not access external support would have liked to. This represents an opportunity for banks in the provision of ancillary support services to help SMEs navigate their digital journey.

# 7

## Digital banking: a smarter more intuitive experience

- ▶ Behavior and future preferences around the way SMEs engage with their MFI, both in terms of day to day transactions and broader relationship support, is evolving faster than has been seen in the past.
- ▶ The lift in current usage of online banking is pronounced (net +32) and it tops the list of the channels and touchpoints that were assessed to identify the shifts. The shift is higher amongst SMEs in Southeast Asia and Latin America, with businesses in decline also experiencing the greatest proportionate move to online banking.
- ▶ As important are the preferences for the future, with online banking maintaining the top mantle (net +29), followed by mobile banking (+27). Concurrently driving the shift is the consumer transition away from cash. Almost one in two SMEs have seen a decrease in the proportion of customers paying with cash (45%).
- ▶ Will there be a rebound? Unlikely. The accelerated transition to digital through the pandemic has been a circuit breaker, seeing things that were rituals in the past give way to new ways of engaging and transacting. The caveat is that the 'human-side' remains all important – being able to connect with people who know me, know my business, respect my history and make decisions/remediate quickly. The opportunity is to deliver against these needs through different channels (on and offline) and solutions. There is more scope to redefine and meet the needs in smarter and better ways.

# 8

## Digital segmentation: major differences in financial and digital maturity emerged

- ▶ While perhaps it's something of a truism to say that not all SMEs or their leaders are the same, it's a critical point when looking at financial and digital maturity. Both are integral to the strategies required to drive SME engagement, loyalty and advocacy in an era of continued hyper-connection.
- ▶ In our research, we looked at the level of maturity of SMEs in terms of their financial acumen and digital aptitude.
- ▶ Our quadrant analysis shows that only 26% of SMEs see themselves as both financially and digitally mature. One in five SMEs (20%) sit at the other end of the spectrum rating themselves as low on both fronts. The balance are in between with confidence in either financial or digital areas, but not both.
- ▶ This assessment underlines the complexity of designing the digital strategy of the future and the products and services that will resonate. What works with one SME may overwhelm another. It requires new forms of segmentation and a micro understanding of current behavior, future needs and emerging expectations.

# 9

## Fundamentals first: deliver the Brilliant Basics

- ▶ The start-point in the relationship is to deliver the basics well. It's about the fundamentals in the relationship that set the foundations when delivered well, but cause consternation when the experience falls short.
- ▶ The Brilliant Basics run through a continuum – the discovery of the bank through leading edge digital marketing and engagement strategies; the on-boarding experience with world class and frictionless CX; effective product on-boarding leveraging data to align product offers and rapid decision-making processes; integrated and seamless relationship management underpinned by state of the art CRM.
- ▶ The core offering is the bedrock on which the relationship is built. Permission to do more and add greater value comes in the slipstream of getting the core right.
- ▶ Our research shows that satisfaction levels are solid, but they are arguably coming from a low expectation base where the similarities between banks are seen to be greater than the differences.

## 10 Engagement: it's about managing the relationship, not more relationship managers

- ▶ The longstanding catchcry of SMEs has been – *'I want to talk to a person and have a relationship manager'*. In fact, 76% say they want to maintain or increase the level of interaction they have with their relationship manager in the future.
- ▶ This shouldn't be taken at surface value. It's the point of reference for SMEs and the key to increasing efficiency and delivering a better experience is to understand what underpins the request – the needs that they feel can be best addressed by having a contact point. The RM is a proxy for not wanting to feel like a number and accessing someone who can help navigate the options, remediate issues, offer proactive solutions and build rapport. It's about ensuring that less time can be spent on banking and more time on the business.
- ▶ The opportunity in the future is to find the equilibrium, where digital and remote solutions deliver efficiency and connection, while the 'human-side' still plays a role at the right times. There's no single solution, but the clues lie in the characteristics that SMEs cited when talking about the strength of the relationship with their RM – invested in my business (59%), understands my business (63%), makes me feel valued (65%) and brings innovative financial solutions (61%). If 'the hassles' can be solved through streamlined solutions, then the roles of RM's can be redefined to be more proactive and truly relationship focused. It's reflected in satisfaction levels, where we see a strong correlation between the strength of the relationship with the RM and overall satisfaction with their MFI.

## 11 Funding: better and faster access

- ▶ A large proportion of SMEs borrowed through the pandemic (42%). What the experience has underlined is frustration with knowing which products are available and the speed of access to credit.
- ▶ In our research, we asked SMEs specifically about their expectations when accessing credit. What we found was over half of SMEs felt it was very/extremely important (66%) to receive faster access to credit when needed. Of these SMEs, half (58%) would have liked to have received it within 7 days, with 33% looking for access within 3 days. There was also a willingness to pay for a bank to deliver faster credit (26%).
- ▶ There is frustration at slow credit decisioning and an opportunity to differentiate – if the systems are in place to manage the process.
- ▶ One of the main opportunities lost for banks with SMEs is the level of underfunding and their perception that it's hard to find the right products and then it's a comparatively slow and antiquated path to accessing the funds.

## 12 Beyond banking: a more progressive offering

- ▶ Seven potential ancillary services were explored in the research, with interest, willingness to access via a bank and preparedness to pay additional service fees assessed
- ▶ Overall, there was high interest (ranging from 50%-66% across all SMEs) and reasonably strong conversion through to accessing via a bank (ranging from 38%-61% amongst SMEs interested in ancillary services). The conversion rate through to willingness to pay amongst SMEs interested in accessing these services via a bank was strong, ranging from 68%-81% (or 16%-26% amongst SMEs at a total level)
- ▶ The order of preference of ancillary services was trusted advisor providing tailored strategies; faster access to credit; facilitation of business management functions (legal, advice, risk, etc.); development of a sustainable business model; tailored networking to connect and facilitate opportunities; a single integrated platform housing all accounts/products with broader integration capability; and subscription based financial services – add/remove products at pace from a portfolio to tailor and flex as required.
- ▶ What the evaluation of the ancillary services and product initiatives demonstrated is that there is an appetite for progressive offerings that push beyond the core to address existing challenges in the business. The caveat, as flagged earlier, is that the Brilliant Basics need to be in place first.

# Pandemic experience and impact

## Negative impact of the pandemic on SMEs



Have been negatively impacted by the pandemic

### Experienced a decrease in ...



57% Revenue



54% Profit margin



54% Sales volume

### Top five challenges

- 1 COVID-19 43%
- 2 Global recovery from economic impact of COVID-19 29%
- 3 Maintain/increase profitability 23%
- 4 Keeping up with tech advancements 22%
- 5 Generate new business/sales/revenue 18%

## Pre-/post-pandemic life cycle transition

Conception	-0.4%
Start-up	-2.5%
Growth/rapid growth	-9.5%
Maturity/stabilize	0.3%
Decline	12.1%
Exit	0.0%

## Pandemic sources of financial support

### Government support



Received government funding to support their business during the pandemic

29%

Are concerned (very/extremely) about repaying their loan

### Borrowed finance



Borrowed money to support business during pandemic from ...

Bank (loan, overdraft, credit)	45%
Government subsidy	28%
Personal asset/finances	25%

## Support received from banks during the pandemic

### My bank/financial services provider (% agree)

Was proactive and helpful during the COVID-19 global pandemic	52%
Could have done more to help my business through the pandemic	51%
Gave me fast access to credit when I needed it	48%

## Business model evolution

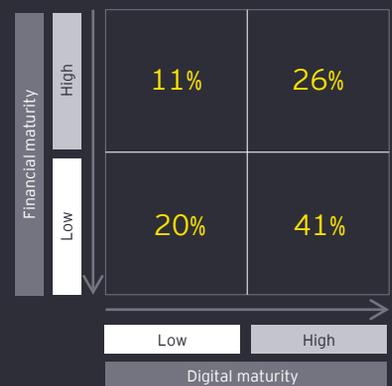


Are planning to change their current business model

### Intended increase/decrease in future business models

E-commerce/online only	10%
Marketplace	7%
Franchise	6%
Advertising or hidden revenue	5%

## Financial vs. digital maturity



# Financial services relationships

## Main financial institution (MFI)



### Usage of non-traditional banks is increasing

FinTech	20%
A large corporation that traditionally provides non-financial services	20%
Internet/telephone only bank without branches	17%
Big Tech corporation	22%

Banks

72%

Satisfied with primary financial service provider

- ✓ Responsive to my requests
- ✓ Understand my business
- ✓ Make me feel valued

## Trust index

(average score out of 10)

7.6

A bank with branches

6.7

Big Tech corporation

6.6

FinTech

6.6

Internet/telephone only bank without branches

6.7

A large corporation that traditionally provides non-financial services

6.9

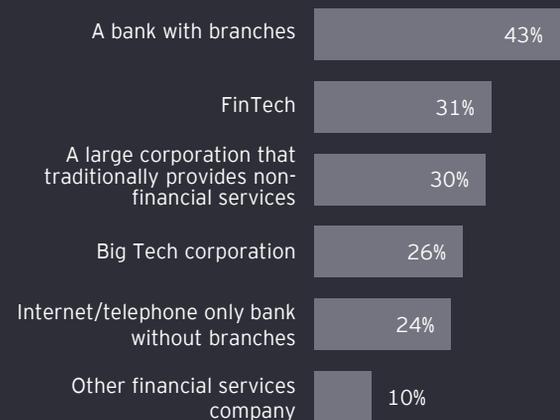
Other financial services company

## Propensity to switch



SMEs are likely (very likely/likely) to consider switching

## Type of organization considering switching to



## New product acquisition

3.5

Average number of banking products held

42%

Acquired new products in last 12 months

60%+

High satisfaction with key aspects of on-boarding

## Relationship management



Have a relationship with their primary bank/financial provider



Are satisfied with their relationship manager

## I'd like my bank/financial service provider/relationship manager to ...

Do the basics well before offering my business any value-added services	75%
Have a clear understanding of my business and our strategic direction	74%
Have a deep understanding of my industry/sector	72%
Be more involved in my business/help with the development of long-term plans/strategies /solutions	62%

# Evolving the relationship

## Factors of importance to SMEs in provider selection



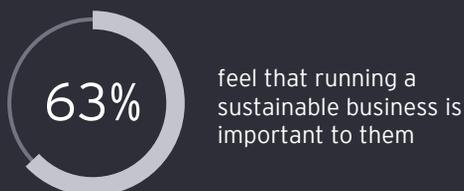
## Top five support challenges



## Dynamics of data exchange



## Sustainability



## Section 1:

# The impact of the pandemic on SMEs



# A profound and deep negative impact

The headline figure tells the story – almost three-quarters of SMEs (74%) said they have been negatively impacted by the pandemic, with the balance saying it has had no impact (10%) or a positive impact (15%). There was variance by country and region; however, the proportion of SMEs adversely affected remains consistently high.

When the spotlight turns to the specific areas impacted, the top three are all financial-related – revenue, profit margin and sales volume.

The “hit” was more pronounced at the smallest end of the segment, with SMEs with 10-49 employees hardest hit. As we will see as the report unfolds, this is also the segment most interested in strategic support from banks/financial service providers.

Conversely, the more resilient businesses that were less affected were the largest of the segment.

“

All of our plans are on hold. There’s nothing I can do at the moment with the lockdown except try to stay afloat but I don’t know how quickly we will recover if we recover at all.

10-49 employees, AU\$2m-10m turnover, Australia

“

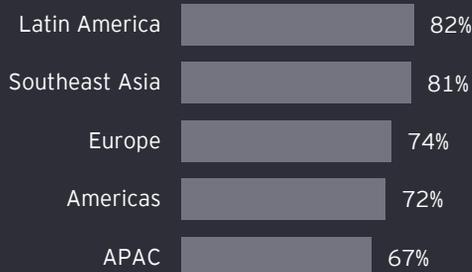
Leverage is key to the company moving forward. Even with COVID-19, we’re very financially stable. Businesses are closed on and off, tenants can’t pay rent but we have used our leverage and lines of credit to stay ahead of the game.

10-49 employees, US\$10m-100m turnover, US

## 74%

Of SMEs negatively affected by the pandemic

### Negative impact of the pandemic by region



### Financial impact of the pandemic

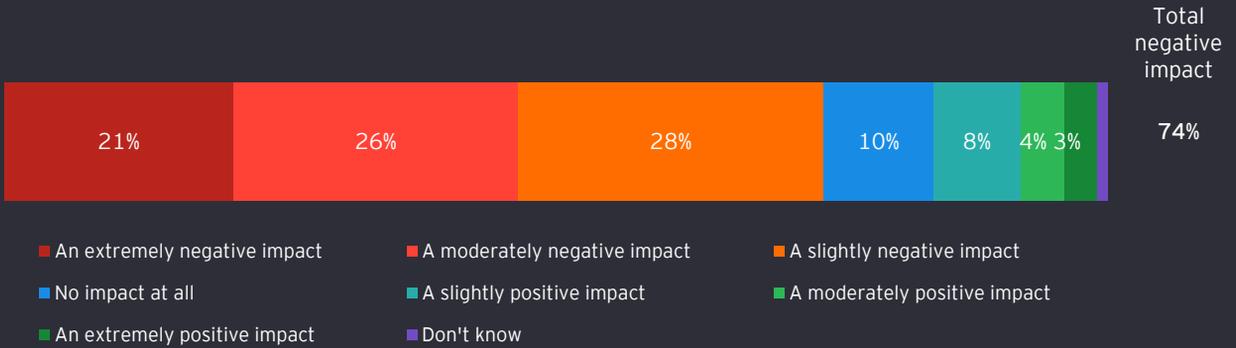


## 78%

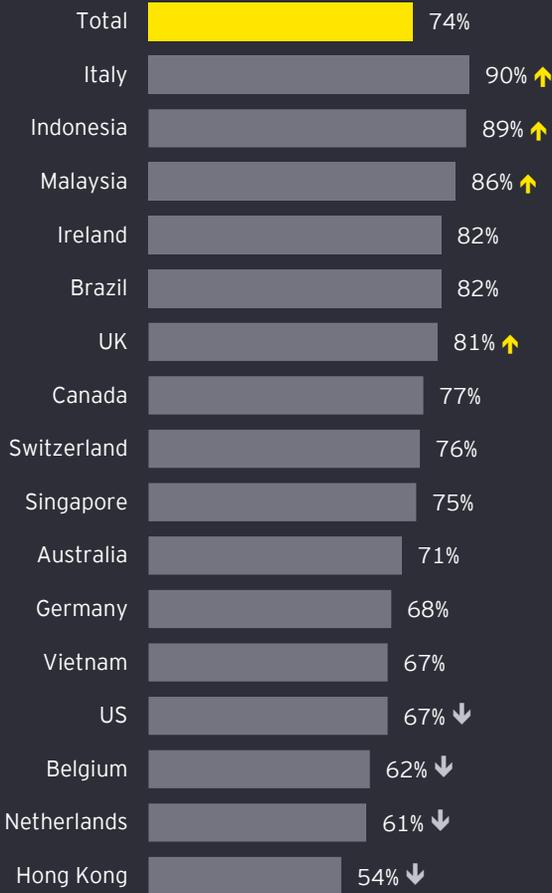
Of SMEs indicated that the impact of the pandemic and/or subsequent global recession will be a key challenge moving forward

# Impact of the pandemic

## Overall impact of the pandemic on the business

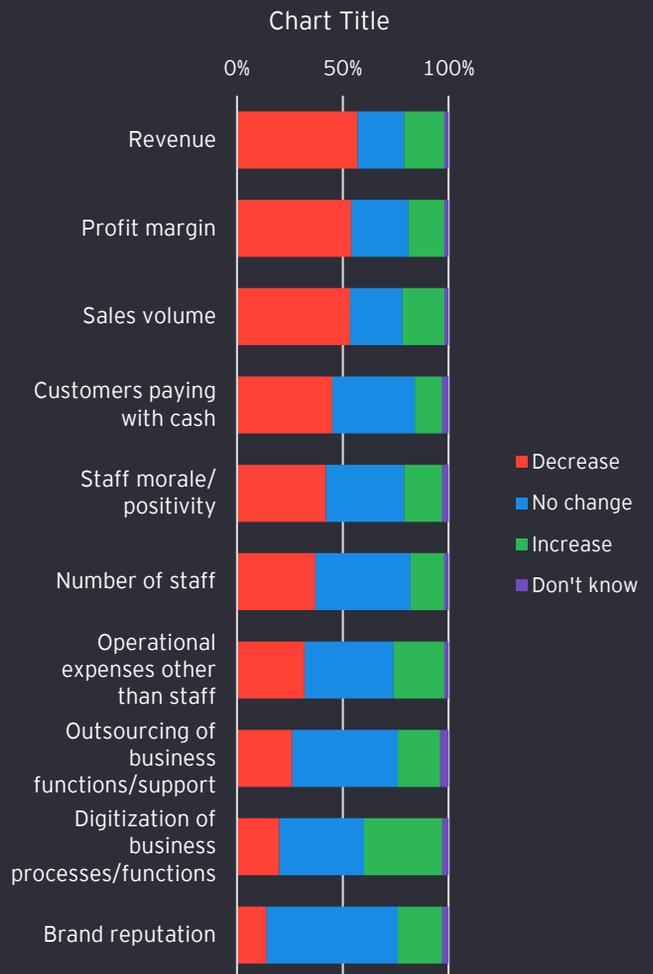


## The negative impact by country



↑ Indicates significantly higher  
↓ Indicates significantly lower

## Specific impact of COVID-19 on parts of the business



## The introspective SME

The profound impact and extreme uncertainty brought to bear by the pandemic forced change and saw businesses adapt at pace. The scale of the disruption and the lack of clarity about the future also saw the leadership of SMEs look at their business through different eyes. They turned inwards, becoming much more introspective and focused on the fundamentals. For some it was about survival, for others it was about embracing new found opportunities. For all, complacency has disappeared.

It has cast the relationship with banks/financial service providers in a new light and, as confidence returns, new expectations will come into play.

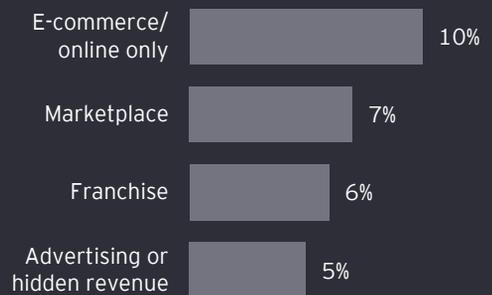
The impact of the pandemic and the introspection plays out when we look at the thinking on evolving the current business model. More than half (56%) say they are adjusting in response to changing market conditions with many following consumer demand and opting for more digitally focused business models via e-commerce or marketplaces.

### Business model evolution: SMEs plan to adjust business models in response to changing market conditions



Are planning to change their current business model

### Intended increase/decrease in future business models



## Talking about the evolution

The SME segment is dynamic, with organizations moving through different stages of the life cycle. There are six distinct stages we typically use to define where an SME is on the journey ...

**1. Conception:** pre-start-up and the business idea is born.

**2. Start-up:** the business is launched. Low sales and high costs. No/little profitability.

**3. Growth/rapid growth:** the business is established, experiencing year-on-year sales increases. Costs may be reducing with some profitability realized.

**4. Maturity/stabilize:** the business has been operating successfully for a number of years. Sales/revenue are consistent year-on-year. Costs may be reducing and profits are good/increasing. Potentially planning to enter a grow and evolve cycle.

**5. Decline:** sales and revenue are declining year-on-year. Costs are consistent or increasing, with profits decreasing.

**6. Exit:** sales and revenue are strong with profits good/stable. Interested in selling.

The tumult of the past 18 months has changed the shape of the SME market, with significant proportions of SMEs transitioning to a different stage of the life cycle (see diagram overleaf).

Overall, the SME market has slowed and 45% have experienced a change in their “business journey” over the past 12 months.

The key points of transition are ...

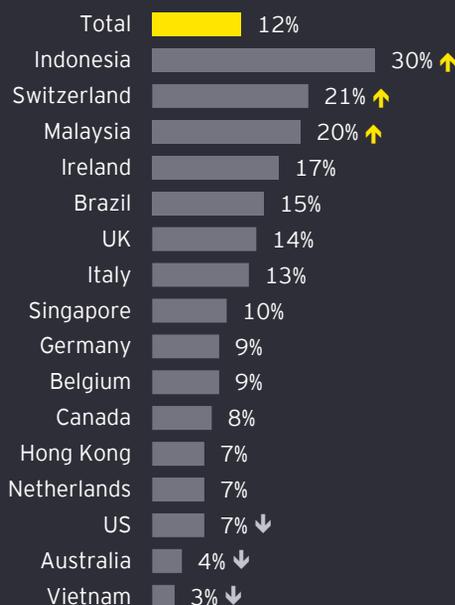
- ▶ **Increase in the decline life cycle ...** one of the greatest shifts has been the number of businesses moving into decline, growing from 5% pre-pandemic to 17% in May 2021. This has largely been a function of SMEs shifting from maturity (8%) and growth/rapid growth (5%) stages. The increase in SMEs entering decline is more significant in some markets compared with others as well as certain business sectors (e.g., hospitality, 33%).

