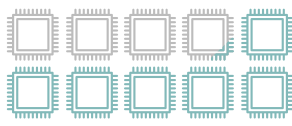# Unlocking big growth
in small businesses

It's a market that won't wait forever

Typically underserved by banks, SMEs are ripe for the picking by challenger brands and fintechs, who can deliver the funding requirements they need using their more tech-enabled and innovative approach to lending products.
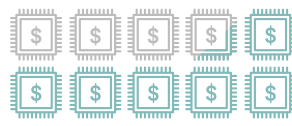
30-50%

SMEs make up 30-50% of the economy across EMEIA

Banks still have an opportunity to turn this around.

Although facing stiff competition, studies show that SMEs still trust banks more than fintechs or big tech brands.

Trust factor

When trust was rated on a scale of 1 to 10, banks came out higher than tech businesses. *Source: EY Survey*

Big tech firms – 62%

Fintechs – 64%

Banks – 72%

Banks have historically struggled to serve the SME segment properly and SMEs face specific challenges at different stages of their lifecycle.

Four distinct phases that shape SME needs

01 Startup

Needs
- Accessing initial funding
- Business set-up and advice
- Market knowledge

Solutions
- Smaller loans
- Wider set of risk criteria
- Insight/knowledge support
- Incubator forums for founders
- Toolbox of set-up services

02 Growth

Needs
- Fast access to growth capital
- Working capital
- Business management and scaling

Solutions
- Innovative approaches to risk
- Flexible payment terms
- Working capital loans
- Business admin solutions

03 Maturity

Needs
- Manage financing costs
- Cross-border financing
- Unlock growth opportunities
- Business efficiency

Solutions
- Cross-border working capital loans
- Trade financing for more complex SMEs
- Tools to simplify complex admin

04 Decline

Needs
- Manage cash flow
- Flexible repayment
- Pivot or exit the business

Solutions
- Loans based on tangible assets
- Non-finance tools to manage cash flow
- Access to M&A teams and buyer networks

We have identified five key success factors of a market-leading SME lender

01. Build deep customer relationships and understanding

02. Have a clear proposition or focus on a specific niche

03. Address SME needs holistically

04. Create a market-leading and modern digital customer experience

05. Embrace a cloud native core to enable flexibility