



Onsetto

ONSETTO EXECUTIVE PERSPECTIVE

Why Activation Now Defines Business Banking Primacy.

A new operating paradigm
for winning, deepening, and
retaining business relationships
in a rapidly evolving landscape.



JUNE 2025



Executive Summary

- Opening an account does not establish primacy. Operating flows determine the primary banking relationship.
- The early transition period represents a liquidity inflection point where activity either migrates or remains fragmented.
- Institutions that guide structured activation accelerate deposits, deepen treasury adoption, and build more durable relationships.

The Shift to Activation

When Capital One announced its \$5.15 billion acquisition of Brex, much of the conversation centered on valuation. But the more important story was not the price. It was the model.

Brex did not build enterprise value simply by offering business accounts or issuing corporate cards. It built value by activating the operating relationship immediately and embedding spend management, cash visibility, and treasury workflows into the daily financial lives of modern businesses. That depth of integration drives revenue durability. Durability is what markets reward.

There is a pivotal moment in every new banking relationship when operating liquidity either moves or remains where it already sits. This moment can be thought of as the Liquidity Inflection Point.

“ The institution moves from hosting an account to becoming operational infrastructure.

Before this point, a newly opened account often remains inactive. Deposits are limited, treasury services are underutilized, and operational dependence has not yet formed. Once payroll, receivables, and vendor payments begin flowing through the new institution, everything changes. Deposits accelerate. Treasury services attach. Switching costs increase.

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Winning the account is no longer enough. Operating flows determine the primary banking relationship.

EXECUTIVE TAKEAWAYS



Operating Flows Define Primacy

Operational activity determines the primary banking relationship.



Activation Drives Deposit Growth

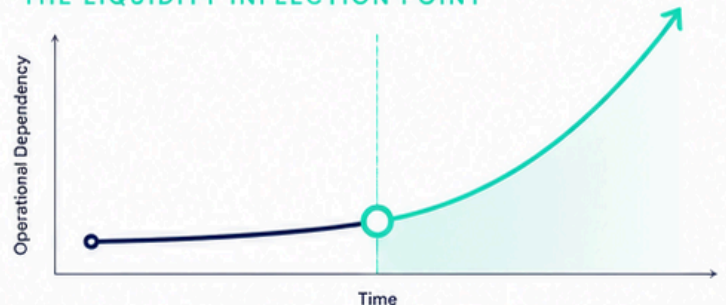
Treasury and payment migration accelerate liquidity concentration.



Speed Creates Competitive Advantage

The earlier activation occurs, the stronger and more durable the operating relationship becomes.

THE LIQUIDITY INFLECTION POINT



Low Activity

Fragmented relationship, limited deposits, low engagement.

Inflection Point

Operating flows begin to move.

Activated Relationship

Increased deposits, treasury adoption, operational dependence.

Why Activation Determines Primacy

For decades, commercial banking success was tied to account acquisition. If a business opened an account, the expectation was that operating activity would consolidate over time.

That assumption no longer holds.

Most institutions still operate as if account opening leads to primacy. In practice, it rarely does.

The operating relationship is defined by where payroll runs, where receivables settle, where vendors are paid, and where treasury services are executed. These flows, not the signature card, determine which institution becomes the primary bank.

Institutions that capture these flows transform a new account into the company's true operating account.

Leading fintech-bank platforms have differentiated themselves by focusing on operational integration rather than account origination. Their capabilities include real-time card issuance, embedded expense management, automated payroll connectivity, integrated receivables and payables workflows, and unified cash management.

They do not simply open accounts.

They activate workflows.



This process can be described as **structured activation**, the deliberate coordination of systems, workflows, and financial operations to establish the institution as the operating bank.



Timing is critical.

The highest probability of change occurs immediately after account opening, when executive focus and internal alignment are strongest.

If migration does not occur during this window, activity often remains fragmented across multiple institutions.

Businesses rarely resist consolidation because they lack intent.

They resist because migration is complex. Payroll, vendors, receivables, controls, and treasury configurations must all be updated.



Without coordination, activity stalls.



With coordination, operating control shifts.

For commercial banking leaders, this changes the metric of success. Growth is no longer defined by the number of accounts opened. It is defined by how quickly operating activity begins flowing through the new relationship.