- ▶ **Decrease in the growth life cycle ...** just under two in five (37%) businesses were in the growth/rapid growth stage 12 months ago, this reduced to just over one quarter (27%) in March 2021. While half of these SMEs managed to maintain growth through the pandemic, more than a quarter (28%) saw their business shift from growth to maturity.

SMEs within some regions are more resilient to the effects of COVID-19 than others ...

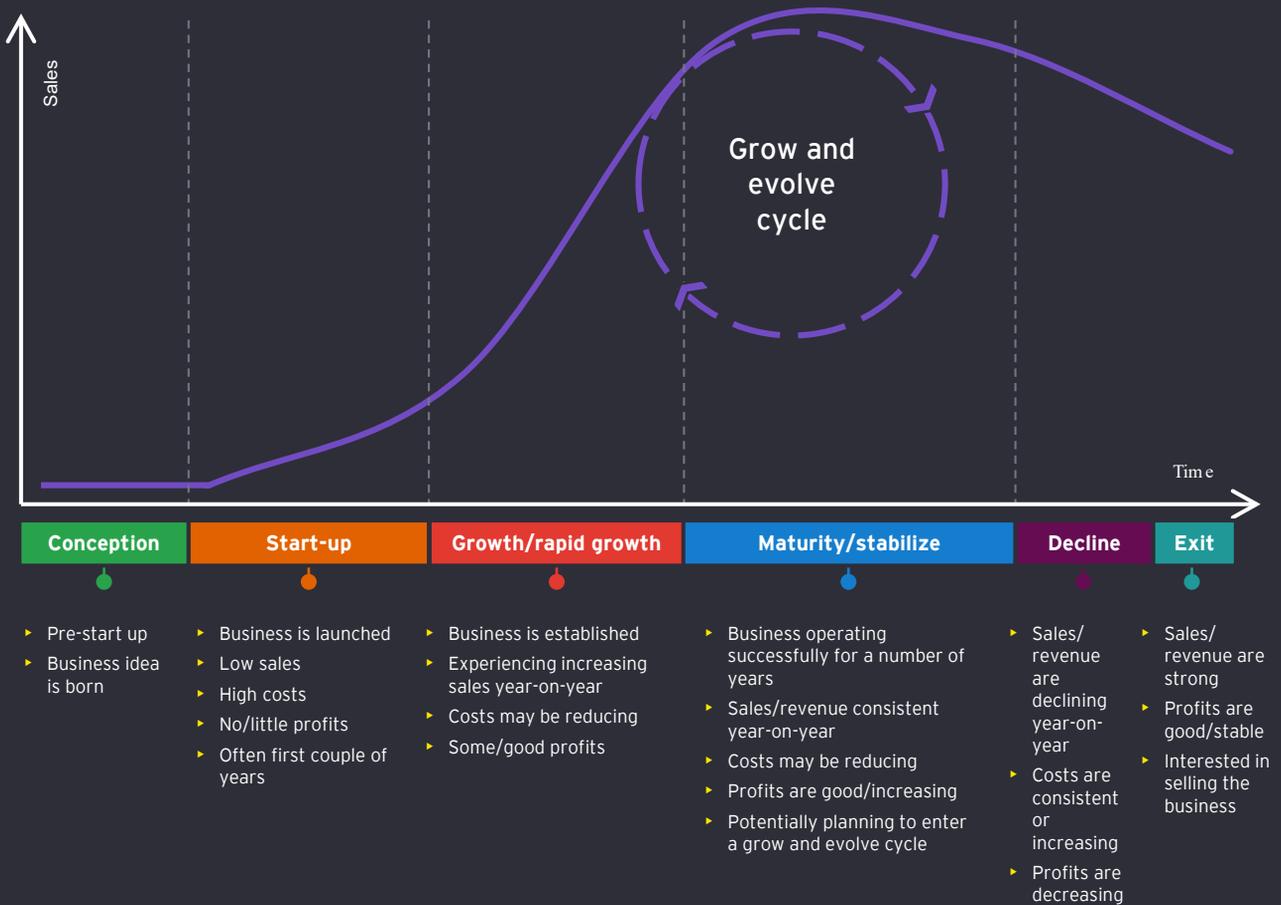
- ▶ Those in APAC (35%) and North America (33%) indicate a higher proportion of SMEs currently in the growth/rapid growth stage than other regions (Europe: 24% and Latin America: 17%).
- ▶ Economies in countries like Australia, that managed to contain the virus and have not been under as strict social restrictions as other countries, have rebound well since March and April 2020. Indicating that there is a pathway back to growth for SMEs in countries where restrictions are still in place.

### Proportion of businesses moving into decline by country



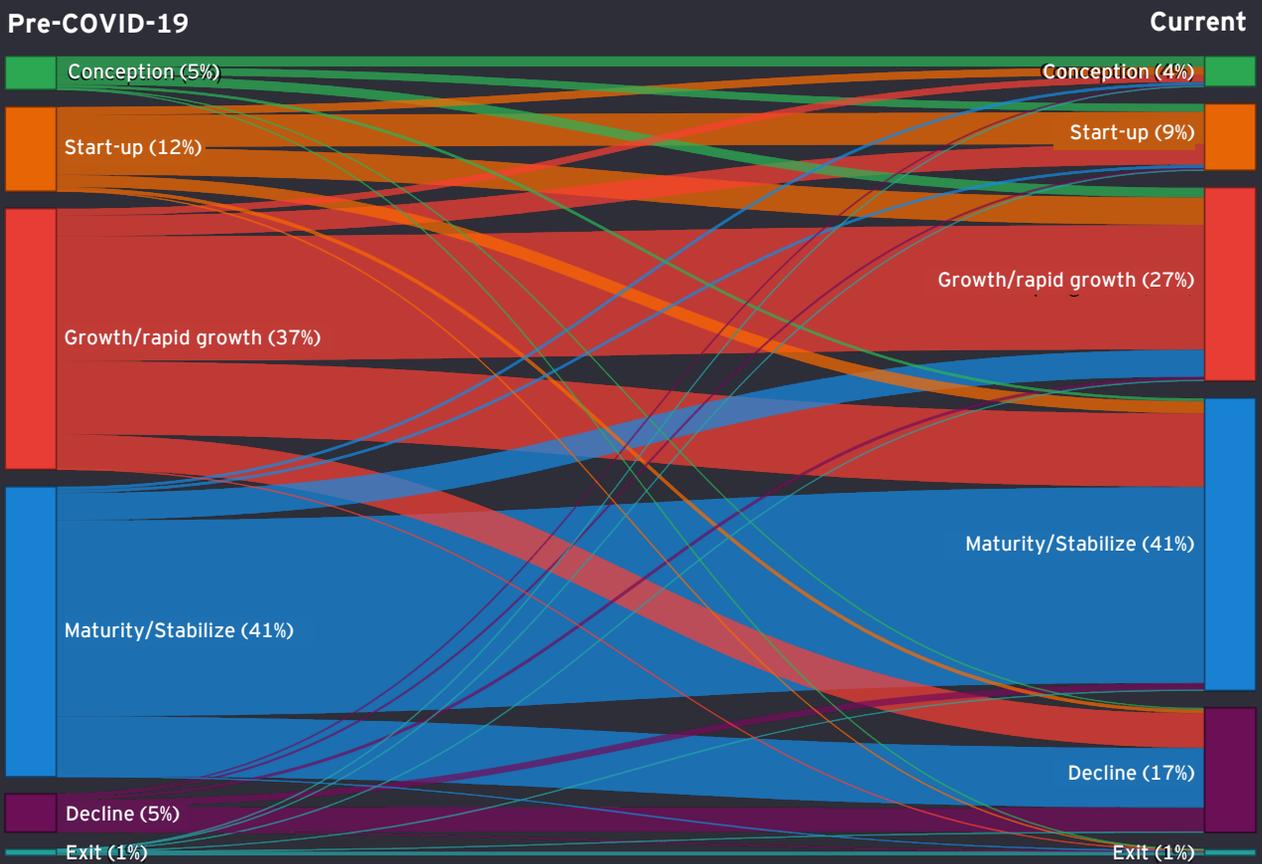
## The SME life cycle

The business life cycle of an SME can be divided into six key stages (these stages are defined below).



## The evolving life cycle

Our research with SMEs has mapped the shift between business life cycle stages over the past 18 months.



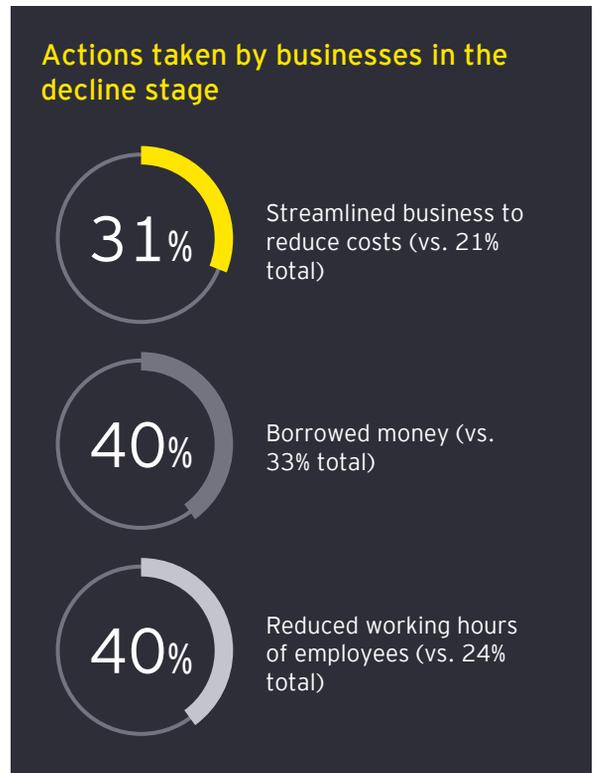
Percentages may not add to 100% in total due to rounding.

## Looking at those in decline stage

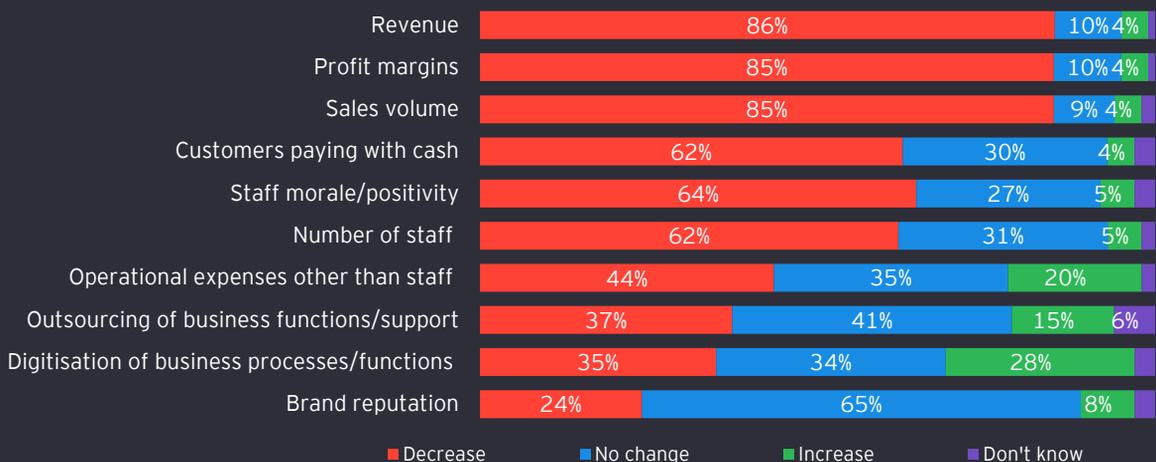
When the experiences and outlook of the SMEs in decline are reviewed, a number of key points emerge.

- ▶ **Refocusing not exiting.** Those in decline are not in the exit stage. They are adapting, focusing on survival and rebuilding momentum. External support is imperative and many are receptive to their bank providing recovery and growth planning assistance. A lack of access to this type of support is a fundamental challenge.
- ▶ **The negative triumvirate.** Three main factors have pushed SMEs into the decline stage – a downturn in sales, revenue and profit margin. Almost one in two businesses in decline have experienced a downturn in sales/revenue and/or a decline in profit margins (both 46%). This is a significantly higher proportion than those in other stages of the SME life cycle (23% and 22%, respectively).
- ▶ **Arresting the decline.** Businesses in the decline stage are more likely to:
  - ▶ Have taken decisive steps to streamline their business to reduce costs (31% vs. 21% total).
  - ▶ Borrow money (40% vs. 33% total).
  - ▶ Reduce the working hours of their employees (40% vs 24% total) to cope with the reduction in demand.

A number of SMEs report they are looking at every element of their operations to determine where they can cut costs. Hospitality is more commonly taking the latter measure, with six in ten (60%) across the globe reducing the working hours of their employees.



## Key drivers of businesses into the decline stage



## Financial support through the pandemic

Support from the government and loans from financial institutions have been pivotal through the pandemic for a large proportion of SMEs, with 63% of all SMEs receiving government support and/or borrowing money. SMEs in Vietnam (91%), Singapore (81%), Malaysia (78%) and Ireland (72%) were most likely to have received financial support to help their business during the pandemic. SMEs in the Netherlands (46%), Belgium (51%), Australia (54%), and the US (57%) were least likely.

### Government support

Half of all SMEs received direct government support during the pandemic. Government support varied by ...

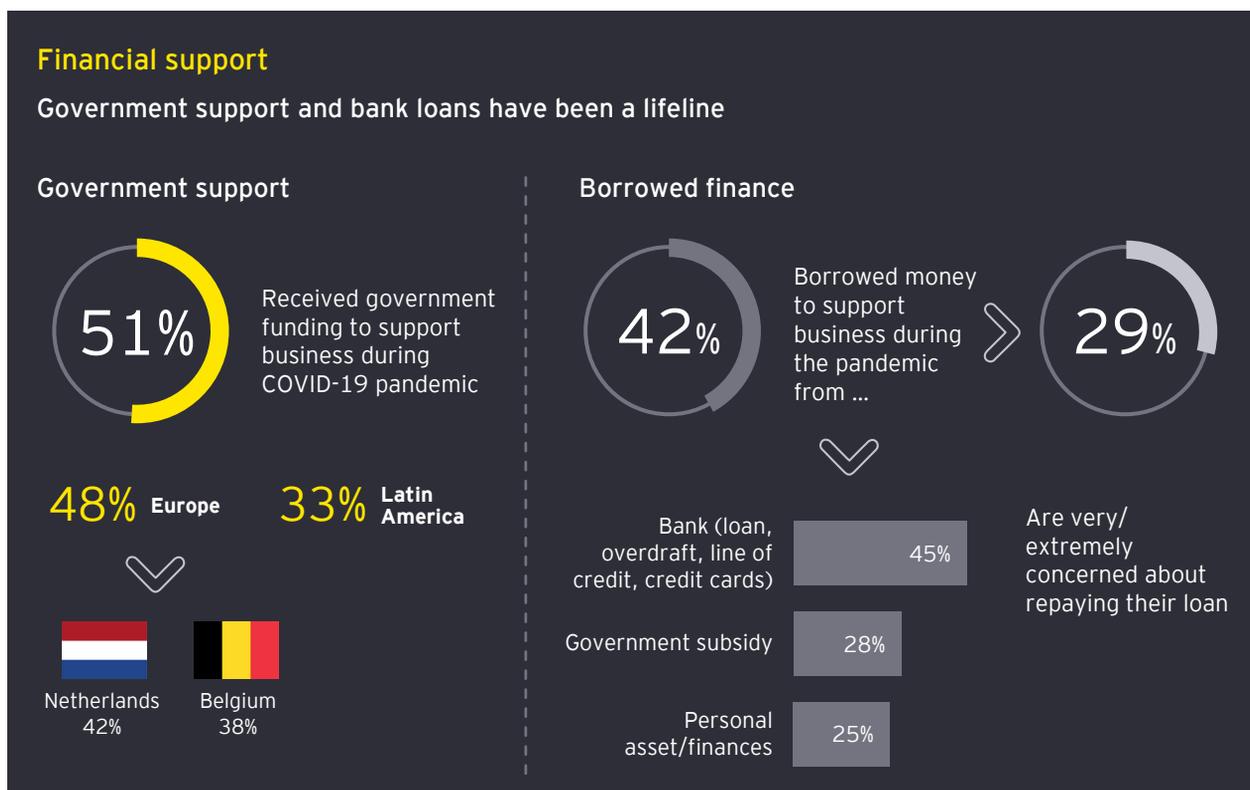
- ▶ **Life cycle stage.** SMEs in the conception (72%) or start-up (63%) stage were most likely to receive government support, while those in the exit stage (29%) were least likely to receive support.

- ▶ **Industry.** SMEs in hospitality, tourism, entertainment and the arts were most likely to receive government support (70%), while SMEs in agriculture, forestry, fishing and mining were least likely to receive funding (38%).
- ▶ **Country.** SMEs who received support was lowest in Europe and Latin America, with both being among the least likely to access government funding (48% and 33%, respectively). This may reflect alternate approaches governments took to dealing with the pandemic more broadly, with those in the Netherlands (42%) and Belgium (38%) driving the lower result in Europe.

“

We've had to furlough staff and the government help meant we've been able to stay in business until now but any more lockdowns will make it very difficult indeed.

50-200 employees, €5m-€10m turnover, Ireland



## Support from financial institutions

Government funding wasn't the only lifeline, with more than two in five (42%) having to borrow to support their business as a result of the pandemic. There were some differences by life cycle stage, with those in conception, start-up and decline more readily borrowing funds.

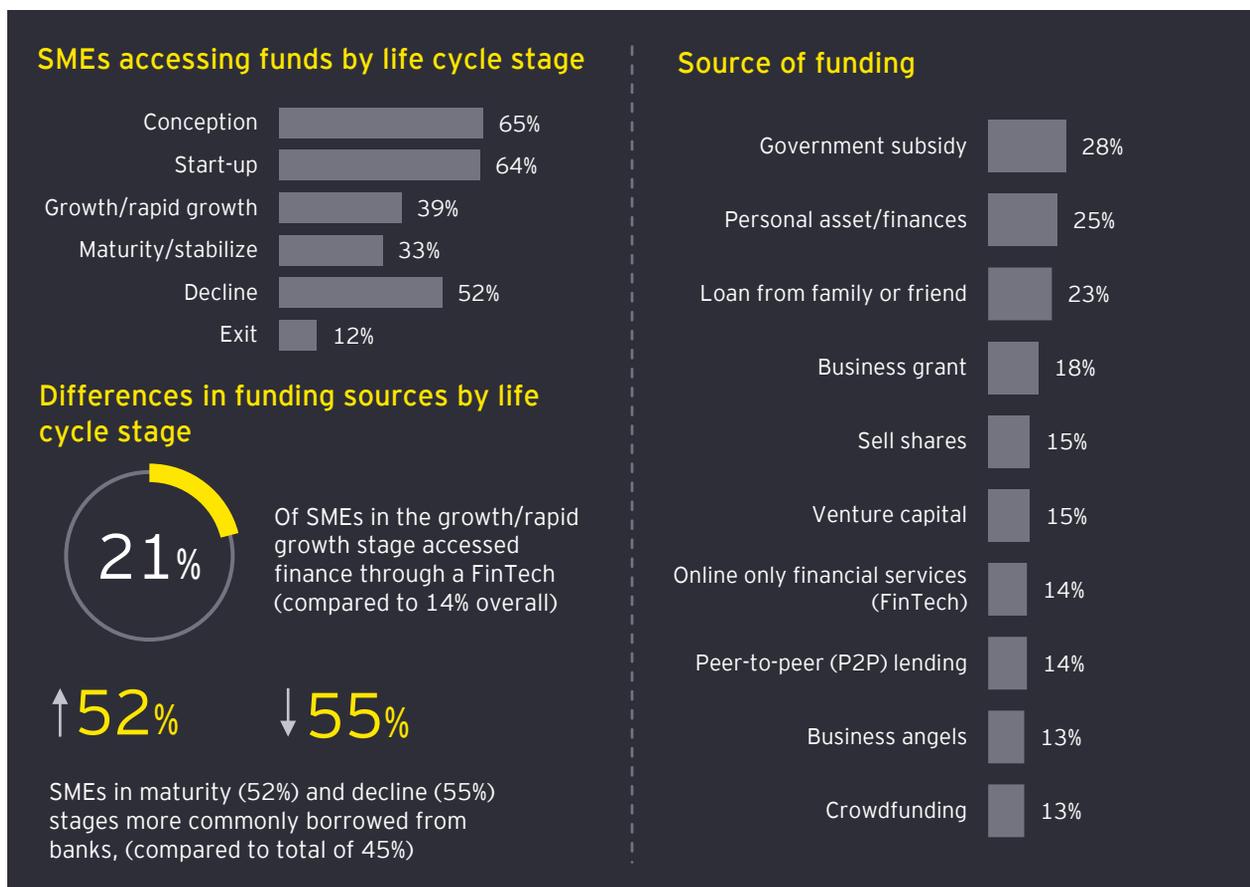
Banks were the most common source of funding for SMEs (45%) during the pandemic. This result was consistent across the globe, with the exception of Belgium, where only 23% indicated they had borrowed money through a bank.

