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White Paper

A banker's checklist:

**13 steps to a
successful small
business remote
deposit capture
solution**



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In the wake of the new normal and lingering uncertainties, small- and medium-size businesses (SMBs) need every advantage.

[Remote Deposit Capture](#) (RDC) brings immediate, tangible value for banks and SMBs alike, including:

- Greater efficiency
- Faster cash flow
- More convenience and control
- Adapts to every deposit need
- A stronger relationship between bank and customer

Even before the realities of the COVID-19 pandemic, RDC adoption levels were growing steadily in the SMB space. Now, when companies must satisfy a more tech-savvy customer base that expects convenient, secure check deposits from anywhere (work, home or on the go), the business case for RDC gains a new urgency.

At the Deluxe Exchange conference, leading banks and Deluxe experts shared their insights on how to launch a successful RDC offering for SMBs.

With a remote workforce, the relevance of RDC increases

The RDC marketplace is thriving, thanks to new technology, less expensive entry points and the growth of mobile deposit with consumers. [Accelerating growth](#) is also happening in all types of remote financial services. The challenge for banks is no longer selling the concept of RDC, but creating the right package of features and services to appeal to SMBs.



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The need is strong. Deluxe has observed:

- Two-thirds of small business owners still make branch deposits weekly
- One-third visit their bank's branch every day

Additional firsthand bank research shared at the Deluxe Exchange confirms the realities that SMBs face, including:

- Heavy reliance on paper
- Numerous demands on their time
- Flexible banking—they cannot be tied to a desk or computer



While SMBs are, as one panelist described, “time-starved and fee-averse,” they are willing to pay for convenience. If a solution is easy to use and saves time, then cost takes a backseat to overall value.

Our growing comfort level with technology also plays a role in the evolution of RDC. Individuals and small business decision-makers are more empowered today than even a few years ago. It translates to how they want to engage with various business partners, including their banks. A strong digital experience is no longer a luxury for FIs; it's now an expectation. A smart RDC solution for SMBs is vital for banks to compete.

Repackaging a consumer or corporate RDC product leads to missteps

One of the most important factors in the success of an FI with RDC is how they architect their offering. Two common missteps:

- Repackaging a consumer solution for businesses
- Neglecting to build a bridge from the SMB package to a full-fledged treasury management solution

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Consumer RDC typically includes the most intuitive user interface and mobile capabilities, but lacks the functionality SMBs desire, such as integration with QuickBooks® or other accounting software. While many SMBs do begin with mobile RDC options, a desktop version is most useful when based on true business needs, rather than consumer features.

Traditional treasury management options, on the other hand, usually bring unnecessary complexity. SMBs, in general, have far fewer users, lower deposit volumes and less stringent security requirements than their larger counterparts. They also lack the in-house IT resources and dedicated treasury staff who handle setup and system integration at larger organizations.

In both cases, banks that repackage may bring their RDC offering to market quickly but lose out in the long term as SMBs grow. Deluxe experts and bank panelists agreed that it's critical to consider your overall roadmap.

Key questions to address include:

- How will SMB customers grow from the entry-level RDC solution to a middle-market or treasury management product?
- What will the customer experience be if a consumer or traditional corporate offering forms the backbone of an SMB solution?
- What capabilities are most important for SMBs? Which will only become necessary as the business matures to a middle-market-size organization?

Identifying these needs upfront puts banks in a much stronger position across the lifecycle of their SMB solution.

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The strongest offerings tailor the entire process to SMBs

In light of these factors, savvy FIs are beginning to craft RDC solutions specifically tailored to SMBs. For best results, bank panelists noted it's important to focus not just on features and hardware. It's equally critical for a bank to review their entire end-to-end process for [RDC sales](#), enrollment, setup, scanner delivery, training and ongoing customer service. They recommend looking for opportunities to simplify wherever possible, and to create self-service functionality.

As a bank product manager explained, [SMBs don't necessarily want to talk to bankers](#). They are willing to use do-it-yourself channels, so long as they are convenient and intuitive.

These behaviors create opportunities for banks. The more an FI can remove staff time, effort and unneeded interactions, the more flexibility exists in pricing, margins and overall profitability.

One bank even goes so far as to make RDC completely free for SMBs. It's part of a bundled offering of deposit and receivables services designed to differentiate their Demand Deposit Accounts (DDAs) and improve customer retention.

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A banker's RDC checklist for the SMB market

Follow these practical guidelines to develop your FI's ideal SMB remote deposit offering:

Craft your requirements

1. Establish your vision

A big part of any new product or service is setting the strategy. For their small business RDC offering, our bank panelists researched the market opportunity and spoke firsthand with SMB customers. They also looked at the bank's big picture goals, to make sure their solution dovetailed with overall corporate objectives. This groundwork allowed them to prioritize what would matter most in their RDC offering.

In one case, it was making the RDC service as simple as possible—without sacrificing essential features. So simple, in fact, that the bank could launch the SMB offering without adding new FTEs.

2. Obtain cross-functional buy-in—early

Cross-bank cooperation is key to a successful offering, according to our panelists. Creating a tailored SME solution will take the help of many, so it's important to share your vision quickly and give other teams adequate time to prepare. Product management, sales, implementation, training and customer service will all be critical players.

3. Consider a bundled offering

Deposit revenue is crucial for FIs, and the market is quite competitive. For one mid-size bank, wrapping RDC capabilities into a larger deposit and receivables solution made smart business sense. Rather than try to monetize RDC itself, they decided to give RDC capabilities to SMBs for free, including the scanner hardware. This created a robust and full-featured deposit product with many embedded revenue opportunities.

