



How to Best Serve Small Businesses and Capture the Wealth of Their Principals

A Financial Insights Study

Prospectus



How to Best Serve Small Businesses and Capture the Wealth of Their Principals

Although financial institutions serve small businesses with a range of product offerings, there is little independent data examining the ways these businesses interact with financial service providers. This data is key to determining how to invest in technology to attract, retain and grow this important client base. This in-depth survey based research will capture small business owners' and principals' retail financial services activities and preferences providing insight into what influences their financial investment buying decisions.

In addition, the study focuses on the dynamics of small business services and their profitability to financial services providers. One of the reasons financial institutions invest in small business services is to capture the wealth of business owners and other principals and employees of the firm. This study will also interview owners and principals of small businesses to determine how satisfied they are with their financial service providers and how this data can translate into increased access to principals' personal wealth and wallet share for both their personal and business needs.

Qualifications and Methodology

Financial Insights will conduct 500 in-depth phone interviews with small business owners and principals within the United States. These interviews will review respondents habits with regard to their personal and business financial practices. Areas of focus will include channel usage, satisfaction with current providers, and integration of business and personal financial services providers.

Who Should Sponsor the Study

- Financial institutions with small business product offerings
- Financial institutions with wealth management product offerings
- Application software providers that offer small business services
- Core processors within the financial services industry

Benefits to Sponsors

This study will provide sponsors with insight into how small business owners use financial services. It will ask how they decide which services to purchase from their primary financial institution and which they source at alternative firms. Sponsors will understand better which services small businesses require, what are the drivers to dissatisfaction, who are the service providers that small businesses use.

The report findings and full survey results will be made available to sponsors with no limits regarding use of the research. Report findings can be used internally and externally and raw survey data can be used internally to derive additional information.

For Financial Institutions

Financial institutions have focused on both wealth management and small business to drive new revenues. By understanding the needs of small business owners and principals, financial institutions can better map their strategies and understand how effective product delivery can increase client satisfaction.

For Core Processors

As the strategic partners of small and mid-size banks and credit unions, core processors provide the products and delivery channels that their clients use to meet the needs of small businesses and their owners. The financial institutions that are served by core processors are those that have met the needs of small businesses best. How small businesses are using banking services now, and what products and channels should be strengthened to continue to meet their needs and tap owner wealth.

For Application Solution Providers

Very few financial institutions are developing product and channel solutions in-house. They are turning to vendors to provide these solutions for them. For small business strategies to mature vendors both must understand what is working now and how wealth management and small business products intersect.

Timing

Pre-sale cut-off date: May 30, 2003

Project start date and survey development: June 2003

Survey closes: July 18, 2003

Deliverables available: September 2003

Note: This study will launch when Financial Insights has secured the necessary number of client sponsors. Dates are subject to change.

Deliverables

- **Full study** – The report will include a detailed summary of the findings, respondent demographics, research conclusions, and Financial Insights' recommendations for turning the research results into executable business plans.

One hard copy of the full study report is included along with an electronic PDF file for internal distribution and Intranet posting.

- **Survey data** – Full detail of the survey data will be provided along with discussion on how the information may apply to your small business or brokerage customer base. One hard copy of the survey data is included.
- **Web conference** – A private scheduled webcast for sponsors to discuss the findings of the study, recommended action plans, with a live question-and-answer session.

Price

Project sponsorship – Includes all of the deliverables as specified above

- Cost \$20,000

In-person presentation of the results – Have a Financial Insights expert present the study results to your organization maximizing the impact and ensuring that the findings are leveraged by your employees and potential clients.

- Cost \$10,000 (plus travel and expense)

Financial Insights Advisory Service Clients may choose one additional deliverable:

- In-person presentation of the results
- Customized report or white paper
- In-person or webcast presentation to internal staff based on your business environment and specific objectives

Project Team

Jeanne Capachin, *Research Director, Corporate Banking*

Ms. Capachin focuses on corporate banking and business-to-business payments. Capachin possesses a wealth of banking industry experience, with particular expertise in payments and wholesale banking. Prior to joining Financial Insights, Capachin was director of education with the New England ACH Association (NEACH). In this position, Capachin was responsible for the association's educational offerings. Prior to joining NEACH, Capachin held positions in product management, operations management, and systems development and integration at Bank of Boston.

Shaw Lively, *Program Manager, Wealth Management*

Mr. Lively specializes in evaluating the impact of Internet technology on the investment industry, specifically in the area of wealth management. His areas of research include: market demand forecasting, competitive analysis and company profiles, development of business needs and strategies, the tracking of industry developments, and the assessment of new business models. Lively also analyzes the ongoing convergence of financial services in brokerage firms, specifically the integration of banking and insurance.

Maggie Scarborough, *Senior Analyst, Corporate Banking*

Ms. Scarborough focuses on cash and treasury management, small business banking, payments, security, integration, and core corporate banking technologies. Scarborough, a 25-year banking industry veteran, has extensive corporate banking experience in consulting, product management, software development, systems, marketing, and research working with banks, payment organizations, and technology firms.



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About Financial Insights, an IDC Company

Financial Insights provides independent research services to users and providers of financial industry technology. The company was formed in November 2002 by combining Meridien Research and the IDC Financial Services Advisory group. The Retail Financial Services practice offers four areas of focus: Payments, Channels, Customer Strategies and Wealth Management. The Capital Markets practice offers Trading Technologies and all aspects of Risk Management. The Corporate Banking practice covers cash management, wholesale payments, trade finance, and small business banking. Each practice delivers reports detailing new issues and challenges and uses its knowledge to advise clients on technology related decisions. Financial Insights is an IDC Company, headquartered in Framingham, MA. Visit <http://www.financial-insights.com/> for more information.

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