While banks are the most prevalent source of funding support during the pandemic, SMEs in the growth/rapid growth stage are turning to FinTechs. One in five (21%) accessed finance through a FinTech (versus 14% at a total level).

SMEs in the growth/rapid growth stage phase who

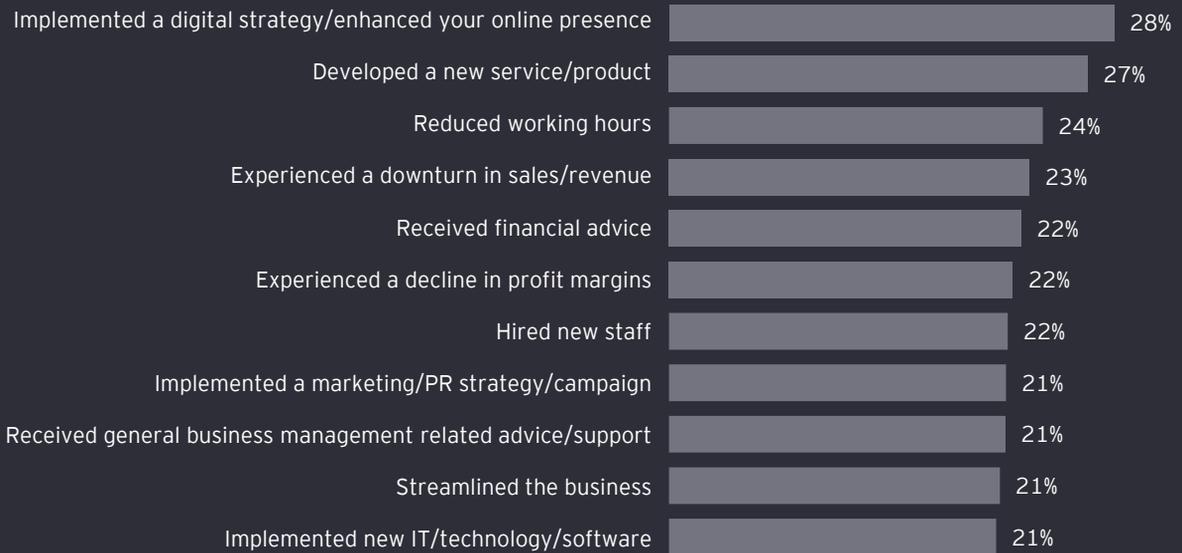
are accessing finance through a FinTech, are typically smaller SMEs (10-49 employees), suggesting that the threat to market share for banks sits mainly at the smaller SME end of the market at present.

The growth/rapid growth stage is an important battleground for banks/financial service providers. As these SMEs continue to evolve and expand, they become a critical segment for banks. This research underlines the real threat banks face from FinTechs for this important segment of the SME market.

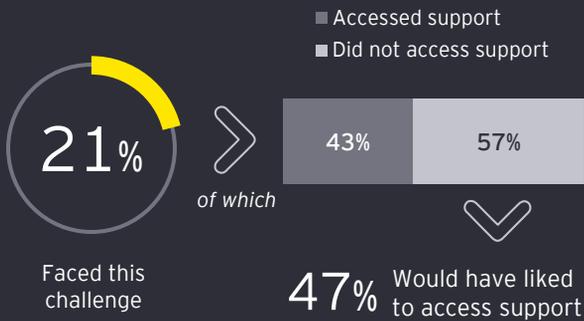


# Key business challenges and access to support

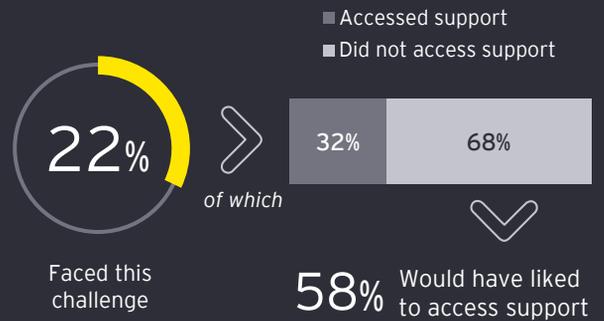
## Business challenges faced in the last 12 months



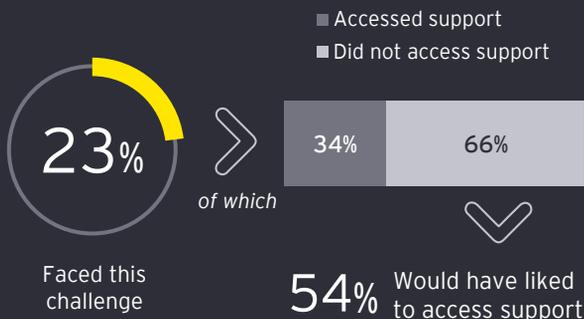
## Streamlining business support needs



## Declining profit margin support needs



## Downturn in sales/revenue support needs



## From uncertainty to opportunity

Overall, anxiety remains rife among SMEs, with almost three in five (58%) seeing COVID-19 as a key challenge for their business now and in the years to come.

In addition to the immediate impact of COVID-19, SMEs are worried about the recovery from the global recession caused by the pandemic (39%). When uncertainty dominates the outlook, it makes planning for the future difficult and tends to drive more conservative behavior.

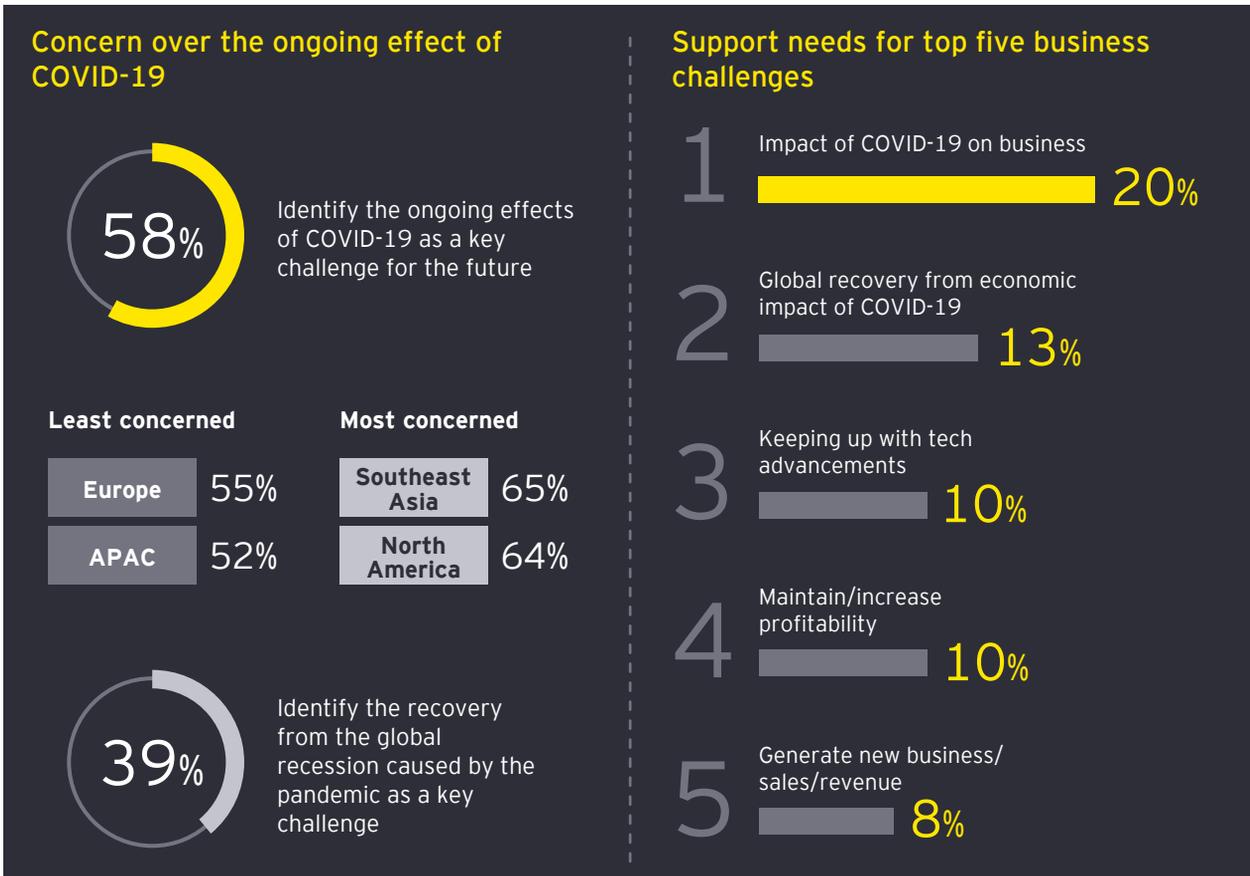
“

It's impossible to say when things will turn around or even if they will. My business has relied on travel and contacts in SE Asia but I can't travel and I have no idea when I can get back there.

10-50 employees, US\$10m turnover, US

The regions with fewer SMEs expressing concern are APAC (52%) and Europe (55%). Although, the difference is only marginal, in all regions, more than half remain concerned about the ongoing effect of COVID-19.

The main support needs relate to the ongoing challenges created by COVID-19 and recovery from the economic downturn.



## Section 2:

# Bank/financial provider usage and experience



# Bank/financial provider usage

The research is showing that while a large proportion of SMEs have longstanding and quite traditional relationships with their bank, expectations are evolving quickly and they are looking at financial institutions through different eyes. The headlines demonstrate the nature of the relationship ...

- ▶ **MFI:** banks with branches are the main institution for more than half of SMEs (57%). This does vary by life cycle stage.
  - ▶ Those in conception (26%), start-up (36%), growth/rapid growth (52%) less likely; those in maturity (64%) and decline (70%) stages more likely to utilize the services of a bank as their MFI.
- ▶ **Product holdings:** SMEs hold an average of 3.5 business banking products, with credit cards and savings/transaction accounts topping the list.
- ▶ **New product uptake:** more than two in five SMEs (42%) acquired new financial products/services in the last 12 months, with satisfaction high in key areas such as transparency, speed and level of information (60%+).

- ▶ **On-boarding:** among SMEs that took up new products they experienced a mix of on-boarding methods including human-led, technology-led and a human/technology hybrid. No single approach to on-boarding was more common than the other, but a dual approach is having the greatest success with SMEs. Those who were on-boarded for financial products via an automated and human-led approach were significantly more satisfied with the process across all metrics. Whereas those opting for a purely human-led approach were the most dissatisfied overall.

“

Anything I can do myself is a win because that saves me so much time. In saying that, I would want to be able to contact someone to help me with something out of the ordinary.

10-20 employees, US\$10m turnover, US

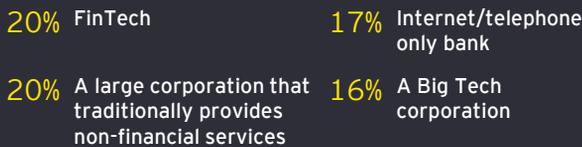


# Bank/financial provider usage

Main financial institution:  
typically a traditional bank



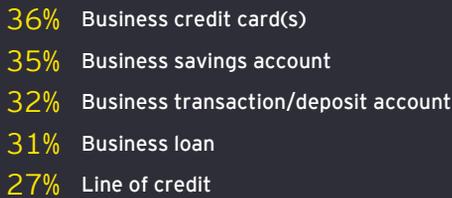
... but broader usage of non-traditional banks  
(outside of MFI) is increasing



Banking products:  
multiple products held with a bank/financial provider

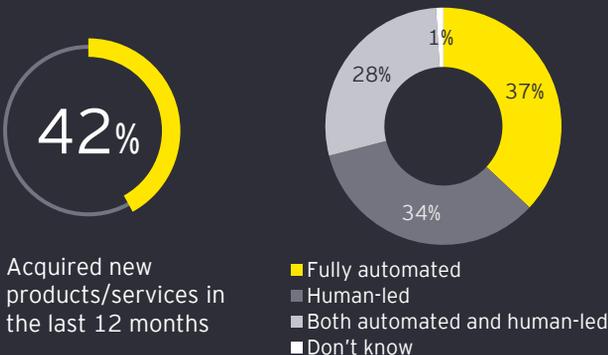
3.5 Business banking products currently held by SMEs (on average)

Most common products held:



New product uptake and on-boarding process:  
diversity in on-boarding processes

The application process is ...



Satisfaction with banks/financial service providers:  
underpinned by the basics and built through strategic support

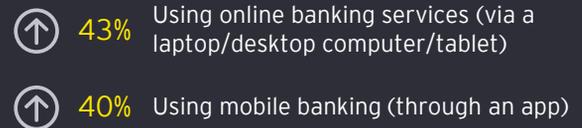


Top drivers of satisfaction are ...

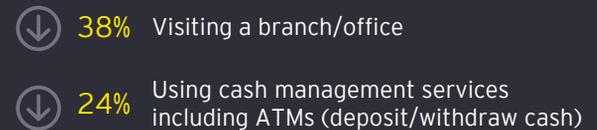


Evolving interactions:  
interactions with banks/financial providers have changed over the last 12 months ...

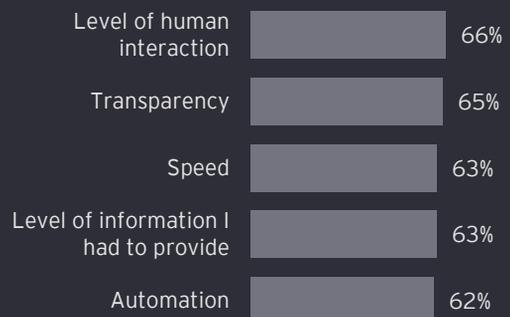
... with increases in ...



... and decreases in ...



Satisfaction with the on-boarding process: an opportunity to build the relationship



## Satisfaction with the current experience

There is high overall satisfaction with the MFI, with 72% of SMEs saying they were satisfied. This was underpinned by a sense that their bank/financial services provider was responsive to their needs, understood their business and made them feel valued as a customer.

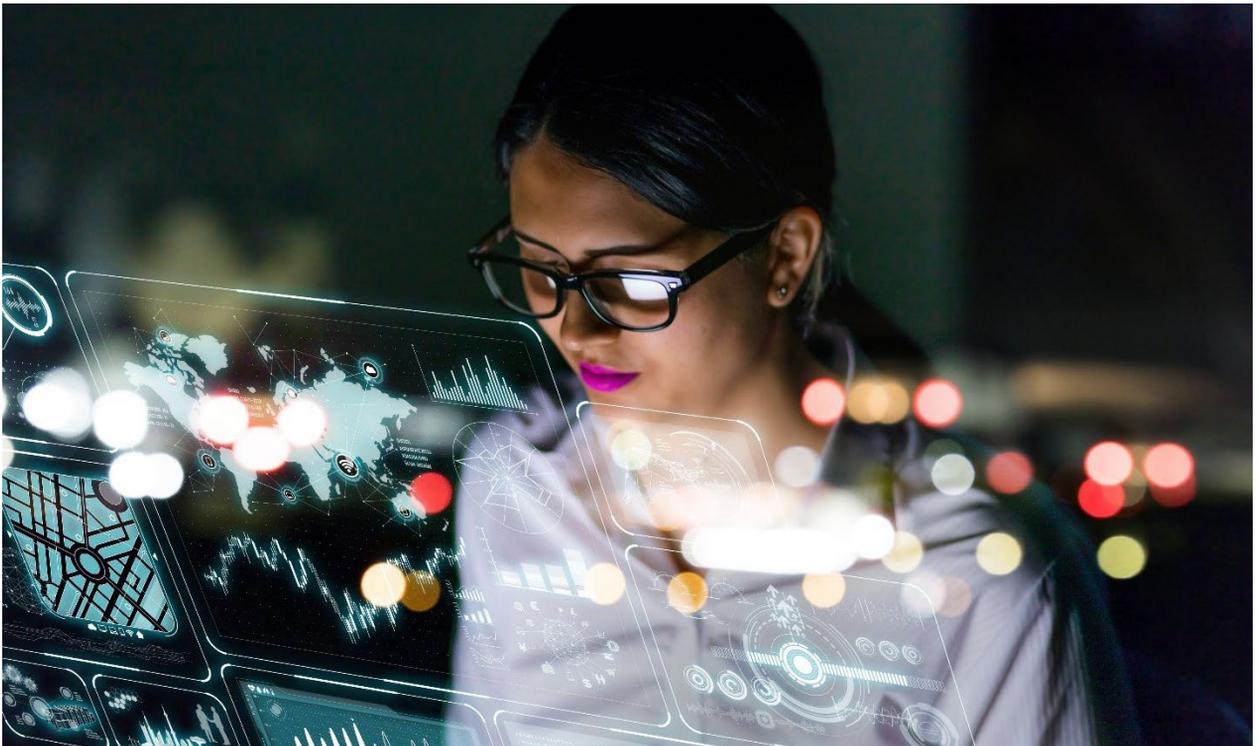
- ▶ **Satisfaction is built over time.** Those in the conception stage (59%) are the least satisfied overall, contrasted by high satisfaction among those in the maturity stage (77%).
- ▶ **Larger SMEs more likely to be satisfied.** Those in businesses of 50-249 employees are more satisfied with their provider overall (79% vs. 71% smaller businesses).
- ▶ **Level of service in Europe not as strong.** SMEs in Europe are showing lower levels of satisfaction (67%) compared with those in Southeast Asia (86%).

## Insight and understanding

SMEs will invariably describe their business as unique. It's one of the defining characteristics of this segment and it requires banks/financial service providers to convey ...

- ▶ A consistent understanding of the business
- ▶ Awareness of the challenges prevailing
- ▶ Responsiveness at critical points
- ▶ Flexibility to suit (perceived) individual needs
- ▶ Empathy and rapport to build trust

Banks/financial service providers that are doing these things well are the ones succeeding in the eyes of their customers.



