

The Profitability Blueprint: Treasury Management Strategies for Small Businesses



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Make the Most of Your Business Opportunities



Some small business leaders (and their banks) are so focused on securing financing, they neglect to make full use of the business banking so essential to operate more efficiency, manage cash flow and secure their money.

What Small Businesses Should Expect from Treasury Management

1

A Full Set of Options Available Packaged or Ala Carte

A full range of services proven to help small to mid-sized businesses manage, move and secure their money.

2

Small Business Specialization

A focus on small business with services designed for the special challenges small businesses face. Services retrofitted from enterprise solutions are never as effective or as adaptive as businesses in high growth mode or smaller in scale.

3

Personal & Personalized Customer Service

Everyday above and beyond service that does not require a 1-800 number. You should be able to speak with a person rather than a bot when necessary. Business customers should have a direct line to senior decision makers.

4

Personal Commitment to Your Relationship

A relationship with a banker committed to making it stress-free to implement what you need today while keeping an eye out for what you'll need in the future. It's the difference between a transactional arrangement and a true partnership that lasts through good times and lean times.



Manage Your Money

Insufficient cash flow is the leading reason for small business failure. Deploy tools to keep your cash flow in line.

Merchant Card Services

Accepting customer credit and debit card payments seamlessly is vital whether your business model sells direct to consumers or businesses. Many businesses see a bump in sales — both in total transactions as well as in the average transaction amount — once the right card solutions are in place. And if you already have Merchant Card Services, we'd love to talk about whether you should regularly be reviewing competitive pricing, equipment and service standards.

What You Should Expect

- Flexible payment processing options for credit and debit cards, including the option to include the processing fees in the total customer charge in exchange for the convenience of paying by card rather than using cash or checks.
- Simple integration with a range of point-of-sale (POS) systems, including established and emerging technology.
- Robust reporting tools to track transactions and sales trends.
- White glove assistance during implementation.
- Ongoing exceptional and immediate service.

Business Credit Cards

Credit cards enable your business to make easy, immediate payments without an immediate outlay of cash. It also empowers a sales organization and other leaders on your team to travel and make key purchases efficiently when they are necessary.

Key Considerations for Choosing the Right Cards:

- Wide international acceptance of cards.
- Options for low-rate APR cards, Rewards cards and Purchasing cards.
- Integration with an intuitive, no cost expense reporting system.
- 24 hour, 365-day ID theft protection.
- Global emergency services with 24-hour service for lost and stolen card reporting, emergency card replacement and emergency cash advance.

17%

Average increase in sales within the first year of businesses that started accepting credit cards.

According to a study by Intuit





Manage Your Money Continued

Lockbox Collections

- Lockbox Collections allow customers to outsource the administrative work of collecting, reviewing, approving and depositing check payments to the bank. In addition, customers have faster access to funds.

Key Considerations:

- The bank should have deep, ongoing experience with lockbox collections with solid references.
- The bank should be using up-to-date technology and processes.
- You should notice faster access to funds immediately.
- Your team should be relieved of significant administrative tasks.
- Your accuracy rate for recording payments should improve.



73%

*According to a survey
by the Association for
Financial Professionals.*

of businesses
are moving
their B2B
payments from
paper to digital
formats

MORE THAN 70%

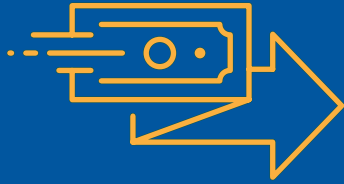
of small and medium-sized businesses (SMBs) are interested in comprehensive cash management services

AND

90%

demand seamless digital payment options.

According to a recent report from the payments industry.



Move Your Money

Treasury Management should offer the means to get paid faster and secure key supplies and services across the globe.

ACH Services

Simplify electronic transactions with Automated Clearing House (ACH) services.

ACH Benefits:

- Make bulk payments to vendors or employees to ensure you're on time with less administrative effort.
- Collect recurring payments from customers on a schedule to better manage cashflow.
- Reduce reliance on paper checks, saving time and money.

Wire Originations

Need to complete a high priority transaction? Make sure you can send fast and secure wires or receive wires without fuss.

Essentials:

- Same-day transfers with guaranteed delivery.
- Enhanced security measures for large-value transactions.
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- Enhanced security measures for large-value transactions.

Direct Deposit/Remote Deposit

- Direct Deposit ensures employees are paid accurately and on time.
- Remote Deposit ensures you can deposit checks the day you receive them without visiting a branch.
- Ask your bank about providing a scanner to ensure deposits are efficient and secure.

