

# Strategic Insight Report: The Final Piece of the Puzzle?

*How banks can tailor advice to strengthen their SME offering.*

October 2011

The logo for RFI (Research Finance Institute) is a dark blue square containing the letters 'RFI' in a white, stylized, sans-serif font. The 'R' is the largest and most prominent, with the 'F' and 'I' stacked to its right.

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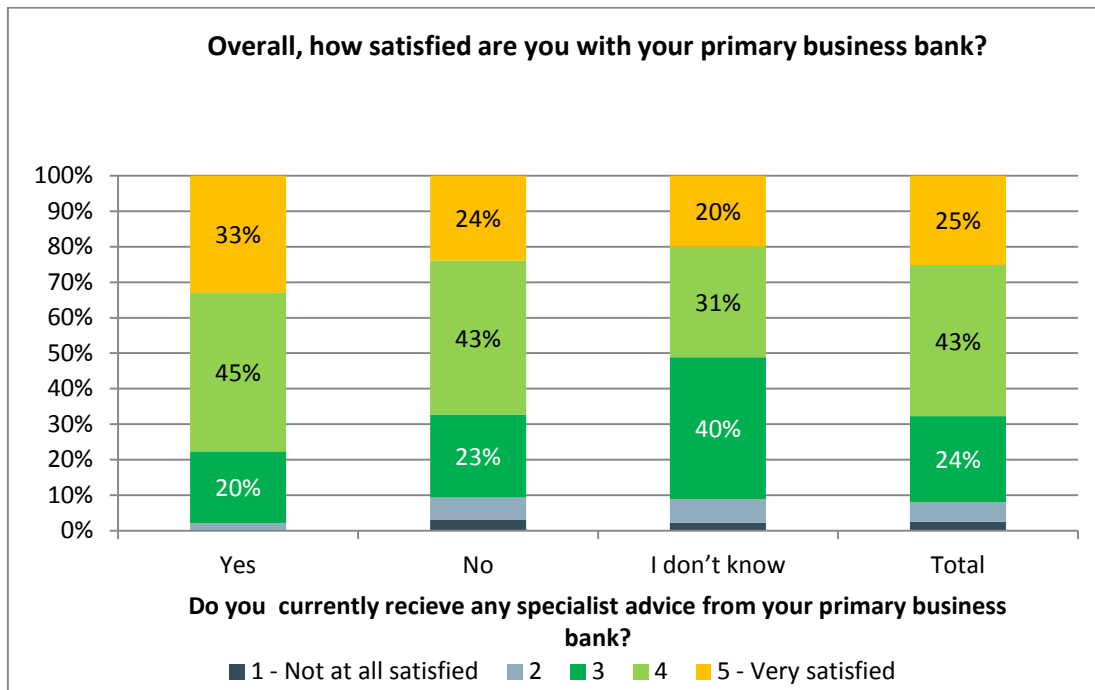
## Introduction

The Australian SME Banking market is a market in transition. Previously difficult to serve the SME space is now a key target market for banks of all sizes. However, to effectively service SME's, banks tailor their financial offerings to suit these new customers. Recently SME owners have been seeking an improvement in the quality and relevance of the advice they receive from banks. RFi's latest Report "The Final Piece of the Puzzle?" looks at the gap between the advice currently provided to SME's and what SME's actually want and even expect from their banks. The report looks at business banking advice from both the SME and banking perspective and provides in depth analysis into what the future of advice needs to be.

## Highlights

Ultimately, specialist advice appears to be very valuable to SME operators, with 67% of those who make use of the specialist advice believing that the advice is either 'valuable' or 'very valuable'. 78% of SME operators who receive specialist advice from their business bank were either 'satisfied' or 'very satisfied' overall with their business bank. 31% of SME operators believe their business bank can best address the issue of cash flow by providing advice, and another 9% would like direct contact from their bank to discuss cash flow.

SME operators who considered tax advice the most important generally had fairly straight forward needs. Unsurprisingly, the largest proportion were looking for ways to reduce their tax burden, with 31% looking for ways to minimise tax.



Source: RFI

### Features and Benefits

- Give your business banking products more focus with a ranking of what attributes SME's find most important.
- Understand the gaps in cash flow offering, by knowing what key components of cash flow advice can become a valuable business for banks?
- Detailed analysis into receiving advice segmented by SME revenue.

### Key Questions Answered

- What approach should banks take around providing advice to SME's?
- What types of specialist advice can business banks provide that would be most beneficial to SME's?
- Why don't some SME's use the advice provided to them by their Business Bank?