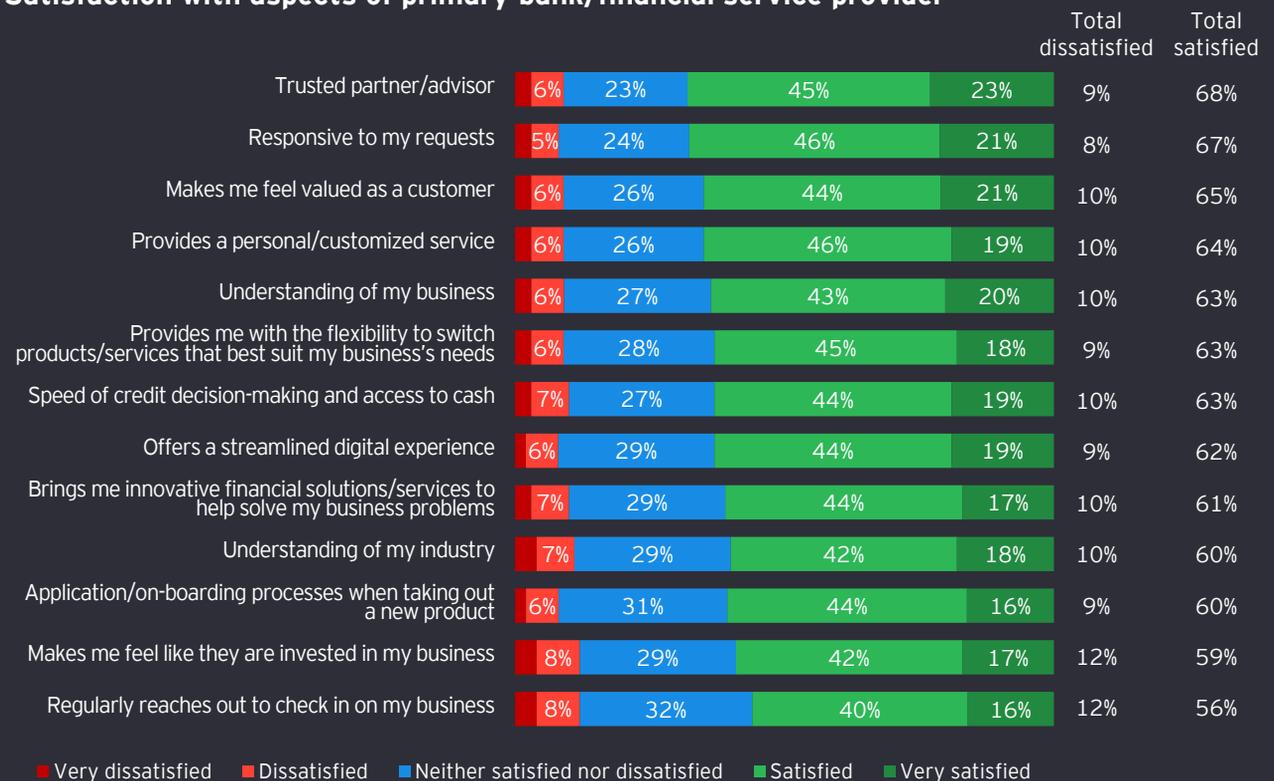
# Satisfaction metrics

## Satisfaction with bank/financial service provider

### Overall satisfaction with MFI



## Satisfaction with aspects of primary bank/financial service provider



## Top five drivers of satisfaction with primary bank/financial service provider



# Top satisfaction drivers by country

<p>North America</p> <p><b>US</b> </p> <ol style="list-style-type: none"> <li>1. Understanding of my business</li> <li>2. Responsive to my requests</li> <li>3. Brings me innovative financial solutions/ services to help solve my business problems</li> <li>4. Speed of credit decision-making and access to cash</li> </ol>	<p>North America</p> <p><b>Canada</b> </p> <ol style="list-style-type: none"> <li>1. Makes me feel valued as a customer</li> <li>2. Is a trusted partner/advisor</li> <li>3. Speed of credit decision-making and access to cash</li> <li>4. Understanding of my business</li> </ol>	<p>Latin America</p> <p><b>Brazil</b> </p> <ol style="list-style-type: none"> <li>1. Understanding of my business</li> <li>2. Responsive to my requests</li> <li>3. Understanding of my industry</li> <li>4. Is a trusted partner/advisor</li> </ol>	<p>Europe</p> <p><b>Germany</b> </p> <ol style="list-style-type: none"> <li>1. Offers a streamlined digital experience</li> <li>2. Brings me innovative financial solutions/ services to help solve my business problems</li> <li>3. Responsive to my requests</li> <li>4. Understanding of my business</li> </ol>
<p>Europe</p> <p><b>UK</b> </p> <ol style="list-style-type: none"> <li>1. Makes me feel valued as a customer</li> <li>2. Responsive to my requests</li> <li>3. Is a trusted partner/advisor</li> <li>4. Offers a streamlined digital experience</li> </ol>	<p>Europe</p> <p><b>Italy</b> </p> <ol style="list-style-type: none"> <li>1. Understanding of my business</li> <li>2. Understanding of my industry</li> <li>3. Provides a personal/ customized service</li> <li>4. Responsive to my requests</li> </ol>	<p>Europe</p> <p><b>Netherlands</b> </p> <ol style="list-style-type: none"> <li>1. Application/on-boarding processes when taking out a new product</li> <li>2. Responsive to my requests</li> <li>3. Speed of credit decision-making and access to cash</li> <li>4. Provides me with the flexibility to switch products/services that best suit my business needs</li> </ol>	<p>Europe</p> <p><b>Switzerland</b> </p> <ol style="list-style-type: none"> <li>1. Responsive to my requests</li> <li>2. Makes me feel valued as a customer</li> <li>3. Regularly reaches out to check in on my business</li> <li>4. Offers a streamlined digital experience</li> </ol>
<p>Europe</p> <p><b>Belgium</b> </p> <ol style="list-style-type: none"> <li>1. Responsive to my requests</li> <li>2. Brings me innovative financial solutions/ services to help solve my business problems</li> <li>3. Understanding of my business</li> <li>4. Regularly reaches out to check in on my business</li> </ol>	<p>Europe</p> <p><b>Ireland</b> </p> <ol style="list-style-type: none"> <li>1. Makes customer feel valued as a customer</li> <li>2. Responsive to my requests</li> <li>3. Application/on-boarding processes when taking out a new product</li> <li>4. Provides me with the flexibility to switch products/services that best suit my business needs</li> </ol>	<p>APAC</p> <p><b>Australia</b> </p> <ol style="list-style-type: none"> <li>1. Provides a customized service</li> <li>2. Responsive to my requests</li> <li>3. Understanding of my business</li> <li>4. Makes me feel valued as a customer</li> </ol>	<p>APAC</p> <p><b>Hong Kong</b> </p> <ol style="list-style-type: none"> <li>1. Makes me feel valued as a customer</li> <li>2. Responsive to my requests</li> <li>3. Is a trusted partner/advisor</li> <li>4. Understanding of my business</li> </ol>
<p>APAC</p> <p><b>Singapore</b> </p> <ol style="list-style-type: none"> <li>1. Understanding of my business</li> <li>2. Provides a personal/ customized service</li> <li>3. Offers a streamlined digital experience</li> <li>4. Responsive to my requests</li> </ol>	<p>Southeast Asia</p> <p><b>Indonesia</b> </p> <ol style="list-style-type: none"> <li>1. Makes me feel valued as a customer</li> <li>2. Offers a streamlined digital experience</li> <li>3. Provides me with the flexibility to switch products/services that best suit my business needs</li> <li>4. Responsive to my requests</li> </ol>	<p>Southeast Asia</p> <p><b>Malaysia</b> </p> <ol style="list-style-type: none"> <li>1. Responsive to my requests</li> <li>2. Understanding of my business</li> <li>3. Is a trusted partner/advisor</li> <li>4. Speed of credit decision-making and access to cash</li> </ol>	<p>Southeast Asia</p> <p><b>Vietnam</b> </p> <ol style="list-style-type: none"> <li>1. Provides me with the flexibility to switch products/services that best suit my business needs</li> <li>2. Makes me feel like they are invested in my business</li> <li>3. Is a trusted partner/advisor</li> <li>4. Responsive to my requests</li> </ol>

## Propensity to switch

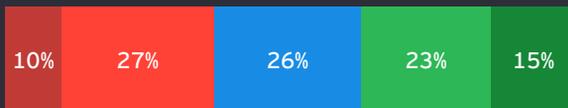
More than one in three SMEs (36%) suggest they are 'likely' to consider switching from their main bank/financial services provider in the future. The profile of those more likely to switch reveals ...

- ▶ **Mid-sized SMEs.** SMEs employing 50-249 employees (42% vs. 35%) are more likely to consider switching despite yielding higher levels of satisfaction with their provider.
- ▶ **Newly formed SMEs.** Those in conception (59%), start-up (52%), and growth/rapid growth (43%) stages are more open to switching than those in maturity (29%) and decline (29%) stages of the life cycle.

- ▶ **Lower turnover SMEs.** Those turning over less than US\$75k are less loyal to their main bank/financial provider (46% likely to switch).
- ▶ **Geographically.** SMEs in North America are among the most loyal to their bank/financial provider, with three in ten (31%) likely to consider switching. However, SMEs in Southeast Asia are among the most likely to consider (46%).

## Propensity to switch main bank/financial services provider

### Consider switching main bank/financial services provider



■ Very likely      ■ Likely  
■ Neither likely nor unlikely      ■ Unlikely  
■ Very unlikely

### Most likely to switch

**42%**

Medium  
(50-249 employees)

**35%**

Small  
(10-49 employees)

Southeast Asia (Indonesia, Malaysia, Vietnam) **46%**

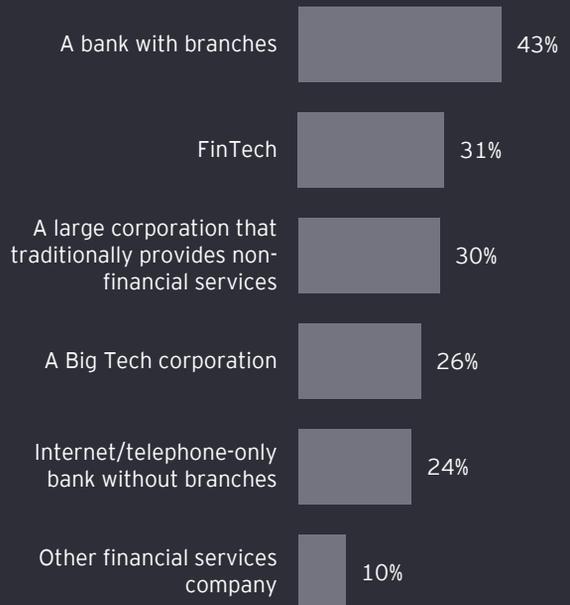
Latin America (Brazil) **37%**

APAC (Singapore, Australia, Hong Kong) **36%**

Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands) **34%**

North America (US, Canada) **31%**

### Type of organization considering switching to



## FinTech and Big Tech in SMEs

The current use of FinTech (20%) and Big Tech (16%) as a financial services providers emerged in our research. This proportion grows further when exploring consideration of future banks/financial providers, with three in ten (31%) indicating they would consider a FinTech provider, and one in four (26%) a Big Tech provider.

SMEs in Southeast Asia are the most likely to consider Big Tech (39%), with those in Europe the least likely to consider Big Tech (19%). Overall, few SMEs are currently considering a FinTech as a source of funding (14%), although this grows to almost one in five (19%) when looking at larger businesses with 50-249 employees.

The main take-away is the building of momentum, reflected in interest levels in FinTech and Big Tech in the future. As awareness of alternative options increase, confidence rises as the brands build equity and trust within the SME market. It's at this point when retention risks for traditional banks becomes all the greater.

The pandemic has seen SMEs gravitate to where there is familiarity and certainty, but equally it has rapidly recalibrated how they look at their business. This different perspective, that stretches to how they look at suppliers, is an emerging challenge for banks.

“

I think it would be great to have some new players! As I said, I think the big Irish banks have become complacent and some more competition could force everyone to improve.

10-49 employees, €10m turnover, Ireland

## Physical presence of lesser importance

One of the strengths of traditional banks has been the physical network. However, this is declining in importance. When evaluating the factors that drive the selection of a bank/financial provider, SMEs volunteered a provider's physical presence as the factor of least importance (45% important – lowest scoring).

This further underlines the challenge from the tech players and it's more pronounced in some markets. Those in the UK (35%) and the Netherlands (34%) are the least likely to feel that their bank/financial provider having a physical presence is important when selecting a provider.

### Typical sources of funding



Banks are the most common source of funding for SMEs needing to access money



FinTech's are being considered

### Growth of FinTech and Big Tech

Growth in SMEs seeking alternative financial service providers

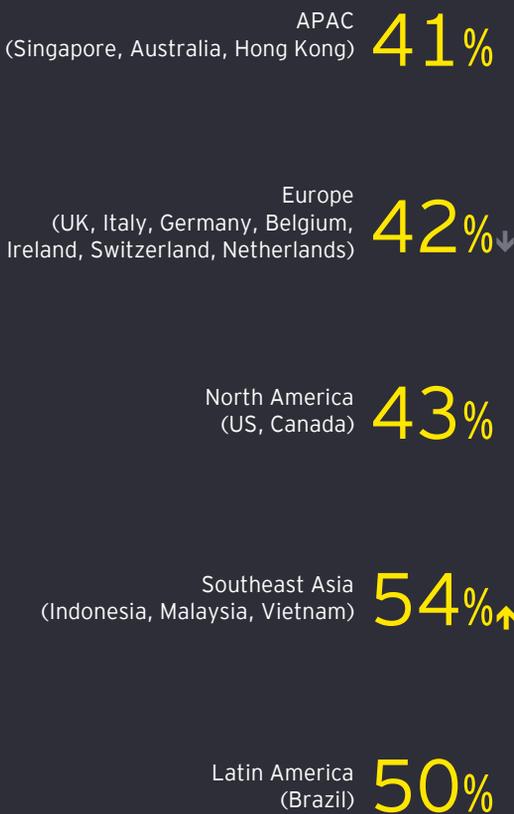


# FinTech and Big Tech in SMEs

## Consideration of Big Tech by region



## Importance of a bank/financial provider to have a physical presence



Country	Percentage
Total agree	45%
US	46%
Canada	39%
Brazil	50%
Germany	47%
UK	35% ↓
Italy	48%
Netherlands	34% ↓
Switzerland	47%
Belgium	40%
Ireland	45%
Australia	41%
Indonesia	53%
Hong Kong	38%
Malaysia	47%
Singapore	46%
Vietnam	60% ↑

 Indicates significantly higher than total  
 Indicates significantly lower than total

## Is trust the new battleground?

Trust is something that has to be earned over time. It is about the strength of the relationships between a customer and a financial institution – how they feel and whether they have the confidence they will be treated well.

Trust is built based on a combination of positive experiences, demonstrated respect, empathy and consistency. It is a critical dynamic with the “effort” required to switch in many countries (through Consumer Data Rights and the equivalents) having reduced.

Our research shows there is a gap in trust between traditional banks and FinTech/Big Tech.

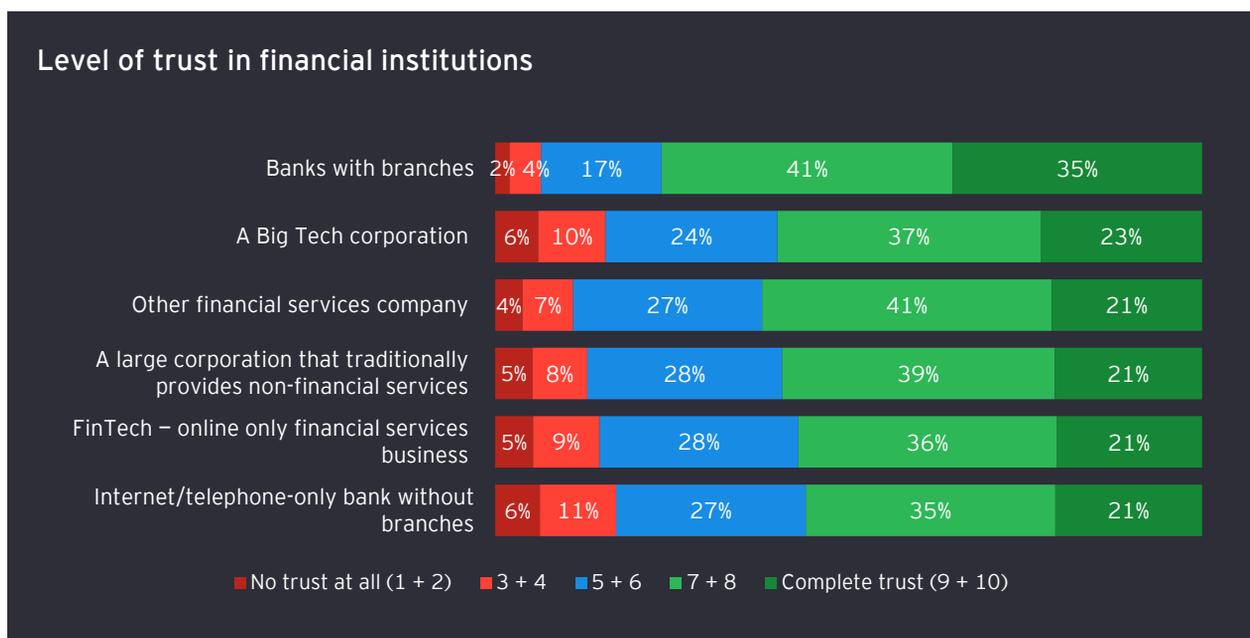
- ▶ **Banks and trust.** Banks dominate the SME market as the “go to” for funding and as a bank/financial provider more broadly. One in three (35%) SMEs surveyed indicated they have a high level of trust in traditional banks, yielding the highest levels of trust of all institutions tested. This level of trust is amplified among businesses in maturity stage (39%), perhaps leveraging a long history with their bank to inform this decision.

- ▶ **Fintechs/Big Techs and trust.** The bank data compares to around one in five that place their trust in Big Tech (23%) and FinTech (21%). Read alongside the interest levels in “tech”, it is clear there is an early adopting tranche of SMEs who are open to these newer providers.

“

They are so regulated and scrutinized by the Government, as well as the profits they make, you know they’re not going anywhere and you can trust that.

1-10 employees, AU\$5m-\$10m turnover, Australia



Section 3:

Digital

hyperconnection



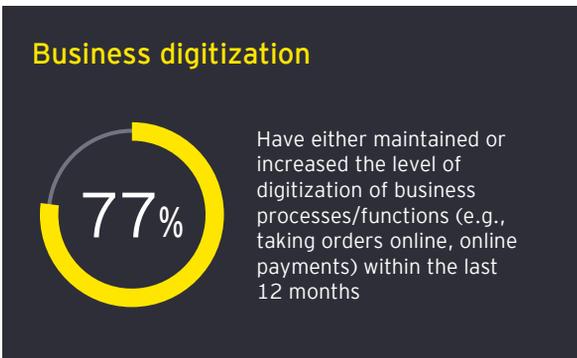
# Digital: Priority and a pressure

Digital and all it encompasses is a constant and ever-evolving priority for SMEs as they look to improve how they engage with customers, bring more efficiency into the business and differentiate against competitors. It's a perpetual challenge.

The focus on digitization accelerated through the pandemic, with more than three-quarters of SMEs (77%) having either maintained or increased the level of digitization of business processes (e.g., taking orders online, online payments) within the last 12 months. While lockdowns certainly forced change, the reality is that it has brought forward and compressed changes that may have taken five years to come to life.

## The consumer of the future

Throughout the pandemic, the EY organization has been conducting extensive global consumer research across 20 countries every 6-8 weeks. [The Future Consumer Index](#) underlines the extent to which people are changing the way they live, and embracing new priorities and values. It also tracks the uptake of digital in their daily lives and their expectations for the future. This change in consumer behavior impacts most SMEs, regardless of whether they operate direct to consumers or are more in the B2B space.



## Adapting and evolving

As illustrated earlier, 56% of SMEs are considering changing their business model over the next few years. The research shows key differences by ...

- ▶ **Life cycle stage.** SMEs that are just starting out and SMEs in decline stage are most likely to be planning to pivot and change their business model. SMEs currently in growth/rapid growth and maturity stages are less likely to change compared to these life cycle stages.
- ▶ **Geography.** SMEs in Malaysia, Singapore, Switzerland, Vietnam, Brazil and Indonesia were more likely to be considering switching their business model to an e-commerce or marketplace model compared with other countries in the research.

One of the fundamental areas of business model transition is in digital with an increase in SMEs shifting to either an e-commerce and marketplace model – most likely driven by changing consumer purchasing patterns accelerated by the pandemic.

The shift to e-commerce and marketplace is driven more by SMEs that have either a traditional retail mix or bricks-and-mortar business model. It is an area in which support and guidance will be required and present an opportunity for banks to further help facilitate the transition.

### Adapting business models

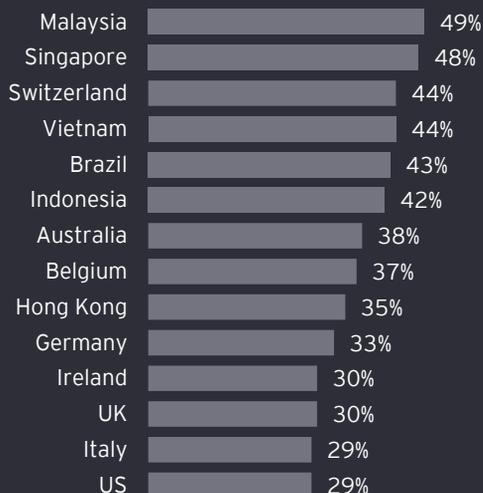


Are planning to change, update or modify their business model over the next few years

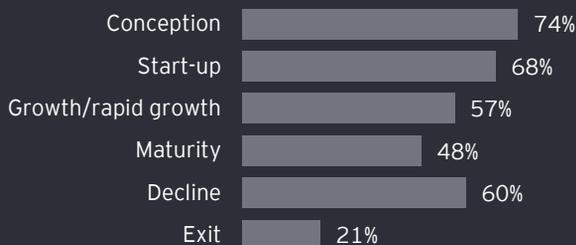


37%

Are changing to an e-commerce or marketplace business model



#### More common among certain life cycle stages ...

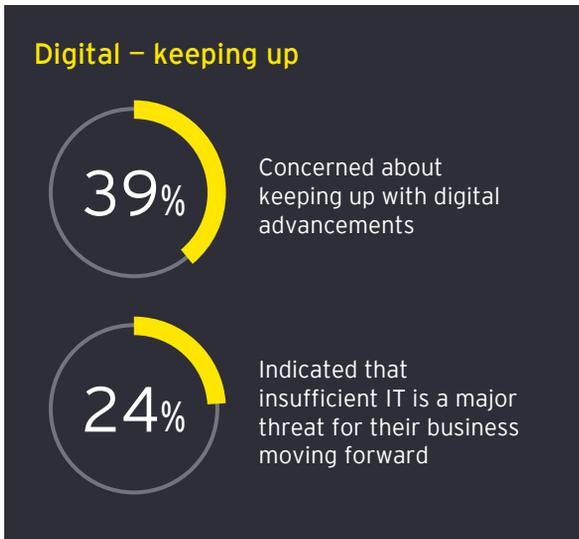


#### Most common changes in business model

	Now	Future
Traditional retail mix	20%	16%
Bricks-and-mortar stores	14%	10%
E-commerce	16%	23%
Marketplace	18%	21%

## Mixed emotions

Digital transformations can provoke mixed emotions in SMEs, inspiring excitement about the potential while being equally daunting and unsettling.



A deeper analysis of the SMEs based on how digitally savvy they are (or otherwise) brings to the surface an interesting dynamic ...

