

WHITE PAPER

IT'S TIME TO REEVALUATE YOUR COMMERCIAL CARD PROGRAM

Drive new revenue growth and strengthen
commercial client relationships

The volatility and uncertainty brought on by COVID-19 have made many financial institutions uneasy about investing in their commercial card portfolio. While the world struggles to recover from the pandemic and prolonged shutdown, financial institutions are seeing substantial negative impact on their bottom lines, with more to come. With a sense of urgency, financial institutions need to find ways to create new revenue sources. With so much at stake, it's time to take a fresh look at how to maintain and further develop your commercial card portfolio. By recapturing revenue and strengthening commercial client relationships, you'll be ready when they need your help and support the most.

Your commercial card program should be considered a strategic advantage for your financial institution, with the potential for significant new revenue generation.

Consider that outside of North America, the most mature commercial card market is in Western Europe, which had a 2020 projected market size of \$90.4 billion. Underpinned by corporate cards, **Mercator Advisory Group** estimates that the global corporate cards market will see a compound annual growth rate (CAGR) of 18.9% from 2020 to 2025. Growth will largely be fueled by demand for corporate/procurement purchasing cards from governments, public sector entities and large corporates.



Why offer commercial cards at such a volatile time?

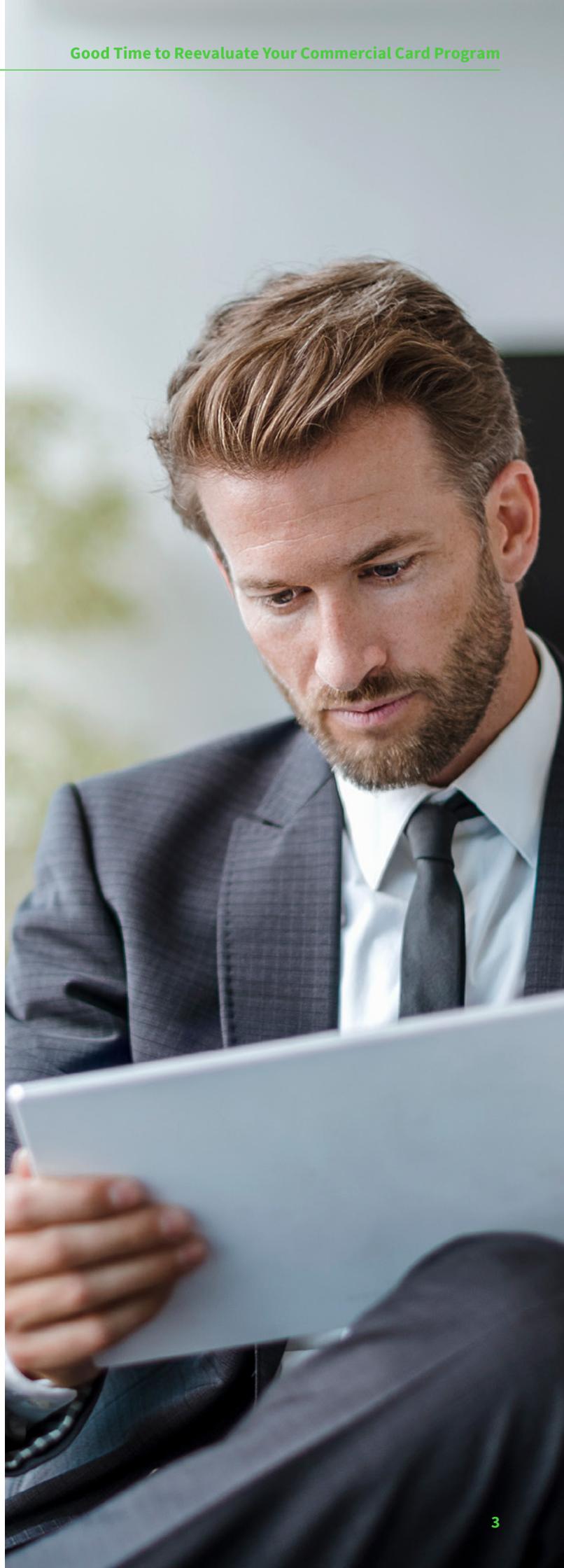
As financial institution income is on the decline, a commercial card program can help you grow business deposits and gain new customers. It will also help you strengthen relationships with existing business clients and forge new ones. Commercial cards are a safe way to extend credit to your account holders, thanks to less risk with smaller limits, allowing financial institutions to see a higher return on interest rate and faster repayments.

The COVID-19 shutdown has been tough on businesses of all sizes. Many will not reopen their doors. For those who do, you will want to keep them as customers and help them thrive as the economy moves toward recovery. Offering a commercial card program so that the midsize business segment can succeed is critical to your clients, the community and your institution. If you're not offering a commercial card solution, you run the risk of a business client walking out the door to another financial institution that will lend them credit.

Electronic payments open new possibilities

Commercial card programs have come a long way since the days of writing checks. Like other modern credit cards, they offer the latest in electronic payment tools. Post-crisis, the availability of electronic payments means commercial cards will be increasingly important for all businesses. COVID-19 has highlighted the need for digitized processes that accommodate a virtual workforce. Companies are unable to go into the office to write/mail/deposit checks.

