

# Small Business Payables & Receivables Survey

## Executive Summary

CashEdge Inc., a division of Fiserv, the leading provider of Intelligent Money Movement® services for financial institutions, commissioned a survey of small businesses regarding their behavior and preferences relating to their accounts payables and receivables processes. The nationwide survey polled 405 small businesses, defined as having \$1 million or less in annual revenue (micro-businesses).

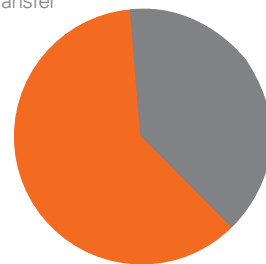
## Key Findings

Small businesses want to accelerate their receipt of payments and improve the overall efficiencies of their payables and receivables processes — and are interested in electronic solutions that help them meet these needs. The survey respondents also demonstrated deep loyalty to, and engagement with, their banks, creating an opportunity for banks to provide high-value small business services.

The survey also revealed that:

- 60 percent of respondents would use an ACH receivables service for getting paid electronically if it did not require sharing account information.
- 19 percent of respondents already leverage ACH transfers for vendor payments and an additional 38 percent would do so if it were available to them.
- 69 percent of small businesses reported holding both personal and business accounts at the same institution and also noted frequent use of online banking capabilities.

60% would be likely or very likely to accept customer payments via ACH transfer



## Small Businesses are Looking for Solutions to Get Paid Faster

The number of days to payment is a top business concern for respondents, who reported an average of 19 days to collect payments from customers. On average, the respondents are issuing 26 invoices per month.

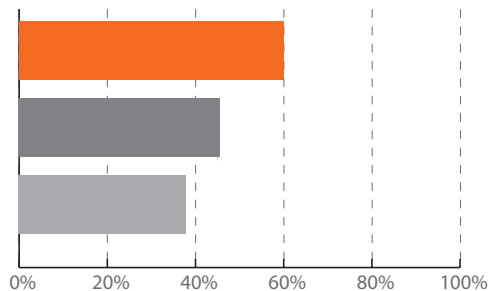
Small businesses still rely heavily on email (38 percent) and mail (38 percent) for sending invoices, and the majority of the respondents still primarily receive customer payments via check (63 percent). Most of the respondents are interested in new solutions that would accelerate customer payments. Sixty percent would be likely or very likely to accept customer payments via ACH transfer, if it did not require sharing account information. This is in addition to the 8 percent who already report using such a service.

### Desired Benefits of Electronic Receivables Solution

60% - Reducing the number of days between sending an invoice and getting paid

45% - Reducing the time it takes to prepare and send invoices

38% - Improving the effectiveness and efficiency of my invoicing and receivables process overall



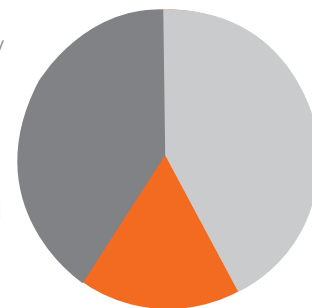
When asked about the most important benefits they would hope to realize from an electronic receivables solution, respondents identified reducing the total days to payment (60 percent), reducing the total time it takes to send invoices (45 percent), and increasing the effectiveness and efficiency of their financial processes (38 percent).

## Demand for Electronic Vendor Payments is Strong

Survey respondents make an average of 11 vendor payments per month and make those payments via check (39 percent) or credit card (33 percent). However, 19 percent of the respondents already send vendor payments via ACH and an additional 38 percent would be likely or very likely to use such a service if it were available to them. Of those who would not use ACH for payments, their main reasons were a preference for checks and an aversion to the perceived fees associated with electronic transfers.

38% would be likely or very likely to send vendor payments via ACH transfer

19% already send vendor payments via ACH transfer



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## Small Businesses are Loyal to Their Banks

Most of the respondents (79 percent) maintain separate business and personal bank accounts and most (69 percent) hold both of these accounts at the same institution. Small businesses' relationships are primarily with national banks, followed by regional banks.

The respondents are active users of their accounts with a large majority taking advantage of the online banking capabilities at their bank.

- 76 percent check account balances online
- 45 percent make online transfers between business accounts (at the same institution)
- 46 percent make online transfers between personal and business accounts (at the same institution), averaging two transfers per month
- 33 percent use small business payments services offered by their bank

79% maintain separate business and personal bank accounts

69% hold both personal and business accounts at the same institution

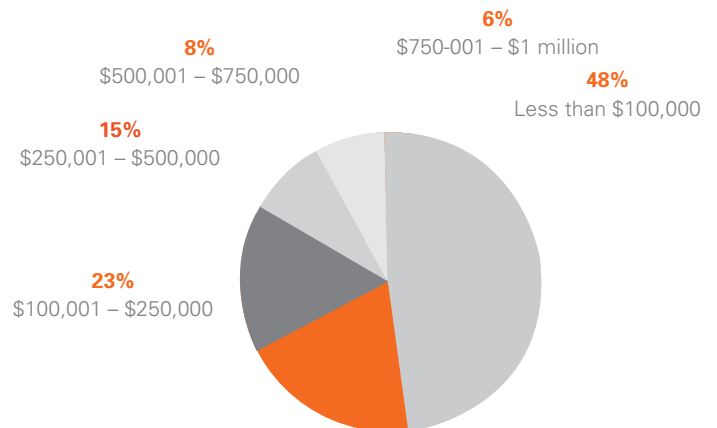


## About the Survey

The national study was conducted by the independent research firm Zoomerang and administered online in January 2011. The margin of error for the survey is 4 percent.

The chart to the right depicts the revenue breakdown for participants. All respondents are direct decision makers in the financial management process. Sixty percent described themselves as the sole business owner, 16 percent described themselves as a co-owner or partner. The vast majority of respondents work at firms with five or less employees (86 percent). While respondents represented a wide range of industries, including retail, real estate and consumer service, the largest portion (39 percent) of respondents described their industry/place of business as "professional services."

## Annual Sales Volume of Respondents



## About CashEdge

CashEdge, a division of Fiserv, is the leading provider of innovative payments and aggregation solutions to financial institutions. These include Popmoney® person-to-person (P2P) payments, account transfers, account opening and funding, small business invoicing and payments, and financial account aggregation.

The Company is headquartered in New York City with offices in Silicon Valley and India. For more information, visit [www.cashedge.com](http://www.cashedge.com) or [www.popmoney.com](http://www.popmoney.com).