- ▶ A higher proportion of the more digitally progressive SMEs are worried about keeping up.
- ▶ For those at the less digitally proficient end of the spectrum, it's a case of "you don't know what you don't know" and that's a latent risk for their business.

An area where concern is rife is in cybersecurity and it is cited as a key business challenge going forward. Concern is highest among ...

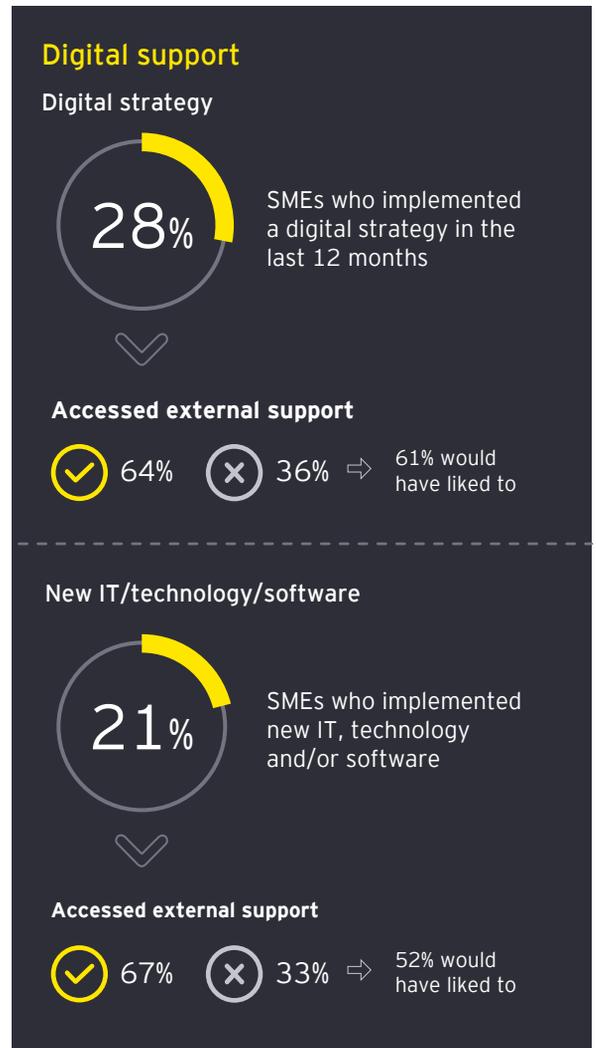
- ▶ Larger SMEs employing 100-149 employees (34%) and 150-249 employees (42%).
- ▶ SMEs in Vietnam (62%) and Indonesia (42%).
- ▶ Those in professional, financial and technology services (34%).



## The need for support

Switching to digital also has wider implications for a business including inventory and warehousing, supply chains and workforce/HR (e.g., the need to switch from a face-to-face retail workforce, to a warehouse/order processing model and backend customer support one-off function). The impact of digital advancements is ongoing, meaning providing an offer in this space isn't a one-off.

Some SMEs are actively drawing on external support for digital strategy, design and security, but the demand remains high. Large numbers (61%) of those that did not access external support "would have liked to."



Section 4:

Digital banking

expectations



# A shift in digital banking expectations

The way SMEs are interacting with financial institutions, and their preferences for the future, are evolving – fast. The pandemic/lockdowns forced change, but overlaid on that, many SMEs reflected on how and why they do the things they do in running their business.

## Pandemic-uplift in digital channels

One of the most pronounced changes has been in the way SMEs engage and interact with their bank. The figures tell the story, with online banking, mobile banking and video calls at the top of our list of eight touchpoints (see chart overleaf).

There are some differences in uptake by region, with SMEs in Latin America (68%) and Southeast Asia (56%) increasing their digital interaction with the bank more so than European SMEs (33%). Within this, the pre-pandemic digital maturity of the bank and SME relationship comes into play.

## Continued momentum

Demand for digital banking has accelerated through the pandemic. Our research shows that ...

- ▶ **SMEs embrace digital.** Almost seven in ten (68%) SMEs are looking to manage as many aspects of their business via digital touchpoints as possible. Linking back to the strong desire for banks/financial providers to get the basics right, a large part can be achieved via satisfying this need.
- ▶ **Stronger focus among APAC and Southeast Asian SMEs.** Those in Southeast Asia (79%), Latin America (77%) and APAC (72%) are more commonly seeking out a range of digital touchpoints compared with SMEs in other regions (North America 62%, Europe 61%). As foreshadowed, this is a function of higher pre-pandemic levels of digital engagement and confidence.
- ▶ **Sector differences.** Those operating within professional services are more likely to see the value in multiple digital engagement touchpoints (71%) compared with other industry sectors.

“

[Integration between bank and SME internal systems] ... would be fantastic! Anything that means fewer steps means fewer mistakes.

10-49 employees, £50m turnover, UK

## Room to improve the digital experience

The quality and calibre of the digital banking experience is a major driver of the experience SMEs have with their MFI. Our research shows that ...

- ▶ **Satisfaction with digital is solid, but not excellent.** More than three in five (62%) SMEs are satisfied that their current provider offers a streamlined digital experience (i.e., digital products and offerings that make the business finance experience better/easier). However, only 19% are highly satisfied. This highlights a need for banks/financial providers to bridge the gap between expectation and reality and meet SMEs' high expectations when it comes to their digital experience.
- ▶ **Intuitive and easy to use.** More than one in two (53%) SMEs highlight that it is important (very/extremely) for a bank/financial provider to deliver an easy-to-use digital experience. Customers have high expectations when it comes to user experience (UX), which are continuously influenced by advancements in digital interactions with other banks/financial providers as well as digital experiences from other categories.

With levels of digital interaction set to increase for banks/financial providers, there is a need to ensure that platforms are well designed with a focus on UX. Frustrations were played back around enduring extended webpage loading times, difficulty navigating content and insufficient information provision. Progressive UX is particularly relevant considering that a streamlined digital experience is a critical driver of overall satisfaction with a bank/financial provider in some markets (specifically Europe and Southeast Asia).

## Strong appetite for a single integrated platform

The appeal of a single integrated SME platform is strong. More than over half (56%) of SMEs feel this platform would help to better support them in their current stage. More than one in five (22%) would be willing to access this through a bank, and 17% of SMEs would be willing to pay.

# Current engagement channels and future preferences

## Engagement: channels and touchpoints

	Changes in last 12 months	Preferences for the future
Using online banking services (e.g., via a laptop/desktop computer or tablet)	+32%	+29%
Using mobile banking (e.g., through an App)	+28%	+27%
Video calls (e.g., via Skype, Teams, Zoom)	+19%	+15%
Live webchat (e.g., instant messaging)	+12%	+12%
Calling your bank/financial provider (e.g., via telephone banking)	+11%	+5%
Meetings/calls with your relationship manager	+6%	+7%
Using cash management services including ATMs (e.g., to deposit or withdraw cash)	-3%	+3%
Visiting a branch or office	-23%	-10%

Note: the data shows the net difference between SMEs using "more often" and "less often."

## Interacting with online banking more by region

Interacting more with online banking ...



↑ Indicates significantly higher than total  
 ↓ Indicates significantly lower than total

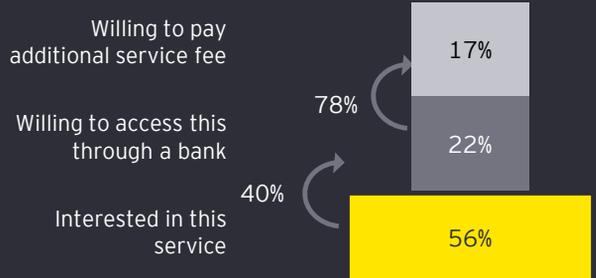
# Interest in digital

## Service of banks/financial providers



Of SMEs are satisfied that their current provider offers a streamlined digital experience; however, just 19% are highly satisfied, suggesting room for improvement

## Interest in a single integrated software platform



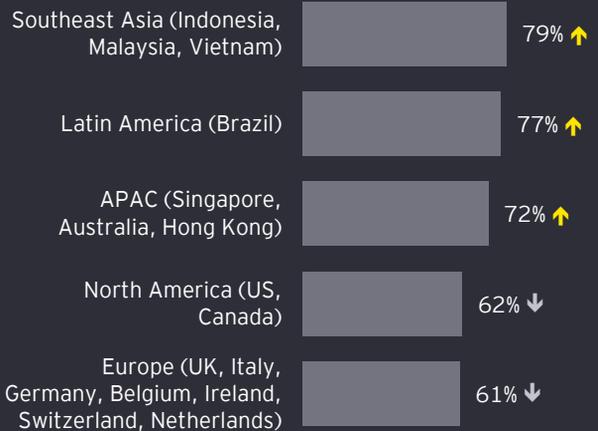
## Desire for digital channels



SMEs are looking to manage as many aspects of their business via digital channels as possible



Find it important that a bank/financial provider delivers an easy to use digital experience/self-service platform



↑ Indicates significantly higher than total  
↓ Indicates significantly lower than total



## Customer cash behavior driving SMEs

As a result of the pandemic almost one in two businesses have had a decrease in the proportion of customers paying with cash (45%), and almost one in four (24%) businesses are using cash management services to deposit or withdraw cash (including ATMs) less than they did 12 months ago. In addition, almost one in five (18%) businesses plan to use these cash management systems less moving forward.

This in itself puts increased pressure on banks/financial providers to ensure all digital transactions can be processed seamlessly and meet the expectations of SMEs.

The theme of reducing usage of cash management services in the future is least common in the US, with only 12% of SMEs indicating this compared with the global figure of 18%, with 56% of SMEs in the US looking to maintain the use of these services in the future.

While the use of branches and cash management services are in decline, there remains a need for these services moving forward. Just 8% of SMEs globally do not want to interact with their bank/financial provider via cash management services such as ATMs and just 5% do not want to visit a branch. However, 29% of SMEs indicated that they would visit a branch less in the future.

### Use of cash: cash lessening its grip on SME operations

... With decreases in ...



45%

Customer paying with cash

24%

Use of cash management systems

Moving forward SMEs plan to decrease ...



18%

Use of cash management services

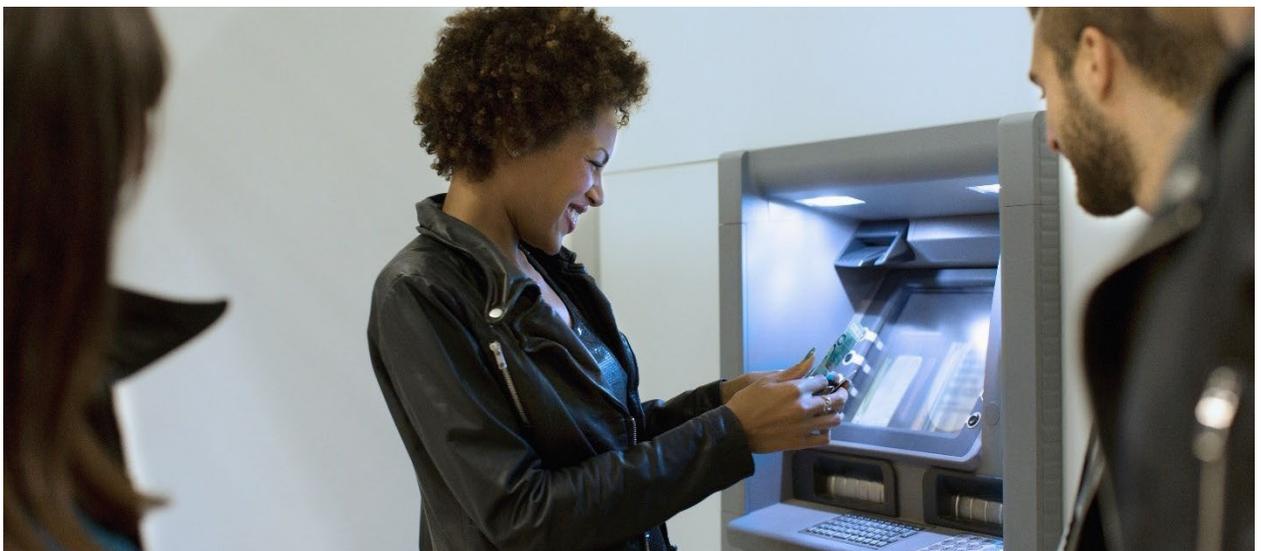


The US is the exception, looking to continue the relationship with cash



56%

Maintain the use of cash management services



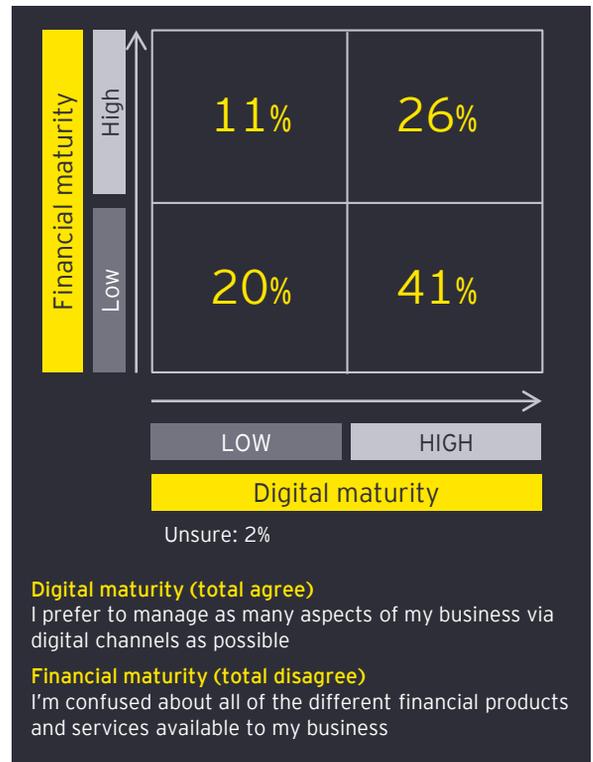
# Financial vs. digital maturity matrix

## Financial and digital maturity

One of the most critical aspects in driving and enhancing digital engagement is to understand the profile of the SME customer base. In our research, we have mapped the financial and digital maturity of SMEs. What emerged is that more than a quarter of SMEs (26%) considered themselves to be both financially and digitally mature. One in five (20%) sit at the other end of the spectrum.

What this shows is the need to understand the confidence levels of the SME customers and to set in place different levels of support and guidance depending on where they sit on the maturity spectrum.

The channel for this support is also all important. The 31% of SMEs that claim to have low digital maturity would likely need “offline” support (e.g. a telephone helpline, support in branch) to get up to speed with digital tools.

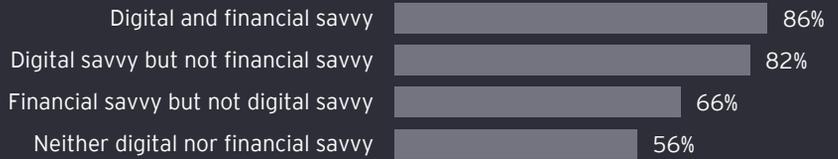


	Digital and financial savvy	Digital savvy but not financial savvy	Financial savvy but not digital savvy	Neither digital nor financial savvy
Total	26%	41%	11%	20%
US	33% ↑	32% ↓	17% ↑	16%
Canada	23%	35%	15%	23%
Brazil	40% ↑	38%	10%	12%
Germany	26%	36%	17% ↑	19%
UK	28%	40%	11%	19%
Italy	21%	40%	14%	25%
Netherlands	24%	43%	11%	19%
Switzerland	16% ↓	35%	15%	33% ↑
Belgium	15% ↓	35%	17%	29% ↑
Ireland	25%	39%	7%	25%
Australia	28%	39%	12%	18%
Indonesia	32%	37%	12%	17%
Hong Kong	12% ↓	68% ↑	5%	13%
Malaysia	23%	51%	6%	19%
Singapore	15% ↓	53% ↑	10%	20%
Vietnam	51% ↑	41%	3% ↓	3% ↓

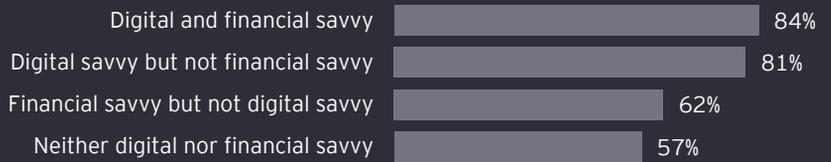
↑ Indicates significantly higher than total  
↓ Indicates significantly lower than total

# Digital savvy SMEs are in search of deeper relationships with MFIs

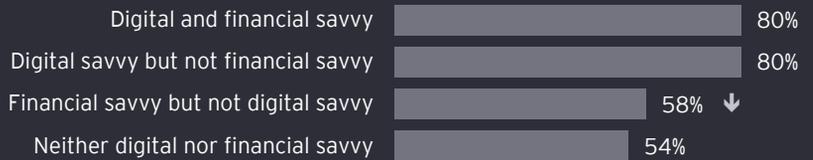
I'd like my bank/financial services provider to do the basics well



It's important that my bank/financial service provider/relationship manager has a clear understanding of my business and our strategic direction



It's important that my bank/financial service provider/relationship manager has a deep understanding of my industry/sector



I'd like my bank/financial service provider/relationship manager to be more involved in my business and help with the development of long-term plans/strategies/solutions



↑ Indicates significantly higher than total  
↓ Indicates significantly lower than total



Section 5:

# The underfunding challenge



# Streamlined support

42% of SMEs accessed financial support during the pandemic, with 45% of these accessing funds via a bank, as we saw earlier in the report. The funding needs varied ...

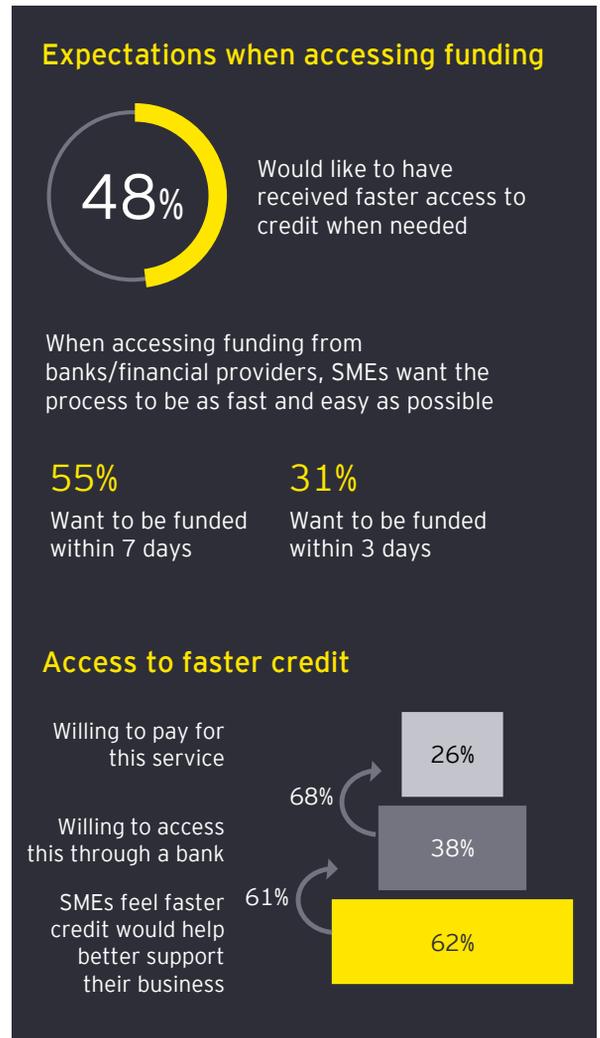
- ▶ To help with the business restructure (15%).
- ▶ To help with the day-to-day running of the business (14%). The highest was those in hospitality.
- ▶ For capital investment (14%).

For many SMEs the pandemic tested the strength of their relationship with their MFI. The sentiment is more positive than negative around the role of banks during the pandemic, yet still more could have been done to support them.

appeal in it being offered by a bank and a positive conversion through to paying for the service. The reaction to this initiative emphasizes the need SMEs have for banks/financial providers to help them react quickly to challenges.

## Tailored guidance

The opportunity for banks lies within the desire of SMEs to link into further guidance when sourcing finance via their bank. Financial Service Providers may look to differentiate their funding offer by taking it a step further from the transaction and presenting businesses with tailored advice to their industry on how to best utilize funding.



## Faster credit

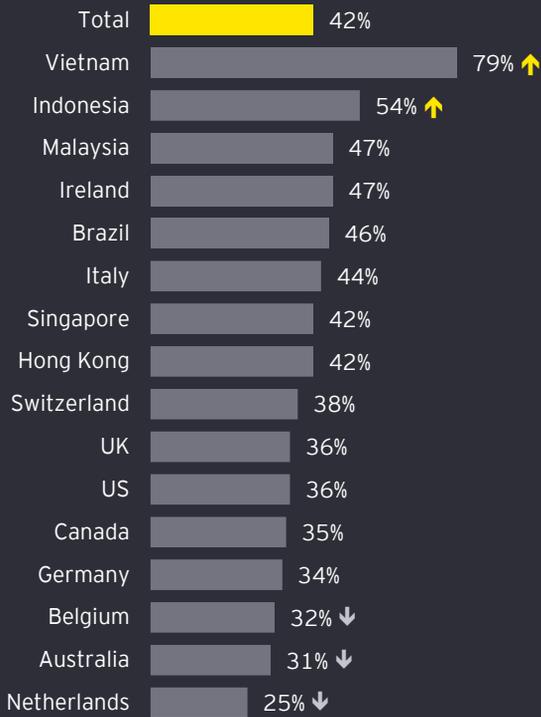
What the pandemic has underlined is frustration of the speed of access to credit. Demand is high and there is a segment prepared to pay for a faster service.