Real-time payments are a feature that businesses require today. It's no longer acceptable to wait weeks to receive payment. Instant access to cash is a game-changer, especially for smaller businesses in these times. By offering more features, your clients will use your commercial card more frequently resulting in increased revenues for your financial institution. Use of virtual cards (vCards) also continues to accelerate with increased security that uses tokenization; a proven fraud deterrent. They also help small business owners control spending and simplify reconciliation. Generally, vCards fit nicely into businesses' need to digitize and streamline core and back-office processes.



Chose a commercial card program that puts you in control

When deciding on the commercial card program that is right for your financial institution, consider one that puts you in control so that you can provide every option that your commercial and SMB clients need. Can you set the rates? What about setting the cash-flow limit? The perks of owning your commercial program are that you have the flexibility to personalize programs, establish spending rules and offer mobile capabilities with intuitive interfaces.

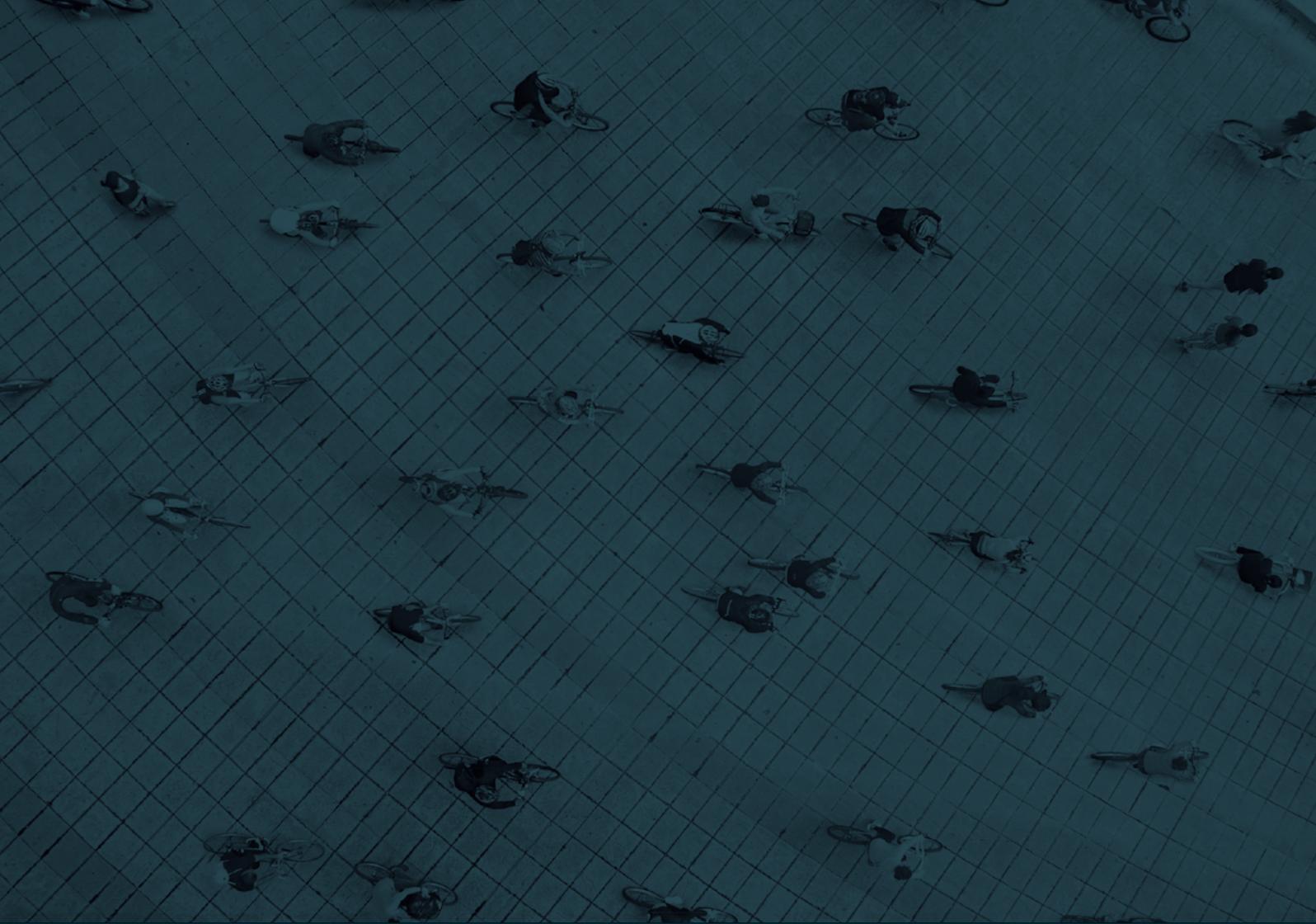
You know your community and what your commercial clients need. Take advantage of the flexibility of providing your own commercial offering. Consider the successful commercial relationships you've had for years that have recently fallen on hard times. You know they will recover. Rather than turning them away because they don't meet the exact parameters provided by a third-party vendor, rework the numbers/rates to extend them a line of credit and secure that relationship for years to come. Today's commercial card offerings also include corporate, business, fleet, purchasing and e-payables, all applications that can be used by different functions within a business.

Businesses who digitize during COVID-19 are unlikely to revert once they realize the manual, non-digital process of making and receiving payments does not work in crisis environments. Businesses need more efficient and easier ways for their staff to make, receive and process payments digitally.

Learn more about commercial card programs

Contact FIS to learn how offering a comprehensive commercial offering will recapture revenue, deepen existing commercial client relationships and provide innovative solutions needed to stay competitive in the race to transact anywhere, anytime.





About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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