

A hand is shown at the bottom, holding a glowing hexagonal grid of icons. The icons include a target with an arrow, a key, a group of people, a piggy bank, a calculator, a laptop with gears, a dollar sign with an upward arrow, a shield with a keyhole, a gear with a dollar sign, and a Bitcoin symbol. The central hexagon contains the text "MSMEs".

**MSMEs**

# Expand Banking Services to the MSME Sector with Customized Offerings

SunTec SaaS

Micro, Small, and Medium Enterprises (MSMEs) are a significant contributor to the global economy and contribute up to 40% of the GDP in emerging economies. Yet, the International Finance Corporation (IFC) estimates that 65 million firms or 40% of formal MSMEs in developing countries have an unmet financing need of \$5.2 trillion every year. This is equivalent to 1.4 times of the current level worldwide MSME lending. MSMEs often have a weak credit history and consequently don't meet the credit policies of most traditional banks. They lack the necessary collaterals and documents required by most banks and have cash flow and liquidity challenges. They are also highly susceptible to disruptions in the macro-economic environment, leading to revenue losses.

Despite the challenges, this segment is growing at a steady pace across the world. As a previously under-served market, MSMEs present a significant opportunity for banks looking to tap into new markets and expand their revenue streams. But generic banking products created for large corporates will not work for MSMEs. Banks must create banking products and services that meet the specific and unique needs of MSMEs. For banks, it's a win-win situation provided they have in place the robust technology foundations to make this possible.

Some of the services that banks can offer to MSMEs are:

- Mortgage & lending
- Deposits
- Investments
- Payment processing
- Consulting and advisory services
- Building partnerships



## How SunTec Can Help ?

SunTec Xelerate can help banks devise and manage an effective MSME solutioning strategy. SunTec Xelerate decouples the transaction and feature-heavy core banking systems from the business-based agile and configurable layer. It helps banks to ensure quick and seamless configuration of business products and services designed to meet the specific requirements of MSMEs.

SunTec Xelerate can help banks increase process agility, improve transparency in revenue management, and manage a complex ecosystem of partners and vendors that forms the foundation of any MSME business. It can also help banks to monetize their data and improve customer centricity which are prerequisites for sustaining new revenue streams.

Here's how SunTec Xelerate can help banks create and manage solutions for MSMEs:

**Single source of truth for pricing:** MSMEs deal with multiple different banking products. SunTec Xelerate provides a platform with a single source of truth for managing all pricing and billing activities across different products.

**Ecosystem management:** The SunTec Xelerate platform provides MSMEs with seamless and end-to-end management of their entire ecosystem of partners and vendors. It eliminates the need for multiple software and systems.

**Personalization:** MSMEs need banking solutions that are personalized to address their unique requirements. SunTec Xelerate provides a platform that banks can leverage to devise sector-specific offerings and hyper personalize them for each MSME within a sector.

**Single bill with micro level breakup:** MSMEs can get an aggregate bill with individual breakup of charges at entity, product, and account level. This ensures elimination of multiple invoices and manual tracking.

## SunTec Advantages:

- Reduce time to market
- Create hyper-personalized offers
- Increase cross-sell and up-sell opportunities
- Enhance customer experience
- Manage, monetize, and monitor partner ecosystem
- Manage products and customer hierarchy
- Reduce complaints and increase customer satisfaction and loyalty
- Create a relationship- based pricing based on the overall relationship value of the MSME
- Build a transparent billing system



## 1. Dynamic Offer Management: Analyze MSME needs, design personalized offers, and help in cross-selling and up-selling.

MSMEs often operate current accounts, use only cash management services, and maintain a minimal monthly average balance. Such a relationship is not profitable for the bank, and it must consider ways to cross-sell and up-sell to such a customer. A bank must be able to analyze and understand the customer's need for a loan, devise, and roll out a personalized offer quickly to retain and delight them and improve the profitability of their business.