We saw large numbers of SMEs dismayed at the lack of effort by banks to adjust processes to be more flexible and streamlined.

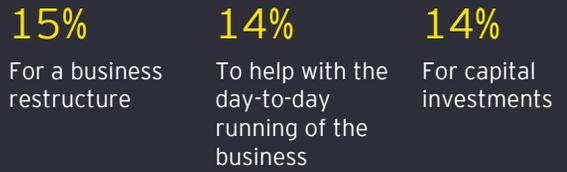
Access to faster credit was one of the strongest initiatives tested in the research – with high interest,

# Access to financial support

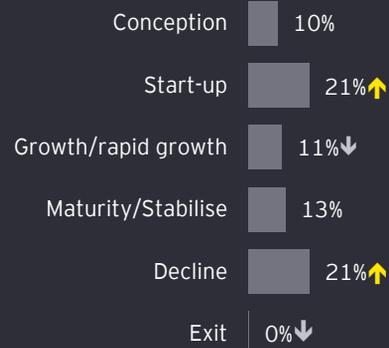
## SMEs accessing financial support during the COVID-19 pandemic



## Key reasons for accessing support



## Business life cycle impacting the need for reactionary support (borrowing for the day-to-day)



↑ Indicates significantly higher than total  
↓ Indicates significantly lower than total



Section 6:

# Building deeper relationships



# Building the relationship

For some SMEs, their loyalty to their main financial institution is founded on an ongoing positive experience and deep relationship. For others, it is more of a case of inertia where they may be interested in looking around, but its seen as too hard with other priorities in the business taking precedence.

Playing into this is also the perception that there is also some protection available with a bank that knows you if things head in the wrong direction and support or flexibility is required.

## The promiscuous SME?

The level of switching away from the MFI is typically low. However, the experiences over the last 18 months are unprecedented and do have the potential to drive more mercenary behavior when economies regain momentum and SMEs feel confident. They are looking at their businesses through different eyes and are likely to be more proactive in looking for better options if their needs aren't quite being met and experiences have fallen short.

Central to retention and advocacy is the strength of the relationship. Three themes emerged in the research on this front – the need to absolutely deliver on the fundamentals; the need to focus on managing the relationship and to redefine the role of the relationship manager; and the scope to become more progressive and strategic in the level of support offered. Each of these are covered over coming pages.

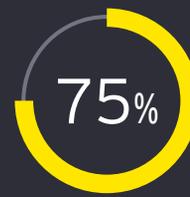
## 1. Delivering on the fundamentals: The Brilliant Basics

The Brilliant Basics run through a continuum - the discovery of the bank through leading-edge digital marketing and engagement strategies; the on-boarding experience with world-class and frictionless customer experience (CX); effective product on-boarding leveraging data to align product offers and rapid decision-making processes; and integrated and seamless relationship management underpinned by state-of-the-art CRM.

The core offering is the bedrock on which the relationship is built. Permission to do more and add greater value comes in the slipstream of getting the core right.

Our research shows that satisfaction levels are solid, but they are arguably coming from a low expectation base where the similarities between banks are seen to be greater than the differences.

## Needs from financial services interactions



Want their bank/financial services provider to do the basics right e.g., responsiveness, value for money, speed of service and streamlined processes.

Underpinning the delivery of the Brilliant Basics needs to be sophisticated data analytics and CRM to streamline the experience and create opportunities to engage proactively.

## 2. Managing the relationship vs. the relationship manager

As discussed prior, there is enthusiasm among SMEs for greater engagement via digital channels. However, the “human side” of the relationship remains an important pillar. As it stands, 63% of SMEs have a Relationship Manager with their MFI of which 58% interact at least once every 3 months and 25% interacting at least once per month. Moving forward, less than four in five (79%) want to maintain or increase the level of connection they have with their Relationship Manager. This is higher for larger SMEs.

While the level of connection is there for many SMEs, it doesn't mean that they are getting what they need.

Fewer than one in five SMEs (18%) feel they have a strong relationship with their bank/financial provider, with 26% looking for deeper connection. The research underlines the pivotal role of the Relationship Manager in building connection.

“

I only really speak to them when I need something or if something goes wrong. I never really see my bank other than that.

10-49 employees, US\$10m-\$100m turnover, US

“

I'm disappointed that bank managers over time have never said 'you have money here, you can either invest it here, etc.' I wonder where I can get that advice, I only know haulage and fabrication so I stick with it.

10-49 employees, £5m-£10m turnover, UK

Engaging with a RM or a similar point of contact is a proxy for wanting an experience that is streamlined and proactive. We discussed earlier what the main drivers of satisfaction are: *responsiveness, understanding the business, making me feel valued, acting as a trusted advisor and providing personalized service*. These are the primary needs, and while the default has been a person to contact, that doesn't need to prevail, particularly at the smaller end of the spectrum.

Central to success in better managing the relationship is effective use of data – something that appeals to SMEs and will be a potential catalyst for an increase in open banking post-pandemic and enable the broadening of service offerings.

Our research shows that 82% of SMEs have some level of interest in sharing more business performance data with their MFI if they are provided with ...

- ▶ Richer/deeper insight about their business.
- ▶ Tailored advice to assist growth and reducing costs.

## Interest in sharing data to enhance the experience



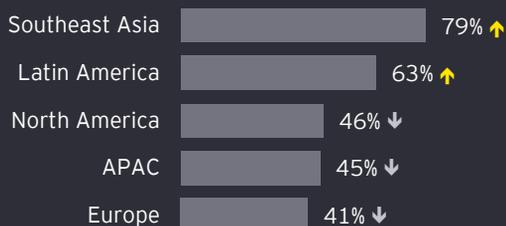
At least moderately interested in sharing data with their primary bank/financial provider



50%

Would be prepared to pay for this service

## Willingness to pay by region



↑ Indicates significantly higher than total  
↓ Indicates significantly lower than total

There is a stronger inclination to share data for this purpose in Southeast Asia (93%), but while a lesser proportion, the majority of SMEs in other markets also have a strong appetite to do so. The lowest proportion being Europe, where 78% are still interested in this service.

Half of the SMEs (50%) globally, indicated that they would be prepared to pay for data sharing.

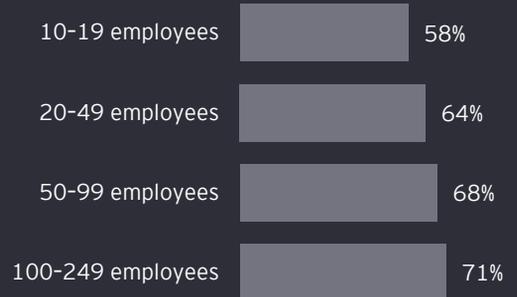
Propensity to pay varies greatly by region, and it is important to consider that less than half of those interested in accessing this service via a bank are willing to pay for the service in North America (46%), APAC (45%) and Europe (41%) and There may be an expectation in these markets that sharing data for this purpose would be a free service offered by banks/financial providers.

# Relationship with their bank/financial provider

## Relationship manager



Have a relationship manager



## Interaction with relationship manager



Interacted with their relationship manager at least once every 3 months



Want to maintain or increase interaction with relationship manager

## Desired relationship with bank/financial provider



SMEs feel they have a strong relationship with their bank/financial provider



Expressed a desire for a deeper connection with their bank/financial provider



## Higher level of desire for a strong relationship in some regions ...

**North America** 25%

Experiencing strong relationship vs. 33% that want a stronger relationship in the future

**Southeast Asia** 32%

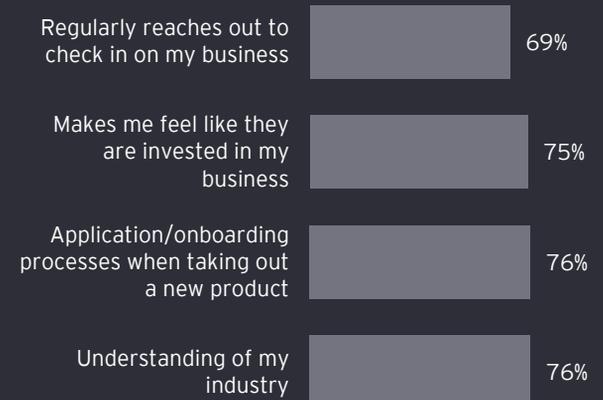
Experiencing strong relationship vs. 43% that want a stronger relationship in the future

... Others content with how relationship is now

**Europe** 52%

Are content with a "good" relationship

## Areas of lowest satisfaction – an opportunity to strengthen the relationship (% agree)



### 3. More progressive and strategic support

If we distil it down to a base level, SMEs need ...

- ▶ **Transactional support** ... access to people who are familiar with their business and can efficiently resolve day-to-day issues or inquiries.
- ▶ **A strategic partnership** ... this is the next level in the relationship, built on a strong foundation where the Brilliant Basics are delivered and there is the ability to elevate the relationship. Where this already exists, the hallmarks are:
  - ▶ Makes them feel valued (65%).
  - ▶ That they understand their business (63%).
  - ▶ They bring innovative financial solutions/services to help solve business problems (61%).
  - ▶ Makes them feel like they are invested in their business (59%).



Two in three (66%) SMEs feel having a trusted advisor to advise on the development and implementation of a tailored business strategy, with the aim of improving their business’s financial performance and connecting to growth opportunities, would be of value to their business. Almost four in ten (37%) would access this through a bank, with 26% willing to pay for this service (or two-thirds (66%) of those willing to access the service through a bank would be willing to pay an additional service fee).

Propensity to pay for this advisory service is stronger in Southeast Asian locations; with the majority of SMEs in Vietnam willing to pay (60%). Some European countries, though interested in such a service, are less willing to invest, potentially suggesting that they would expect advisory services to be part of the MFI offer.

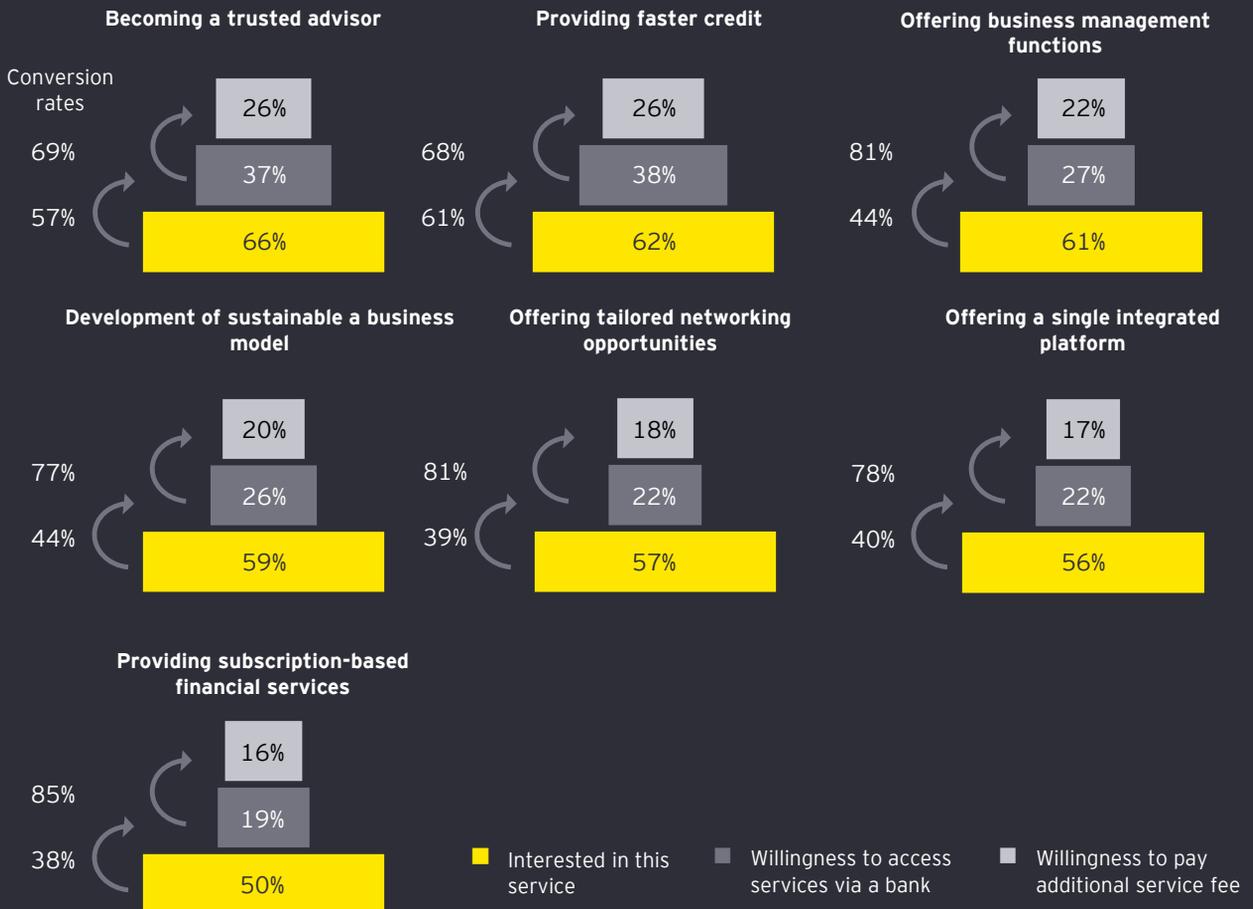


### Broader initiatives

Aligned to this more progressive and strategic support is the opportunity to offer a suite of broader initiatives, alongside the trusted advisor service. All of these broader initiatives are covered overleaf. They all performed well in the research.

# Seven initiatives to differentiate the banking offer

## Potential services that could be offered by financial providers



## Glossary

### Trusted advisor

Provision of a trusted advisor who would advise you on the development and implementation of tailored strategy for your business with the aim of improving your business's financial performance and connecting you to growth opportunities.

### Business management functions

Facilitation of business management functions: (e.g., legal, advice, risk management, other financial management capabilities - payroll, accounting) that allow you to focus on your core business activities and growing your business.

### Tailored networking

Provision and facilitation of networking opportunities tailored to your business's needs to help create connections and opportunities between like-minded and complementary clients (e.g., connections would be mutually beneficial for clients) to help your business grow.

### Faster credit

Guaranteed access to faster credit (e.g., fast approval processes, certainty that funds are available when you need them).

### Subscription-based financial services

Customers would have the ability to add or remove products and services quickly from their financial services portfolio. A broad range of customized products and services would be available, tailored specifically to your business's needs that can flex and evolve as your business changes.

### Development of sustainable business model

Provision of support and guidance to help you build a sustainable business that has a clear, and well-articulated social purpose. By sustainable, we mean a business where profitability, concern for the environment and social commitment are in harmony and your position on this supports the growth of your business.

### Single integrated software platform

Provision of a single integrated platform that houses all of your business accounts, services and financial products from multiple banks/financial providers that work and communicate seamlessly together. The software can also be used to build your own services which, you can use to connect your buyers, suppliers and clients.

Appendix 1:

# Global comparison

data



# Global comparison – SME journey

	All countries	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam
<b>Current life cycle stage</b>																	
Conception	4%	3%	5%	4%	6%	4%	5%	3%	3%	9% <sup>↑</sup>	6%	2%	4%	2%	7%	1%	4%
Start-up	9%	9%	10%	8%	10%	8%	10%	6%	11%	11%	8%	8%	13%	9%	12%	8%	7%
Growth/rapid growth	27%	39% <sup>↑</sup>	28%	17% <sup>↓</sup>	20%	23% <sup>↓</sup>	25%	27%	18% <sup>↓</sup>	23%	30%	38% <sup>↑</sup>	41% <sup>↑</sup>	27%	27%	25%	25%
Maturity/stabilize	41%	39%	42%	50%	41%	48% <sup>↑</sup>	46%	50% <sup>↑</sup>	39%	42%	37%	43%	29% <sup>↓</sup>	43%	14% <sup>↓</sup>	33%	59% <sup>↑</sup>
Decline	17%	9% <sup>↓</sup>	13%	20%	21%	17%	14%	12%	28% <sup>↑</sup>	12%	19%	9% <sup>↓</sup>	13%	17%	39% <sup>↑</sup>	32% <sup>↑</sup>	5% <sup>↓</sup>
Exit	1%	1%	1%	1%	2%	1%	0%	1%	1%	2%	0% <sup>↓</sup>	1%	0%	2%	0% <sup>↓</sup>	0% <sup>↓</sup>	0%
<b>Moments that matter the most (top three for all countries)</b>																	
Implemented/enhanced digital presence	28%	22% <sup>↓</sup>	21%	38% <sup>↑</sup>	15% <sup>↓</sup>	23%	27%	21%	20%	23%	23%	26%	26%	30%	46% <sup>↑</sup>	39% <sup>↑</sup>	53% <sup>↑</sup>
Developed a new service/product	27%	23%	22%	39% <sup>↑</sup>	18%	23%	22%	18%	27%	17% <sup>↓</sup>	29%	25%	34%	27%	37% <sup>↑</sup>	28%	38% <sup>↑</sup>
Reduced working hours	24%	23%	25%	26%	26%	29%	25%	9% <sup>↓</sup>	29%	11% <sup>↓</sup>	30%	28%	22%	17%	28%	32%	19%
<b>Overall internal challenges/ opportunities</b>																	
Total finance	75%	73%	74%	72%	70%	69%	75%	59% <sup>↓</sup>	70%	62% <sup>↓</sup>	76%	72%	84%	74%	79%	88% <sup>↑</sup>	94% <sup>↑</sup>
Total growth	65%	63%	57%	73%	60%	57% <sup>↓</sup>	64%	56%	71%	56%	61%	64%	55%	67%	85% <sup>↑</sup>	82% <sup>↑</sup>	62%
Total technology	54%	53%	47%	58%	46%	49%	64% <sup>↑</sup>	40% <sup>↓</sup>	51%	44% <sup>↓</sup>	51%	57%	37% <sup>↓</sup>	58%	82% <sup>↑</sup>	70% <sup>↑</sup>	51%
Total operational management	50%	44% <sup>↓</sup>	39% <sup>↓</sup>	53%	45%	50%	52%	41%	46%	42%	42%	44%	52%	51%	71% <sup>↑</sup>	68% <sup>↑</sup>	59% <sup>↑</sup>
Total risks	45%	44%	40%	50%	35% <sup>↓</sup>	43%	40%	31% <sup>↓</sup>	43%	31% <sup>↓</sup>	52%	48%	42%	41%	59% <sup>↑</sup>	52%	74% <sup>↑</sup>
Total HR	37%	34%	30%	28%	42%	38%	39%	44%	39%	32%	34%	38%	53% <sup>↑</sup>	40%	23% <sup>↓</sup>	41%	42%
<b>Internal challenges/ opportunities (top 3 for all countries)</b>																	
Keeping up with advancements in technology	39%	36%	36%	45%	29% <sup>↓</sup>	34%	41%	27% <sup>↓</sup>	36%	26% <sup>↓</sup>	34%	42%	20% <sup>↓</sup>	43%	72% <sup>↑</sup>	57% <sup>↑</sup>	40%
Maintain/increase profitability	33%	35%	34%	37%	25%	29%	33%	22% <sup>↓</sup>	30%	16% <sup>↓</sup>	33%	35%	28%	37%	48% <sup>↑</sup>	46% <sup>↑</sup>	42% <sup>↑</sup>
Managing cybersecurity	29%	26%	26%	39% <sup>↑</sup>	21%	21% <sup>↓</sup>	22%	22%	27%	21%	31%	28%	22%	22%	42% <sup>↑</sup>	32%	62% <sup>↑</sup>
<b>Overall external challenges/ opportunities</b>																	
Total COVID-19 pandemic	78%	74%	84%	77%	64% <sup>↓</sup>	77%	83%	67% <sup>↓</sup>	73%	69% <sup>↓</sup>	80%	78%	70%	83%	87% <sup>↑</sup>	93% <sup>↑</sup>	91% <sup>↑</sup>
Total other external influences	53%	52%	47%	48%	52%	49%	53%	47%	50%	44% <sup>↓</sup>	48%	53%	76% <sup>↑</sup>	48%	60%	65% <sup>↑</sup>	60%
<b>External challenges/ opportunities (top one for all countries)</b>																	
COVID-19	58%	58%	69% <sup>↑</sup>	60%	46% <sup>↓</sup>	62%	57%	45% <sup>↓</sup>	56%	56%	62%	65%	36% <sup>↓</sup>	54%	63%	75% <sup>↑</sup>	56%