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Making this decision upfront drove numerous other RDC choices, like their selection of a [single driverless scanner model](#). No matter how your bank positions its RDC capabilities, what's important is taking time early on to explore the possibilities and choose a business model that meets your FI's goals.

4. Review your entire process

SMB solutions often fail because they're built for consumers or much larger corporations, and then poorly adapted for small or micro-businesses. When it comes to SMB adoption and satisfaction, everything about your RDC solution matters, from sales channels to onboarding to customer service. To avoid potential issues, Deluxe experts and bank panelists recommend an end-to-end process review.

Document the steps required, from start to finish, to get customers up and running on RDC. Then, think about where there's paperwork, systems or human interaction—either within your bank or at a vendor. Look for spots in your traditional offering or consumer version that generate the most calls, follow-ups or bottlenecks; these are all great candidates for reinvention. For an SMB solution, try to simplify, move processes online or eliminate steps altogether.

Build your product

5. Choose the right RDC providers

Three criteria emerged when choosing outside partners. First, make sure your RDC platform provider understands the SMB space. Not all partners offer a true entry-level solution.

Next, bank panelists stressed the importance of having a path for growth. As an SMB graduates to middle-market size, can the RDC product scale up? A provider with a flexible platform and RDC offerings for both SMBs and traditional treasury management clients will make it easier for you to transition clients with the least amount of disruption. The right platforms also reduce internal workload as your SMB client base grows.



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Hardware is a final element. Numerous scanners exist, but not all are equally durable or easy to install. It also takes resources to order and manage scanner inventory. Outsourcing these activities to the right hardware vendor can alleviate workload for bank staff, making partner choice a vital consideration.

6. Offer only one scanner model

Middle-market and large corporate clients will have numerous use cases and configuration requirements for RDC hardware. SMBs, on the other hand, need far less sophistication. It's typically just a few individuals and a handful of computers that will access the product, noted one bank.

Those who've successfully launched RDC to small businesses recommend using just one scanner model. A single tool lets your in-house staff become experts quickly and cuts down on the complexity of customer support. As SMB needs and volumes grow, they can graduate to a traditional treasury management RDC product with more options.

7. Use driverless scanners

Systems are another difference between SMBs and their larger counterparts. Macs are just as prevalent as PCs at smaller companies. At the same time, SMBs have far less in-house IT resources. It all makes driverless scanners the best option for an SMB solution.

Driverless scanners are literally "plug and scan," without the involved permissions and custom setup associated with older models or traditional versions. They're ideal for busy entrepreneurs and for business owners with less technical expertise.

One bank noted that after switching to driverless scanners, they realized "a huge decrease" in customer support calls. The [Deluxe models](#), for example, allow users to unbox, connect and start scanning checks in less than five minutes; there's no need to download software, configure settings or use specific web browsers.

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8. Set appropriate limits

Deposit parameters are the final step in creating your SMB solution. These will vary according to each FI's policies and customer base, but in general, SMBs will deposit at lower volumes than corporate customers. Panelists advise creating thresholds for daily and monthly item counts, as well as daily and monthly dollar limits.

Industry experts also caution against RDC limits that are too strict; if SMBs' balances regularly exceed product limits and require a physical trip to the bank, it will negatively impact product growth. It's worth noting that only a minor percentage of FIs report fraud issues with their RDC product.

Prepare for sales and implementation

9. Create do-it-yourself enrollment

From signing up to requesting a scanner to tracking order progress, one bank made customer self-service a centerpiece of its SMB package. Using an app or your bank's website to facilitate much (or all) of the enrollment process can create efficiencies for FIs and busy small business customers. The less complex your SMB offering, the easier it becomes to move the sales and onboarding process online, freeing your internal resources for other activities.

10. Outsource delivery

Another time-saving approach recommended by panelists is involving your hardware vendor in scanner delivery. Using only one model helps make this move to outsourcing feasible. Every night, the FI automatically uploads a digital file to the vendor that includes newly enrolled customers and their shipping details. The vendor also tracks inventory and handles scanner returns and refurbishments.

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11. Leverage API connectivity

Account setup is a large part of the RDC workload when onboarding a new customer. An ideal SMB solution automates much of this effort. Look for platform providers that offer API connectivity. These seamless communication protocols let your systems talk directly with the RDC platform. This streamlines configuration and eliminates manual data entry.

12. Create digital onboarding tools

Email, video and computer-based training all have mainstream acceptance today. They're perfect options for helping new SMB customers learn and maximize your RDC solution. Panelists recommend working with your marketing team to develop a learning center focused on SMBs. Having on-demand options will let customers use their time wisely, learn the tool when it is convenient for them (even outside business hours) and reduce the need for one-on-one training sessions or customer support calls.

13. Make growth seamless

The ultimate goal with any SMB customer is to be their trusted advisor and bank of choice throughout the life of their business. For RDC, that means considering what growth looks like. When they add locations, increase deposit volumes or need more sophisticated features, what will their experience be?

As one bank noted, it's essential to create a system that grows with them. You don't want clients to outgrow the platform, have to unenroll, sign new agreements and re-enroll again just because they've transitioned to the middle market. The more you can create a seamless path and avoid unnecessary disruption, the stronger your relationship will be.

Too often, SMBs miss out on much-needed services that meet their business needs. A tailored RDC offering that helps them meet today's demands—and grow into tomorrow's opportunities—is an ideal way for banks to differentiate themselves and show their support to this key market segment.

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With over 100 years in the small business market space, **Deluxe** can help you think outside the traditional RDC box and provide your small business customers with the mobile solutions they need to save them both time and money.

[Contact us today to learn more or request a demo.](#)