SunTec Xelerate can help your bank analyze the ongoing engagement with your MSME customer to understand their requirements, current usage of banking services, and the opportunities for cross-selling. SunTec Xelerate can help you design offers and promotional campaigns with features, eligibility criteria, attributes, and pricing strategy. You can bundle products from different segments and create a comprehensive offering for the customer, and create personalized offer rates with a defined negotiation range. The platform supports the creation, management, and tracking of an omni-channel campaign; and provides automated alerts on offer expiry/ review and deviations from commitments. With SunTec Xelerate you can also simulate the impact on overall revenue/cost or profitability based on a defined pricing strategy.

### Key Highlights

- **Personalized campaigns for customers based on specific eligibility criteria and pricing attributes.**
- **Increase cross-sell and up-sell opportunities for existing clients.**
- **Reduce attrition & increase customer loyalty.**
- **Improve customer lifecycle value through cross-product offers & bundling.**

## 2. Partner and Ecosystem Management: Onboard and manage the partners for MSMEs.

Most MSMEs work with complex partner ecosystems. Their partners are spread across different geographies and they often interact with multiple partners for the same functions. They manage the details of each partner relationship manually through Excel sheets leading to revenue leakage, non-realization of charges, multiple follow-ups, and effort pilferage.

As the MSME segment continues to grow, this is an opportunity for your bank to help them improve their partner ecosystem management and monetization. SunTec Xelerate can help your bank to easily onboard partners and set up the partner hierarchy for your MSME customer. You can set up personalized partner level charges, fee/commission, and revenue-sharing apportionment as agreed with each partner. SunTec Xelerate will help you manage, monetize, and monitor partner interactions, manage revenue contracts based on multiple parameters, track commitments agreed upon with each partner, and automate the billing cycle. The transaction fee for each transaction is processed via the SunTec Xelerate platform that can automatically calculate the fees and charges applicable for different partners for a defined period (example: weekly, monthly, or quarterly). The platform can also generate bills and invoices for payables/receivables for partners at the end of the month and send out automated emails. The MSME can track all partner commitments on the system and every payment made is recorded on it, which eliminates revenue leakage. Automated alerts can be sent to partners in case they do not realize payments within a specified period. With SunTec Xelerate you can help your MSME customers eliminate all manual processes, save time and cost, and improve efficiency.

### Key Highlights

- **Serve as a single source of truth for end-to-end partner management.**
- **Drive new economic models through 'Build-it-Yourself' capability.**
- **Revenue management with partners - apportionment, tracking, and revenue booking.**
- **Ensure transparency and trust through near real-time reports.**

### 3. ESG: Creating targeted offers and green banking products for MSMEs

Accelerating climate change and rising social inequities have put the spotlight firmly on sustainability. Environmental, Social, and Governance (ESG) is now a key focus area for most organizations and there is increased regulatory scrutiny as well. Many countries have already made it mandatory to comply with ESG frameworks and more countries are likely to follow suit.

SunTec Xelerate can help you compute your organization's green score with the platform or source it from an external rating agency. You can set up periodic reviews of the green score as well. With SunTec Xelerate you can convert conventional banking products into 'green' or ESG-compliant ones, and create business variants with ESG-compliant services (potentially third-party services) – for example, travel insurance with CO2 emission offset. You can leverage SunTec Xelerate's ESG capabilities to create targeted offers for MSMEs at a time when they are recovering from the disruption of the pandemic and geo-political tensions.

