

Press release

For business editors
10 July 2018

From Excel solutions through to professional systems: small- and medium-sized enterprises heterogeneous in their use of cash management technology

- **Bank systems are coming to the fore, more than half of those surveyed (55%) use a cash management system (36% in 2015)**
- **Only a quarter of those surveyed use offerings from major software developers, use of apps decreasing despite higher functionality, greater sensitivity for fraud prevention**
- **Third study by Fachhochschule des Mittelstands (FHM) on liquidity management in SMEs**

The third survey by Fachhochschule des Mittelstands (FHM), the SME University in Bielefeld, revealed that the demands placed on finance and liquidity management have increased, leading to the proliferation and professionalisation of cash management systems. In the study, 280 SME finance managers were surveyed and when compared to previous studies there is now a greater proliferation of professional cash management systems in the SME sector. In 2015 only 36% of the surveyed finance managers had high-performance software to optimise payment flows, this figure is now 55%. In this respect, cash management solutions offered by banks have been able to clearly assert themselves on the market, with a share of 70%. Only 26% of the respondents use technology from software developers, with proprietary developments virtually no longer playing any role at all (4%).

The most striking difference is in the capabilities and usage patterns of the systems. For example, at some companies only one employee administers a particular account, while other firms use entire financial department to conduct their payment flows with various global bank relationships. For the academic head of the study, Prof. Dr. Volker Wittberg, this is not only due to the fact that SMEs vary in size, but is also a question of innovative strength and management. He commented, "There are certainly smaller companies which make full use of cash management systems that involve several employees, for example if the monitoring of incoming payments are the direct responsibility of individual employees in sales."

Asked about the functionality of their systems, 83% of the respondents stated that they only have access to their cash management system via the computer on which the system is already installed. 22% of the respondents have access to their systems with every web browser. At present, mobile web applications do not yet play a role. 19% of the respondents can initiate and approve payment processes via an app, but only 10% have full access to their cash management system via an app. "App solutions have become omnipresent in many day-to-day settings thanks to their user friendliness. This is also true of cash management systems if they provide sufficient security," says Frank-Oliver Wolf, head of Sales Payment Transactions and Foreign Trading Germany at Commerzbank. The phase of acutely low interest rates is having very little impact on the financial management of companies. One pattern that has emerged from study is that liquidity is spread across several accounts and utilised for swift settlement of liabilities so that charges on deposits are avoided.

At 78% the significance of fraud prevention has increased slightly over the previous year (71%). It may be seen that digitalisation goes hand in hand with the proliferation and development of cash management systems. This means two thirds (66.4%) of the respondents assume that digitalisation will lead to the expansion of their cash management systems. One third of those surveyed see direct networking with operational production and service provisions. "Digitalisation has also arrived in the financial management of small- and medium-sized enterprises now that security reservations are abating," added Wolf.

Press contact:

Maximilian Bicker: +49 172 6108149

Bernd Reh: +49 170 9143734

About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers and Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned its clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is the leading finance provider for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2017, it generated gross revenues of €9.2 billion with approximately 49,300 employees.