Indicates significantly higher  
 Indicates significantly lower

# Global comparison – impact of COVID-19

	All countries	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam
																	
<b>Overall impact of COVID-19 on the business</b>																	
Total negative Impact	74%	67%↓	77%	82%	68%	81%↑	90%↑	61%↓	76%	62%↓	82%↑	71%	54%↓	75%	89%↑	86%↑	67%
No impact at all	10%	11%	8%	5%	15%	6%↓	5%↓	19%↑	11%	18%↑	5%↓	10%	16%↑	4%	2%↓	3%↓	19%↑
Total positive Impact	15%	20%↑	14%	13%	17%	11%↓	5%↓	19%	12%	15%	13%	18%	29%↑	21%	9%↓	11%	14%
<b>Specific impact of COVID-19 on parts of the business (decrease)</b>																	
Revenue	57%	49%↓	62%	58%	57%	58%	66%↑	51%	55%	47%	51%	52%	42%↓	53%	72%↑	73%↑	52%
Profit margin	54%	43%↓	54%	62%	42%↓	58%	64%↑	45%	55%	44%	50%	53%	42%	51%	69%↑	71%↑	47%
Sales volume	54%	48%	55%	60%	45%	57%	60%	42%↓	52%	48%	50%	52%	46%	51%	70%↑	70%↑	47%
Customers paying with cash	45%	30%↓	42%	59%↑	35%	46%	45%	30%↓	38%	34%	49%	44%	27%↓	40%	67%↑	61%↑	60%↑
Staff morale/positivity	42%	37%	53%↑	48%	31%↓	48%	62%↑	29%↓	47%	46%	50%	38%	37%	33%	36%	52%	24%↓
Number of staff	37%	33%	40%	47%	30%	36%	35%	24%↓	37%	31%	37%	40%	41%	33%	51%↑	44%	29%
Operational expenses other than staff	32%	24%↓	34%	46%↑	22%	35%	34%	26%	32%	31%	26%	27%	33%	33%	37%	41%	27%
Outsourcing of business functions/support	26%	16%↓	22%	28%	18%	24%	35%↑	22%	21%	24%	26%	21%	25%	25%	32%	40%↑	29%
Digitisation of business processes/functions	20%	14%↓	23%	22%	16%	17%	21%	16%	21%	22%	23%	15%	20%	14%	30%↑	27%	19%
Brand reputation	14%	11%	10%	14%	13%	11%	20%↑	13%	17%	21%↑	16%	13%	11%	10%	21%↑	16%	5%↓
<b>Received government funding to support business during COVID-19</b>																	
Yes	51%	46%↓	47%	33%↓	50%	52%	47%	42%↓	50%	38%↓	57%	46%	58%	75%↑	31%↓	65%↑	76%↑
<b>Borrowed money to support business during COVID-19</b>																	
Yes	42%	36%	35%	46%	34%	36%	44%	25%↓	38%	32%↓	47%	31%↓	42%	42%	54%↑	47%	79%↑
<b>Main sources of funding during COVID-19 (top three globally)</b>																	
Bank (loan, overdraft, line of credit, credit cards)	45%	36%	36%	48%	31%	40%	50%	28%	30%	23%↓	40%	43%	35%	44%	61%↑	57%	72%↑
Government subsidy	28%	29%	31%	13%	24%	39%	28%	26%	27%	14%	20%	30%	23%	33%	15%↓	32%	52%↑
Personal asset/finances	25%	21%	29%	13%	25%	16%	19%	14%	26%	24%	26%	18%	35%	22%	40%↑	41%↑	21%
<b>Concerned about repaying the loan</b>																	
Not concerned	6%	12%	10%	2%	3%	14%↑	1%↓	12%	5%	9%	6%	11%	1%↓	3%	8%	3%	5%
Slightly/moderately concerned	65%	55%	66%	53%	66%	51%↓	66%	68%	66%	57%	66%	62%	85%↑	65%	69%	61%	75%↑
Very/extremely concerned	29%	33%	24%	45%	31%	35%	33%	20%	28%	34%	28%	27%	14%	32%	23%	37%	20%

↑ Indicates significantly higher ↓ Indicates significantly lower

# Global comparison – bank/financial service provider currently used

Type of financial institution currently used	All countries	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam
Bank with branches	64%	68%	64%	69%	64%	66%	66%	60%	71%	51%↓	65%	64%	50%↓	64%	68%	73%	68%
FinTech	20%	21%	13%	25%	16%	15%	18%	14%	22%	22%	23%	14%	26%	22%	21%	28%	24%
A large corporation that traditionally provides non-financial services	20%	16%	15%	17%	15%	19%	24%	15%	13%	18%	20%	16%	30%↑	17%	18%	22%	41%↑
Internet/telephone-only bank	17%	15%	16%	17%	17%	14%	15%	18%	18%	20%	13%	13%	19%	13%	23%	26%↑	19%
A Big Tech corporation	16%	15%	12%	7%	15%	14%	14%	11%	11%	17%	13%	12%	27%↑	21%	16%	18%	34%↑
Other financial services company	8%	10%	8%	7%	6%	6%	3%↓	4%	6%	8%	6%	5%	9%	8%	12%	11%	12%
<b>Business banking products currently held</b>																	
Business credit card(s)	36%	52%↑	49%↑	49%	30%	45%↑	33%	35%	31%	29%↓	36%	45%	26%↓	27%↓	22%↓	34%	33%
Business savings account	35%	46%↑	45%	28%	18%↓	40%	24%↓	38%	22%↓	21%↓	30%	38%	39%	26%↓	55%↑	54%↑	30%
Business transaction/deposit account	32%	29%	33%	69%↑	22%↓	31%	17%↓	25%	19%↓	14%↓	26%	44%↑	36%	38%	45%↑	40%↑	27%
Business loan	31%	29%	33%	26%	24%	27%	26%	27%	25%	23%↓	36%	30%	24%	32%	36%	48%↑	57%↑
Line of credit	27%	37%↑	35%	48%↑	28%	19%↓	32%	21%	22%	23%	23%	24%	23%	27%	21%	21%	30%
Business insurance products	24%	25%	25%	20%	17%↓	31%↑	25%	34%↑	18%	18%↓	21%	27%	26%	18%	25%	29%	28%
Business management products (payroll, accounting)	24%	34%↑	24%	18%	20%	25%	16%↓	13%↓	16%↓	11%↓	18%	21%	26%	26%	30%	40%↑	39%↑
Business overdraft	23%	20%	30%	31%	20%	38%↑	23%	25%	13%↓	14%↓	24%	27%	23%	15%	11%↓	27%	23%
Payment products (other than credit card/merchant services)	17%	19%	10%↓	14%	17%	13%	13%	17%	13%	11%	14%	13%	21%	21%	16%	25%↑	29%↑
Foreign currency accounts	16%	8%↓	18%	6%↓	14%	15%	15%	12%	16%	15%	16%	8%↓	21%	24%↑	17%	28%↑	21%
Asset finance (hire purchase, leasing)	15%	12%	8%↓	18%	7%↓	12%	23%↑	14%	5%↓	14%	12%	14%	25%↑	13%	25%↑	23%↑	22%↑
Merchant services	15%	26%↑	22%	11%	11%	20%	14%	13%	9%↓	8%↓	14%	28%↑	18%	9%↓	15%	10%	14%
Risk management products (credit risk, regulatory compliance)	13%	13%	11%	9%	9%	11%	13%	11%	9%	13%	13%	13%	18%	9%	15%	16%	25%↑
Foreign exchange services	12%	9%	18%	9%	8%	10%	11%	7%	11%	11%	13%	10%	26%↑	15%	10%	15%	13%
Offshore banking products	9%	6%	5%	3%	7%	6%↓	11%	13%	11%	11%	10%	6%	18%↑	8%	9%	8%	17%↑

Indicates significantly higher  
 Indicates significantly lower

# Global comparison – satisfaction with bank/financial service provider

	All countries																
	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam	
<b>Overall satisfaction with primary financial service provider</b>																	
Average score (out of 5)	3.8	4.0↑	3.8	3.7	3.7	3.9	3.5↓	3.7	3.6↓	3.4↓	3.8	3.9	3.6↓	3.7	4.0↑	3.9	4.4↑
<b>Satisfaction with aspects of primary financial service provider (average score out of 5)</b>																	
Trusted partner/adviser	3.8	3.9↑	3.7	3.8	3.8	3.8	3.6↓	3.7	3.7	3.5↓	3.5↓	3.8	3.7	3.8	4.0↑	3.9	4.3↑
Responsive to my requests	3.8	4.0↑	3.7	3.8	3.8	3.8	3.6↓	3.7	3.7	3.5↓	3.6	3.7	3.6	3.7	3.9	3.9	4.3↑
Makes me feel valued as a customer	3.7	3.9↑	3.7	3.7	3.8	3.7	3.6↓	3.6↓	3.6	3.4↓	3.4↓	3.7	3.7	3.7	4.0↑	3.9	4.3↑
Provides a personal/customised service	3.7	3.9↑	3.7	3.8	3.6	3.7	3.5↓	3.5↓	3.6	3.4↓	3.5↓	3.7	3.7	3.7	3.9	3.9	4.2↑
Understanding of my business	3.7	3.9↑	3.6	3.6	3.7	3.7	3.7	3.5↓	3.5↓	3.4↓	3.5↓	3.7	3.7	3.8	3.9↑	3.9	4.2↑
Offers a streamlined digital experience	3.7	3.9↑	3.6	3.8	3.5↓	3.7	3.6↓	3.5↓	3.5↓	3.4↓	3.5↓	3.8	3.7	3.7	3.9↑	3.8	4.1↑
Provides flexibility to switch products/services that best suit business's needs	3.7	3.9↑	3.6	3.7	3.7	3.6	3.6	3.5↓	3.6	3.4↓	3.5	3.7	3.7	3.7	3.9↑	3.7	4.2↑
Speed of credit decision-making/access to cash	3.7	3.9↑	3.7	3.7	3.6	3.7	3.6	3.5↓	3.5↓	3.3↓	3.4↓	3.7	3.6	3.7	3.9	3.7	4.3↑
Brings me innovative financial solutions/services to help solve business problems	3.6	3.9↑	3.7	3.6	3.6	3.6	3.6	3.4↓	3.6	3.5↓	3.4↓	3.6	3.6	3.6	3.9↑	3.8	4.2↑
Understanding of my industry	3.6	3.8↑	3.6	3.6	3.6	3.6	3.5	3.5↓	3.5	3.4↓	3.5↓	3.6	3.6	3.7	3.9↑	3.8	4.1↑
Application/on-boarding processes when taking out a new product	3.6	3.8↑	3.6	3.6	3.6	3.7	3.5↓	3.5↓	3.5	3.4↓	3.5↓	3.7	3.6	3.6	3.9↑	3.8↑	4.1↑
Makes me feel like they are invested in my business	3.6	3.8↑	3.6	3.6	3.6	3.6	3.5↓	3.3↓	3.6	3.4↓	3.4↓	3.6	3.5	3.7	3.8↑	3.7	4.1↑
Regularly reaches out to check in on my business	3.6	3.8↑	3.5	3.5	3.5	3.5	3.6	3.4↓	3.4	3.3↓	3.1↓	3.6	3.6	3.6	3.8↑	3.6	4.2↑

 Indicates significantly higher  
 Indicates significantly lower

# Global comparison – relationship with bank/financial provider

	All countries																
	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam	
<b>Trustworthiness of types of financial service providers (average score out of 10)</b>																	
Bank with branches	7.6	7.8	7.8	8.3↑	7.7	7.5	7.3	7.0↓	7.1↓	6.8↓	7.2↓	7.5	7.3	7.5	8.3↑	8.1↑	8.8↑
Other financial services company	6.9	7.1↑	6.7	7.7↑	6.7	6.8	6.9	6.3↓	6.0↓	6.2↓	6.3↓	6.5↓	7	6.7	7.6↑	7.2↑	8.5↑
A large corporation that traditionally provides non-financial services	6.7	6.9	6.6	7.3↑	6.4	6.6	6.7	6.3↓	5.9↓	6.4↓	6.4	6.2↓	6.5	6.9	7.1↑	7.3↑	8.4↑
A Big Tech corporation	6.7	6.8	6.4	7.9↑	6.4	6.5	6.7	5.9↓	5.7↓	6.1↓	6.2↓	6.2↓	6.5	6.7	7.7↑	7.5↑	8.4↑
FinTech	6.6	6.7	6.5	7.6↑	6.3	6.4	6.9↑	6.2↓	5.9↓	6.3↓	6.6	6.2↓	6.5	6.6	6.5	7.1↑	8.2↑
Internet/telephone-only bank	6.6	6.6	6.4	7.7↑	6.4	6.5	6.6	6.2↓	6.1↓	6.4	6.2	6.3	6.5	6.5	5.9↓	6.9	7.8↑
<b>Current relationship level with primary financial service provider</b>																	
No relationship at all	7%	4%↓	11%	5%	8%	9%	4%	6%	9%	17%↑	10%	10%	6%	3%	4%	6%	2%↓
Some relationship	25%	18%↓	27%	17%	22%	31%↑	26%	37%↑	29%	30%	34%↑	24%	32%	26%	14%↓	20%	16%↓
Good relationship	50%	51%	41%	50%	53%	49%	57%	48%	54%	46%	43%	51%	52%	58%	59%↑	57%	26%↓
Strong relationship	18%	28%↑	22%	28%↑	17%	12%↓	13%	9%↓	9%↓	7%↓	13%	15%	10%	12%	23%	17%	56%↑
<b>Desired relationship level with primary financial service provider</b>																	
No relationship at all	5%	4%	6%	3%	5%	5%	3%	7%	6%	11%↑	6%	8%	5%	3%	3%	0%↓	2%
Some relationship	19%	12%↓	19%	9%↓	17%	22%	19%	29%↑	28%↑	30%↑	27%↑	23%	24%	17%	11%↓	12%	8%↓
Good relationship	49%	47%	46%	43%	60%↑	52%	56%	50%	49%	51%	49%	43%	52%	59%	50%	56%	28%↓
Strong relationship	26%	36%↑	29%	45%↑	18%↓	21%↓	21%	14%↓	16%↓	8%↓	18%↓	26%	19%	21%	36%↑	32%	62%↑
<b>Have a relationship manager with primary financial provider</b>																	
Yes	63%	62%	53%	87%↑	74%↑	58%	64%	61%	63%	44%↓	54%	51%↓	65%	67%	52%↓	65%	83%↑
<b>Overall satisfaction with relationship manager (average score out of 5)</b>																	
Average score (out of 5)	3.9	4.2↑	4	3.7	4	3.9	3.7↓	3.7↓	3.8	3.6↓	3.5↓	3.9	3.6↓	3.7↓	4	4.1↑	4.5↑

 Indicates significantly higher  
 Indicates significantly lower

# Global comparison – expectation of bank/financial provider

	All countries																
	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam	
<b>Expectation of financial service provide and/or relationship manager (average score out of 5 excl. don't know/not applicable)</b>																	
I'd like my financial services provider to do the basics well (processing payments, fast access to funding) before offering my business any value-added services (tailored advice)	4.1	4.1	4	4	4	4.1	4	4	3.9	3.8↓	4	4.0↑	4.0↑	4.1↑	4.2	4.2	4.5
It's important that my financial service provider/relationship manager has a clear understanding of my business and our strategic direction	4.1	4.1	4	4.2	3.9	4.1	4	3.9↓	3.9	3.8↓	3.8↓	4.0↑	4.0↑	4.1↑	4.2	4.3	4.3
It's important that my financial service provider/relationship manager has a deep understanding of my industry/sector	4.0	4	3.8↓	4.1	3.9	3.9	4	3.9	3.9	3.7↓	3.8	4.0↑	4.0↑	4.0↑	4.2	4.3	4.4
I'd like my financial service provider/relationship manager to be more involved in my business and help with the development of long-term plans/strategies /solutions	3.8	3.8	3.7	3.8	3.6↓	3.6↓	3.9	3.6	3.5↓	3.5↓	3.6	3.7↑	4.0↑	3.8↑	4	4.2↑	4.2
<b>Consider switching main financial provider (likely/very likely)</b>																	
Total likely	36%	36%	25%↓	37%	35%	30%↓	42%	26%↓	34%	40%	30%	24%↓	48%↑	35%	49%↑	37%	51%↑
<b>Types of organizations would consider switching to (top five globally)</b>																	
Bank with branches	43%	44%	54%	46%	38%	46%	48%	40%	44%	32%	37%	56%	33%	45%	47%	50%	43%
FinTech	31%	31%	23%	41%	32%	38%	29%	18%	15%↓	28%	17%	23%	39%	33%	37%	43%	32%
A large corporation that traditionally provides non-financial services	30%	33%	16%	20%	26%	30%	21%	29%	29%	25%	27%	23%	45%	30%	23%	38%	48%↑
A Big Tech corporation	26%	33%	13%	12%	15%	16%↓	21%	18%	13%	26%	24%	29%	29%	30%	36%	32%	46%↑
Internet/telephone-only bank	24%	28%	29%	19%	21%	29%	23%	20%	33%	20%	21%	15%	31%	21%	24%	15%	28%

 Indicates significantly higher  
 Indicates significantly lower

# Global comparison – sources of finances and requirements

	All countries																
	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam	
<b>Sources of finances considered when need to access money for the business (outside the COVID-19 pandemic)</b>																	
Bank (loan, overdraft, line of credit, credit cards)	45%	46%	43%	49%	39%	45%	45%	41%	34%↓	29%↓	43%	49%	41%	36%	54%	55%	67%↑
Personal asset/finances	29%	33%	34%	23%	32%	20%↓	27%	20%↓	32%	23%	25%	28%	33%	25%	44%↑	38%	33%
Government funding/subsidy	28%	27%	26%	14%↓	28%	34%	30%	18%↓	26%	22%	26%	26%	28%	39%	26%	32%	48%↑
Business grant	22%	25%	22%	19%	26%	34%↑	16%	19%	23%	16%	27%	22%	27%	36%↑	7%↓	16%	22%
Loan from family or friend	18%	17%	19%	13%	17%	15%	12%	13%	21%	19%	16%	13%	28%↑	16%	20%	20%	32%↑
Venture capital	17%	16%	16%	10%	18%	14%	22%	10%↓	18%	11%	15%	14%	17%	20%	45%↑	18%	13%
FinTech	14%	18%	11%	20%	12%	12%	15%	11%	12%	12%	11%	14%	14%	10%	13%	25%↑	19%
Sell shares	13%	16%	7%	19%	13%	12%	10%	11%	14%	17%	17%	11%	16%	10%	6%↓	18%	14%
Crowdfunding	13%	11%	9%	17%	10%	10%	12%	12%	14%	11%	12%	9%	14%	14%	11%	17%	24%↑
Business angels	12%	12%	7%	8%	16%	11%	9%	16%	16%	12%	6%↓	10%	19%	15%	18%	16%	8%
Peer-to-peer (P2P) lending	12%	11%	11%	8%	7%	7%↓	14%	7%	12%	10%	13%	9%	14%	9%	17%	17%	21%↑
<b>Importance of the following aspects when selecting a financial service provider for a loan (very/extremely important)</b>																	
Cost/interest rate offered	70%	71%	61%	82%	70%	69%	62%	58%↓	60%	56%↓	70%	69%	60%	81%	74%	82%↑	82%↑
Speed of decision/release of money	66%	69%	61%	83%↑	64%	61%	65%	62%	64%	53%↓	60%	60%	52%	69%	71%	68%	80%↑
Chance of being funded	64%	71%↑	55%	76%	60%	61%	69%	52%	62%	55%	54%	58%	58%	61%	74%	65%	76%↑
Flexibility of products offered	62%	61%	56%	74%	61%	54%	60%	49%	55%	55%	55%	58%	51%	53%	75%↑	74%↑	82%↑
Has good knowledge of my industry	61%	61%	58%	73%	47%↓	55%	56%	56%	49%	49%	57%	62%	45%↓	64%	75%↑	64%	81%↑
Existing relationship with the lender	56%	59%	49%	77%↑	55%	45%↓	49%	47%	49%	43%	49%	45%	58%	52%	63%	59%	70%↑
Provides an easy-to-use digital experience	53%	55%	52%	71%↑	36%↓	51%	48%	44%	42%	43%	43%	53%	44%	57%	61%	61%	69%↑
Offers telephone/online support	53%	56%	43%	77%↑	41%	46%	50%	47%	43%	35%↓	52%	49%	49%	46%	67%↑	54%	67%↑
A single point of contact	53%	57%	51%	36%↓	52%	50%	45%	57%	48%	38%↓	44%	49%	56%	63%	54%	57%	75%↑
Can connect me with companies that complement my business	51%	48%	44%	63%	26%↓	41%↓	47%	32%↓	40%	35%↓	49%	48%	46%	52%	67%↑	66%↑	76%↑
No collateral required for loan	50%	52%	50%	52%	43%	48%	47%	43%	34%↓	46%	48%	47%	53%	53%	49%	63%↑	58%
Physical presence	45%	46%	39%	50%	47%	35%↓	48%	34%	47%	40%	45%	41%	38%	46%	53%	47%	60%↑