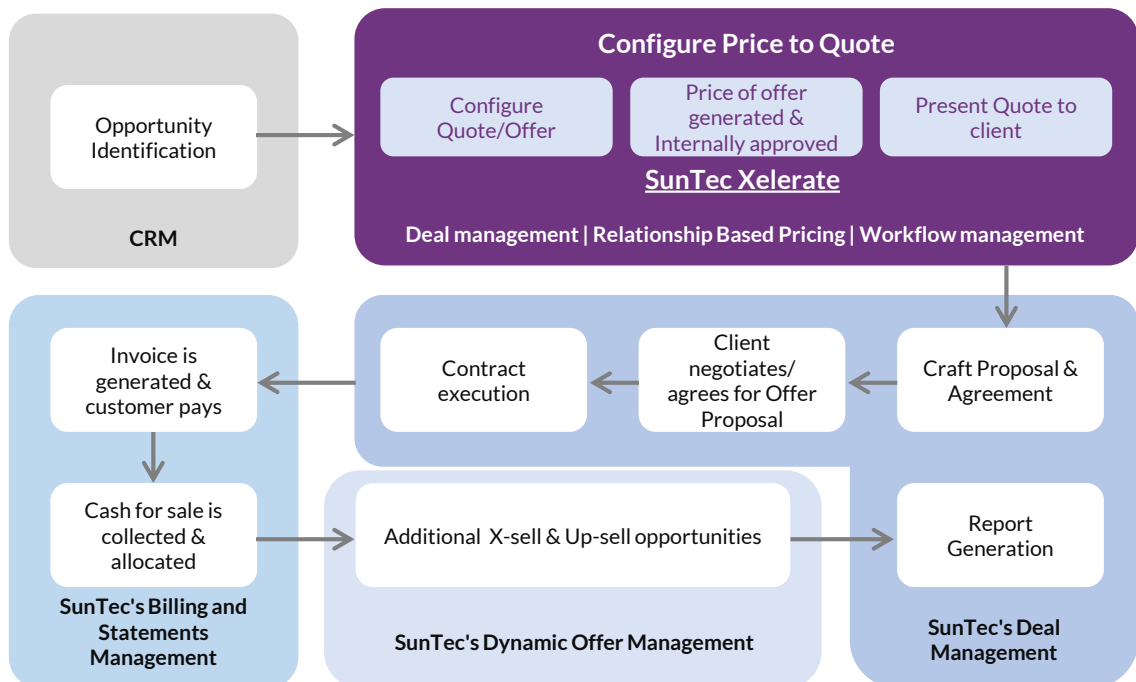
#### Key Highlights

- Compute green score within the platform.
- Periodic review of green score.
- Convert existing products into ESG-compliant ones.
- Create focused ESG products and offerings for MSMEs.

### 4. Quote to Cash Management: Managing all the stages of quote to cash lifecycle for MSMEs

As the MSME segment is growing quickly and organizations are expanding their businesses, they need effective solutions for managing the quote to cash lifecycle efficiently and accurately.

SunTec Deal Management is a one-stop-shop for your relationship managers. It can help you seamlessly manage all stages of the quote to cash lifecycle including contract creation, contract negotiation, workflow and approvals, generation of invoices, collection of payments. etc.



## Key Highlights

- End-to-end management of the cycle.
- Offer generation and pricing.
- Break down silos to consolidate data.
- Over-the-top layer capability from core banking.

## Conclusion

Would you like to learn more about how SunTec Xelerate can help you meet the requirements of your MSME customers? Write to us at [contactus@suntecgroup.com](mailto:contactus@suntecgroup.com) to schedule a demo and get answers to your queries.

## About SunTec

SunTec is the world's No. 1 pricing and billing company that creates value for enterprises through its Cloud-based products. More than 150 clients in 45+ countries rely on SunTec to provide hyper-personalized products, offers, pricing, loyalty programs, tax compliance, and billing for over 400 million end-customers. SunTec products are based on our cloud-native and cloud-agnostic, API first, micro-services-based proprietary platform, Xelerate and are delivered on-premise, on private cloud and as SaaS. SunTec has global operations including the USA, UK, Germany, UAE, Singapore, Canada, Australia, and India. For more information, please visit us at [www.suntecgroup.com](http://www.suntecgroup.com) or email us at [marketing@suntecgroup.com](mailto:marketing@suntecgroup.com)

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