

## MATCHING SOLUTIONS WITH CLIENT NEEDS IN THE CASH CYCLE: MIND THE GAP

### BENEFITS

- Understand the gap in servicing both existing clients and acquiring new ones in potentially non-traditional segments and revenue sizes.
- Obtain a clear plan for addressing the gaps and competing better with both fintech advancements and traditional bank competitors.
- Better understanding of market solutions available and best matchups for potential vendor partnerships

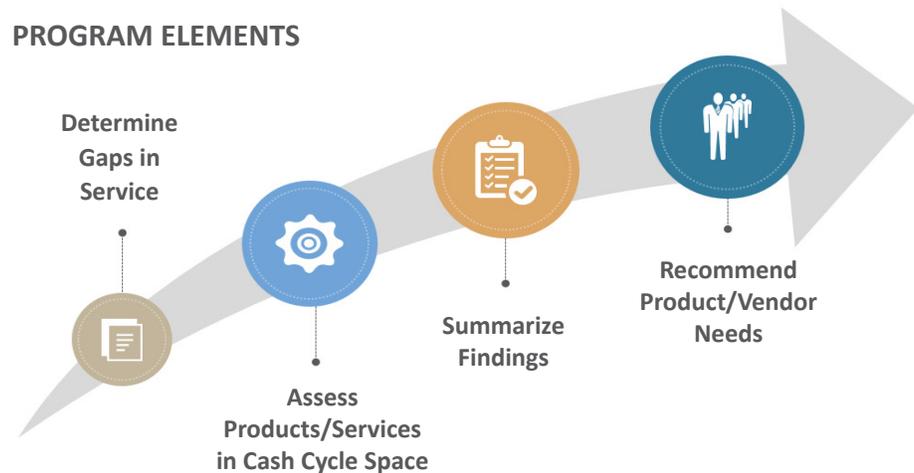
### PAST EXPERIENCE (OUR SUCCESS STORY)

Mercator has numerous ongoing interactions with both financial institutions and fintechs with regard to market trends and product capabilities. We also conduct assessments of specific vendors and technology solutions across the corporate financial cycle. For example, we recently advised a banking institution as to their relative product/service solutions versus current/future market norms in various lines of business, including business banking. The engagement allowed the bank to re-assess their project priorities and determine alternative product investments in order to compete more effectively.

### MATCHING SOLUTIONS WITH CLIENT NEEDS IN THE CASH CYCLE: MIND THE GAP

The trend is a clear and irreversible; digital systems and their accompanying processes are making financial operations more efficient, effective and strategically useful. From an historical perspective, software and services for managing financial operations have been point solutions, including those for procurement, e-invoices, payables, receivables, reconciliation and trade finance. Today, however, the outdated approach is changing quickly. And while many larger corporations have successfully digitalized some or most of their financial operations, there remains a gap in the middle market, where resources are scarce to meet the challenges ahead.

#### PROGRAM ELEMENTS



Banks are primary providers of cash cycle solutions and services. Therefore, they should have an interest in segmenting the middle market to figure out what these companies need and how best to capitalize on new technology in order to secure the business. Companies, however, are often looking beyond traditional bank offerings for modern solutions. During the past several years, a fintech convergence of these separate financial operation needs and capabilities has been taking solid shape, and it is being accelerated by acquisition, new partnerships and sophisticated APIs.

The program described here is designed for mid-tier financial institutions to match up corporate client needs with the appropriate solutions in order to keep the institutions' position as primary advisors and service providers. If the mid-tier doesn't "mind the gap," other providers certainly will.

## DELIVERABLES

- Qualitative research, based on interviews of both current and prospective clients, with regard to perceived needs and wants in managing their financial cycle processes.
- An independent analysts' assessment of the current set of solutions versus the perceived needs of middle market companies.
- A review of the solutions in the market to better gauge the potential for vendor partners.
- A set of solid recommendations for moving forward.

## ABOUT US

Mercator Advisory Group is the trusted advisor for the payments industry globally, charting the course for sustained growth and profitability and delivering fact-based insights and advice.

## DETAILS OF PROGRAM

The program is designed for mid-tier institutions who may not have the resources to study and assess the middle market needs for cash cycle financial solutions. The rise of fintechs and open banking initiatives across the globe, driven by both market and regulatory realities, has created greater awareness among corporate buyers of the digital capabilities available to them. In addition, the pandemic has accelerated the desire for more automated financial operations. Mercator will help build a more intelligent set of criteria for banks to compete more effectively and fill the growing demand.

There are several steps in the building of the recommendations set. We will conduct a primary research effort across existing and potentially prospective companies in the middle market space, depending upon the institution's preferences. This would involve 10-15 interviews with high level management in CFO roles and/or in treasury departments. From these interviews, we will determine corporate needs, pain points and gaps in service from their bank providers in the procure-to-settle cycle.

We will then assess the current set of bank products and services in the cash cycle space. Such assessment informs the creation of a gap analysis to clearly distinguish between corporate needs versus bank capabilities.

We will summarize findings and make recommended product/vendor needs to the institution in terms of available vendor solutions, type of desired relationship and method of delivery for success for both the bank and its business clients.