↑ Indicates significantly higher ↓ Indicates significantly lower

# Global comparison – professional support desired for the top internal and external challenges/opportunities

	All countries																
	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam	
<b>Professional support desired for internal challenges/opportunities</b>																	
Total finance	34%	31%	29%	34%	31%	26%↓	37%	18%↓	29%	19%↓	30%	36%	37%	34%	37%	49%↑	60%↑
Total growth	23%	22%	15%	34%↓	17%	15%↓	22%	13%↓	23%	14%↓	16%	23%	23%	27%	40%↑	36%↑	29%
Total operational management	17%	14%	12%	17%	13%	16%	14%	13%	13%	7%↓	10%	13%	17%	17%	32%↑	28%↑	28%↑
Total technology	15%	15%	13%	18%	12%	10%↓	17%	12%	15%	13%	12%	16%	14%	15%	25%↑	19%	15%
Total risks	13%	14%	13%	14%	11%	10%	13%	7%↓	9%	9%	12%	15%	11%	14%	17%	11%	35%↑
Total HR	7%	9%	9%	5%	12%	8%	7%	9%	6%	10%	6%	8%	7%	7%	2%↓	6%	8%
<b>Professional support desired for external challenges/opportunities</b>																	
Total COVID-19 pandemic	33%	26%↓	39%	26%	25%	34%	38%	17%↓	32%	32%	36%	31%	28%	33%	42%↑	43%↑	53%↑
Total other external influences	15%	16%	14%	11%	13%	16%	12%	12%	16%	13%	14%	13%	35%↑	14%	12%	19%	14%
Total political instability	8%	9%	6%	3%	4%↓	22%↑	7%	4%↓	7%	7%	17%↑	5%	11%	8%	5%	8%	6%

 Indicates significantly higher  
 Indicates significantly lower

# Global comparison – opportunities to grow

	All countries	US	Canada	Brazil	Germany	UK	Italy	Netherlands	Switzerland	Belgium	Ireland	Australia	Hong Kong	Singapore	Indonesia	Malaysia	Vietnam
<b>Services offered by financial providers that would help to better support business</b>																	
Trusted advisor	66%	63%	60%	83% <span style="color: green;">↑</span>	63%	58% <span style="color: red;">↓</span>	66%	51% <span style="color: red;">↓</span>	58%	41% <span style="color: red;">↓</span>	58%	66%	62%	61%	85% <span style="color: green;">↑</span>	82% <span style="color: green;">↑</span>	93% <span style="color: green;">↑</span>
Faster credit	62%	59%	59%	85% <span style="color: green;">↑</span>	49% <span style="color: red;">↓</span>	51% <span style="color: red;">↓</span>	65%	42% <span style="color: red;">↓</span>	52% <span style="color: red;">↓</span>	36% <span style="color: red;">↓</span>	65%	61%	59%	63%	80% <span style="color: green;">↑</span>	74% <span style="color: green;">↑</span>	90% <span style="color: green;">↑</span>
Business management functions	61%	59%	57%	76% <span style="color: green;">↑</span>	51% <span style="color: red;">↓</span>	54% <span style="color: red;">↓</span>	61%	41% <span style="color: red;">↓</span>	48% <span style="color: red;">↓</span>	43% <span style="color: red;">↓</span>	59%	55%	65%	66%	81% <span style="color: green;">↑</span>	74% <span style="color: green;">↑</span>	90% <span style="color: green;">↑</span>
Development of sustainable business model	59%	54%	47% <span style="color: red;">↓</span>	77% <span style="color: green;">↑</span>	50%	46% <span style="color: red;">↓</span>	62%	43% <span style="color: red;">↓</span>	50%	41% <span style="color: red;">↓</span>	53%	48% <span style="color: red;">↓</span>	60%	61%	84% <span style="color: green;">↑</span>	81% <span style="color: green;">↑</span>	90% <span style="color: green;">↑</span>
Tailored networking	57%	53%	49%	67% <span style="color: green;">↑</span>	46% <span style="color: red;">↓</span>	45% <span style="color: red;">↓</span>	55%	41% <span style="color: red;">↓</span>	48%	38% <span style="color: red;">↓</span>	56%	54%	62%	64%	79% <span style="color: green;">↑</span>	72% <span style="color: green;">↑</span>	86% <span style="color: green;">↑</span>
Single integrated platform	56%	56%	52%	77% <span style="color: green;">↑</span>	50%	48% <span style="color: red;">↓</span>	61%	43% <span style="color: red;">↓</span>	45% <span style="color: red;">↓</span>	39% <span style="color: red;">↓</span>	48%	52%	53%	52%	72% <span style="color: green;">↑</span>	70% <span style="color: green;">↑</span>	79% <span style="color: green;">↑</span>
Subscription-based financial services	50%	42% <span style="color: red;">↓</span>	43%	66% <span style="color: green;">↑</span>	37% <span style="color: red;">↓</span>	37% <span style="color: red;">↓</span>	54%	35% <span style="color: red;">↓</span>	44%	35% <span style="color: red;">↓</span>	44%	40% <span style="color: red;">↓</span>	57%	47%	78% <span style="color: green;">↑</span>	71% <span style="color: green;">↑</span>	77% <span style="color: green;">↑</span>
<b>Willingness to use these services via a bank</b>																	
Faster credit	38%	36%	40%	59% <span style="color: green;">↑</span>	26% <span style="color: red;">↓</span>	32%	41%	20% <span style="color: red;">↓</span>	31%	17% <span style="color: red;">↓</span>	39%	35%	31%	37%	55% <span style="color: green;">↑</span>	47% <span style="color: green;">↑</span>	61% <span style="color: green;">↑</span>
Trusted advisor	37%	40%	38%	42%	42%	34%	33%	33%	33%	21% <span style="color: red;">↓</span>	33%	41%	30%	32%	48% <span style="color: green;">↑</span>	42%	60% <span style="color: green;">↑</span>
Business management functions	27%	30%	28%	31%	18% <span style="color: red;">↓</span>	25%	21% <span style="color: red;">↓</span>	11% <span style="color: red;">↓</span>	16% <span style="color: red;">↓</span>	12% <span style="color: red;">↓</span>	26%	22%	33%	28%	41% <span style="color: green;">↑</span>	38% <span style="color: green;">↑</span>	55% <span style="color: green;">↑</span>
Development of sustainable business model	26%	21%	15% <span style="color: red;">↓</span>	34% <span style="color: green;">↑</span>	16% <span style="color: red;">↓</span>	20% <span style="color: red;">↓</span>	24%	17% <span style="color: red;">↓</span>	17% <span style="color: red;">↓</span>	10% <span style="color: red;">↓</span>	15% <span style="color: red;">↓</span>	20%	28%	26%	54% <span style="color: green;">↑</span>	40% <span style="color: green;">↑</span>	57% <span style="color: green;">↑</span>
Single integrated software platform	22%	24%	19%	38% <span style="color: green;">↑</span>	16%	19%	21%	9% <span style="color: red;">↓</span>	18%	11% <span style="color: red;">↓</span>	18%	24%	27%	14% <span style="color: red;">↓</span>	39% <span style="color: green;">↑</span>	22%	37% <span style="color: green;">↑</span>
Tailored networking	22%	18%	20%	21%	17%	15% <span style="color: red;">↓</span>	16%	14%	16%	12% <span style="color: red;">↓</span>	18%	14% <span style="color: red;">↓</span>	30% <span style="color: green;">↑</span>	23%	41% <span style="color: green;">↑</span>	32% <span style="color: green;">↑</span>	46% <span style="color: green;">↑</span>
Subscription-based financial services	19%	17%	13%	20%	14%	14% <span style="color: red;">↓</span>	13%	8% <span style="color: red;">↓</span>	16%	7% <span style="color: red;">↓</span>	17%	13%	21%	17%	43% <span style="color: green;">↑</span>	35% <span style="color: green;">↑</span>	41% <span style="color: green;">↑</span>
<b>Willingness to pay an additional service fee for these services</b>																	
Trusted advisor	26%	28%	19%	32%	22%	19% <span style="color: red;">↓</span>	23%	16% <span style="color: red;">↓</span>	18%	13% <span style="color: red;">↓</span>	21%	21%	22%	21%	37% <span style="color: green;">↑</span>	38% <span style="color: green;">↑</span>	60% <span style="color: green;">↑</span>
Faster credit	26%	22%	22%	38% <span style="color: green;">↑</span>	18%	18% <span style="color: red;">↓</span>	26%	16% <span style="color: red;">↓</span>	18%	11% <span style="color: red;">↓</span>	30%	18% <span style="color: red;">↓</span>	16%	28%	43% <span style="color: green;">↑</span>	39% <span style="color: green;">↑</span>	48% <span style="color: green;">↑</span>
Business management functions	22%	24%	18%	22%	15%	15% <span style="color: red;">↓</span>	16%	11% <span style="color: red;">↓</span>	12% <span style="color: red;">↓</span>	12% <span style="color: red;">↓</span>	19%	17%	35% <span style="color: green;">↑</span>	18%	36% <span style="color: green;">↑</span>	30% <span style="color: green;">↑</span>	51% <span style="color: green;">↑</span>
Development of sustainable business model	20%	16%	14%	25%	13%	12% <span style="color: red;">↓</span>	18%	13%	11% <span style="color: red;">↓</span>	10% <span style="color: red;">↓</span>	15%	13% <span style="color: red;">↓</span>	21%	20%	43% <span style="color: green;">↑</span>	33% <span style="color: green;">↑</span>	45% <span style="color: green;">↑</span>
Tailored networking	18%	14%	13%	14%	12%	11% <span style="color: red;">↓</span>	14%	8% <span style="color: red;">↓</span>	15%	12%	18%	15%	27% <span style="color: green;">↑</span>	21%	30% <span style="color: green;">↑</span>	25% <span style="color: green;">↑</span>	38% <span style="color: green;">↑</span>
Single integrated software platform	17%	18%	14%	27% <span style="color: green;">↑</span>	11%	13% <span style="color: red;">↓</span>	20%	7% <span style="color: red;">↓</span>	14%	9% <span style="color: red;">↓</span>	12%	14%	20%	12%	31% <span style="color: green;">↑</span>	18%	37% <span style="color: green;">↑</span>
Subscription-based financial services	16%	16%	8% <span style="color: red;">↓</span>	15%	13%	10% <span style="color: red;">↓</span>	11%	7% <span style="color: red;">↓</span>	17%	7% <span style="color: red;">↓</span>	14%	11%	24% <span style="color: green;">↑</span>	15%	30% <span style="color: green;">↑</span>	28% <span style="color: green;">↑</span>	37% <span style="color: green;">↑</span>
<b>Interest in sharing more business data with financial provider for better services (average score out of 5)</b>																	
Average score (out of 5)	3.4	3.6 <span style="color: red;">↓</span>	3.1 <span style="color: red;">↓</span>	3.7 <span style="color: green;">↑</span>	3.3	3.1 <span style="color: red;">↓</span>	3.5	3.2 <span style="color: red;">↓</span>	3.1 <span style="color: red;">↓</span>	3.0 <span style="color: red;">↓</span>	3.4	3.2 <span style="color: red;">↓</span>	3.5	3.4	3.7 <span style="color: green;">↑</span>	3.6 <span style="color: green;">↑</span>	4.2 <span style="color: green;">↑</span>
<b>Importance of running a sustainable business (average score out of 5)</b>																	
Average score (out of 5)	3.7	3.8 <span style="color: green;">↑</span>	3.6	4.0 <span style="color: green;">↑</span>	3.7	3.5 <span style="color: red;">↓</span>	3.6	3.4 <span style="color: red;">↓</span>	3.6	3.2 <span style="color: red;">↓</span>	3.6	3.6	3.5	3.6	3.9 <span style="color: green;">↑</span>	3.9 <span style="color: green;">↑</span>	4.4 <span style="color: green;">↑</span>

↑ Indicates significantly higher ↓ Indicates significantly lower

Appendix 2:

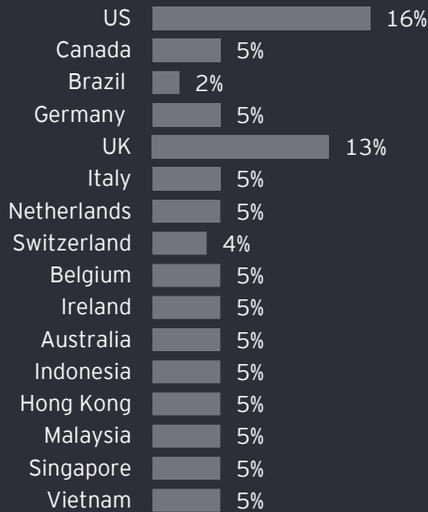
Profile of the

SMEs



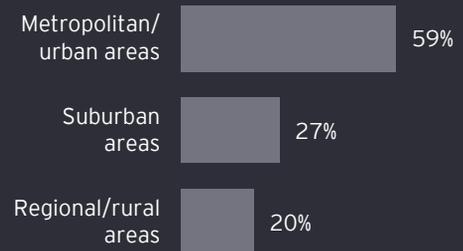
# SME profile

## Country



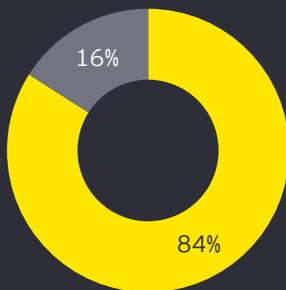
Base: n=5,698  
Country

## Region



Base: n=5,698  
S6. Is your business premise(s) located in a metropolitan/urban area, regional/ rural area or suburban area?

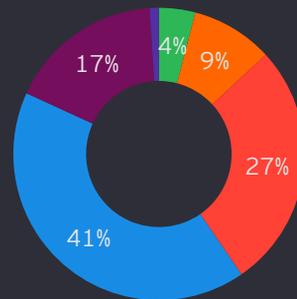
## Business size (no. of employees)



- Small businesses (10-49 employees)
- Medium businesses (50-249 employees)

Base: n=5,698  
S7. How many full-time equivalent employees work in the business (nationally)?

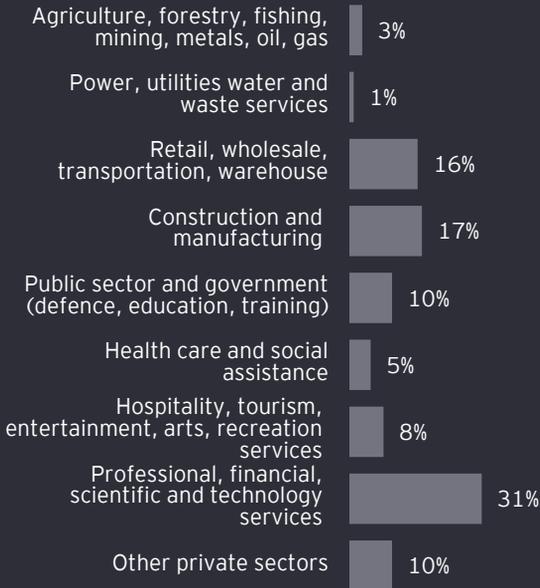
## Business current life cycle



- Conception
- Start-up
- Growth/rapid growth
- Maturity/Stabilise
- Decline
- Exit

Base: n=5,698  
Q2. And which of the following best describes the life cycle stage of your business currently?

## Industries



Base: n=5,698  
S3. What sector does your business operate in?

## Business tenure



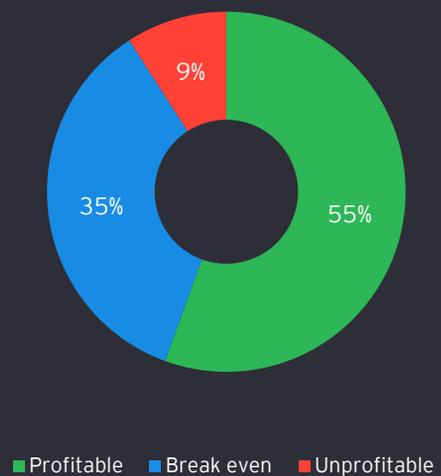
Base: n=5,698  
S4. How long has your business been operating?

## Turnover (US\$)



Base: n=5,698  
S8. What is your business's annual revenue before tax?

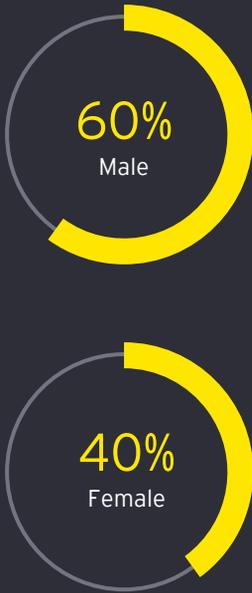
## Profitability



Base: n=5,698  
D2. Which of the following best describes your business's current financial situation?

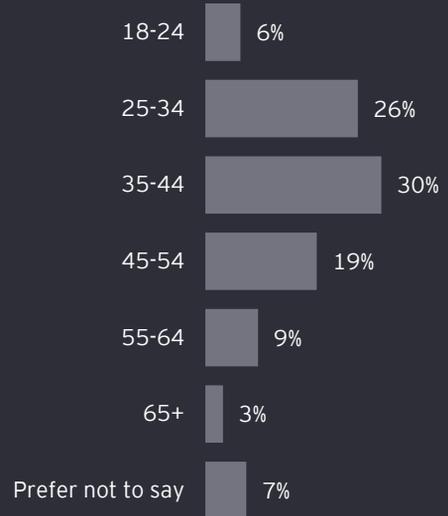
# Respondent profile

## Gender



Base: n=5,698  
D4. Gender

## Age



Base: n=5,698  
D3. How old are you?

## Number of years within the business



Base: n=5,698  
S11. How long have you been working for the business?

## Role



Base: n=5,698  
S10. What is your role in the business?

# Contacts

For further information, please contact a member of the EY's global Banking and Capital Markets team

## APAC

---



### Andrew Gilder

EY Asia-Pacific Banking and Capital Markets Leader; Global Corporate Commercial and SME Banking Consulting Leader  
+65 6309 8281  
[andrew.gilder@sg.ey.com](mailto:andrew.gilder@sg.ey.com)  
[Andrew Gilder | LinkedIn](#)



### Abhay Chauhan

EY Asia-Pacific Corporate, Commercial, and SME Banking, Director  
+65 6309 6292  
[abhay.chauhan@sg.ey.com](mailto:abhay.chauhan@sg.ey.com)  
[Abhay Chauhan | LinkedIn](#)

## US

---



### Matt Cox

EY Americas Corporate, EY Americas Corporate, Commercial and SME Banking Consulting, Leader  
+1 704 350 9044  
[matt.cox@ey.com](mailto:matt.cox@ey.com)  
[Matt Cox | LinkedIn](#)



### Govind Iyengar

EY Americas Corporate, EY Americas Corporate, Commercial and SME Banking Consulting, Senior Manager  
+1 812 679 7501  
[govind.iyengar@ey.com](mailto:govind.iyengar@ey.com)  
[Govind Iyengar | LinkedIn](#)

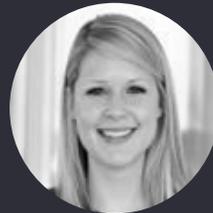
## EMEIA

---



### Anita Kimber

EY EMEIA Business Transformation Leader  
+44 (0) 7775 004847  
[anita.kimber@uk.ey.com](mailto:anita.kimber@uk.ey.com)  
[Anita Kimber | LinkedIn](#)



### Olivia Nicklin

EY EMEIA Corporate, EY Americas Corporate, EY EMEIA Corporate, Commercial and SME Banking Consulting, Director  
+44 20 7951 8798  
[onicklin@uk.ey.com](mailto:onicklin@uk.ey.com)  
[Olivia Nicklin | LinkedIn](#)



### James Sankey

EY EMEIA Banking and Capital Markets, Director  
+44 77 689 27769  
[jsankey@uk.ey.com](mailto:jsankey@uk.ey.com)  
[James Sankey | LinkedIn](#)



### Karl Meekings

EY Global Banking & Capital Markets Lead Analyst  
+44 20 778 30081  
[kmeekings@uk.ey.com](mailto:kmeekings@uk.ey.com)  
[Karl Meekings | LinkedIn](#)

The research was designed, conducted and analyzed by the team from EY Sweeney, our end-to-end research practice. The core team was Marc L'Huillier, Stuart Attwood, Courtney Leo, Anne Ballagny and Catherine Price.

EY | Building a better working world

**EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.**

**Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.**

**Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

#### **What makes EY distinctive in financial services**

Over 84,000 EY professionals are dedicated to financial services, serving the banking and capital markets, insurance, and wealth and asset management sectors. We share a single focus – to build a better financial services industry, one that is stronger, fairer and more sustainable.

© 2021 EYGM Limited.  
All Rights Reserved.

XXXXX-XXXGbl

BMC Agency  
GA 213640122

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

[ey.com](https://ey.com)