The volume of ACH payments has **MORE THAN DOUBLED**

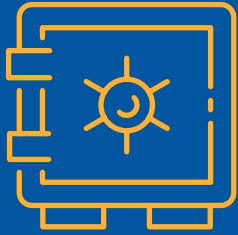
over the last several years as companies increasingly look for digital payment solutions for reoccurring receivables and outgoing payments.



71%

According to a survey by the Association for Financial Professionals.

of small business owners digitally optimized their operations in 2023, incorporating online banking and digital payment acceptance to streamline processes.



Secure Your Money

Small businesses are more likely to be targeted for financial fraud than enterprise organizations. Don't lose what you've built because you delayed some basic precautions.

Positive Pay

Essential Elements:

- The bank cross references all checks and ACH payments drawn against your accounts to your billing records before processing payments.
- The bank should have options so the process works smoothly with your business operations.
- The program should include immediate alerts for discrepancies or unauthorized transactions.

Cash Vault Services

If your business requires significant cash to make change for customers or collects a large amount of cash from daily transactions, you need a business solution designed for businesses like yours. Secure your cash and ensure it is available in your deposit account even before it is physically transported to the bank.

Essential elements:

- Convenient cash deposit and withdrawal options.
- Reduced risk of theft or loss.
- Customized controls, ensuring the right personnel run deposits, withdrawals and transport.



31%

*According to a 2023 report.
According to a survey by
the Association for Financial
Professionals*

of small businesses experienced check fraud during the previous 12 months. **Among these, 65% reported losses exceeding \$50,000.**



Efficiency Is The Key to Increasing Your Profits

Small Business Checklist for Improving Your Margins

You can work more hours to sell more products and services. You can invest in expansion by hiring more people or moving into new geographies or industries. You could raise your prices. All of these are legitimate considerations for small businesses aiming to improve profit margins, but the first thing small businesses should do to improve their margins is to look for opportunities to increase efficiency.

See the checklist below for small businesses aiming to streamline operations and boost efficiency. None of these steps required an MBA or even a lot of time. Just tackling or two efficiency opportunities per quarter should show up in your bottom line this time next year.

Process Evaluation

- **Identify bottlenecks:** Analyze current workflows to pinpoint areas causing delays or inefficiencies.
- **Document processes:** Create detailed documentation of existing procedures to identify areas for improvement.
- **Eliminate unnecessary steps:** Streamline processes by removing redundant tasks or unnecessary approvals.

Business Relationships

- **The people and businesses you currently work with for business services** should be recommending business solutions as your business navigates the economy and evolves. Nudge them for advice or scout the competition.
- **If you belong to a chamber, local business association or industry association,** ask peers what they are doing.



Technology Implementation

- **Accounting software:** Utilize software like to automate invoice generation, expense tracking and payroll management.
- **CRM system:** Implement a customer relationship management (CRM) tool to manage customer interactions, track leads, and streamline sales processes.
- **Project management tools:** Move away from paper and spreadsheets. Roll out inexpensive software to assign tasks, track progress, and collaborate on projects effectively.
- **Email automation:** Utilize email marketing tools to automate email sequences for customer follow-ups and newsletters.

Communication Optimization

- **Regular team meetings:** Hold frequent short meetings to discuss updates, address concerns, and align on priorities.
- **Transparent feedback:** Encourage open communication and feedback loops among team members.

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THAN**

90%

**of our business customers
would recommend us**

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OPERATED**

**WE SPECIALIZE
IN SMALL
BUSINESS
BANKING**

**WE CUSTOMIZE
SOLUTIONS FOR
OUR BUSINESS
CUSTOMERS**

TREASURY MANAGEMENT CONTACTS



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Nick Salsgiver prides himself on building a Treasury Management Department rivaling Heritage Bank's national competitors. In addition to a full suite of competitively priced services, Nick's strategy is centered on service and the trust only relationships can foster. Like all the best community bankers, Nick has a knack for turning customers into friends. Helping customers become more successful, seamlessly integrating with their business banker and delivering on his promises is personal.



Daniel Anderschat, *AVP, Card Services Advisor*

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Daniel has worked with small businesses on banking solutions for several years. Most recently, he sold merchant services at a major payment solutions company. His expertise and authenticity are the top reasons his customers appreciate working with Daniel.

**Heritage Bank is taking its **digital
banking experience** to the next level.**

**We're rolling out a best-in-market solution so our business customers can
complete their everyday banking from wherever and whenever it's convenient.**

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estimates for services you have not yet implemented, contact us.**