The sooner payroll, receivables, and vendor payments migrate, the faster the institution reaches the liquidity inflection point and establishes the operating relationship.

Activation speed is now the competitive advantage.

THE OPERATING RELATIONSHIP IS DEFINED BY:



Payroll

Where employees are paid defines daily operating flow.



Receivables

Where customer payments settle determines cash visibility and control.



Vendor Payments

Where vendors are paid influences liquidity, relationships, and operational efficiency.



Treasury Services

Where treasury is managed determines depth, stickiness, and long-term value.

KEY INSIGHT

*Operational activity—
not account opening—
determines which
institution becomes the
primary banking partner.*

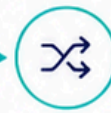


THE IMPACT OF EARLY ACTIVATION



New Account Opened

Intent is high. Alignment is strong.



Operating Activity Migrates

Payroll, receivables, and payments move.



Liquidity Inflection Reached

Deposits accelerate. Treasury attaches. Primacy is earned.



The institutions that win early, activate intentionally, and deepen strategically.

How Leading Institutions Execute

As competition intensifies, leading institutions are becoming more disciplined in how they capture operating relationships. Success increasingly depends on **three coordinated capabilities**: prospecting intelligence, guided switching, and treasury acceleration.



1. Prospecting Intelligence

Analyze financial activity before a transition occurs.

By examining transaction patterns and account behavior, bankers gain visibility into where money moves, how frequently it moves, and which treasury services are already in place.

This insight enables tailored proposals that align pricing, treasury recommendations, and activation plans to the realities of the business.



2. Guided Switching

Ensure account opening translates into operational movement.

Payroll, receivables, payables, and recurring inflows must be migrated systematically so the new account becomes active.

When payroll moves, operating flows follow.

Structured workflows replace fragmented manual coordination with sequenced execution—reducing friction during the transition window when motivation is highest.

Institutions can also analyze historical cash flows to recommend appropriate transfer and holdback amounts, ensuring sufficient operating liquidity during the transition.



3. Treasury Acceleration

Extend the relationship with data-informed insights and recommendations.

By analyzing payment behavior, balances, and service utilization, institutions can identify opportunities to deepen treasury adoption.

When recommendations are grounded in observed financial behavior, conversations become more strategic and less transactional.



As deposits begin landing and payments originate from the new account, the **liquidity inflection point** is reached.



In this way, structured activation naturally gives rise to more **structured conversations**. Bankers are no longer relying on assumptions or periodic check-ins, they are engaging with context, informed by actual operating data captured during the transition.



This allows bankers to anticipate needs earlier, engage with greater precision, and deliver guidance that is directly tied to how the business actually operates.



The result is deeper engagement, stronger primacy, and more durable commercial relationships.

Why This Commands a Premium

The Capital One–Brex acquisition reflects a broader shift across financial services.



Institutions that embed themselves into operational workflows create more predictable and durable revenue streams. Once payroll, receivables, treasury services, and payment systems are integrated, switching costs increase significantly.

The institution becomes infrastructure.



Infrastructure produces stable deposits, recurring fee income, and lower attrition risk. These characteristics command premium valuation multiples.



This dynamic is reshaping competition among community and regional financial institutions. Banks do not lose relationships because of rate alone. **They lose when competitors activate faster and integrate more deeply into a company's financial operations.**



Institutions that rely on organic migration, assuming balances and workflows will consolidate over time, often experience slower funding timelines and delayed treasury adoption.



Structured activation replaces uncertainty with coordinated execution. It also equips institutions to engage more effectively after the transition, using real operating insight rather than generalized outreach.



Instead of waiting for activity to consolidate, leading institutions guide businesses toward the liquidity inflection point.

Primacy Is Earned Through Activation

In business banking, primacy does not follow account origination. It is established when daily financial operations depend on the institution's infrastructure.



Structured activation transforms what has historically been a fragmented and manual experience into a coordinated strategy:



Identify the full operating relationship



Map and migrate core financial workflows



Attach treasury capabilities early



Establish daily operational dependency



This approach strengthens relationship banking rather than replacing it. **Banker expertise remains central**, while structured execution ensures consistency.

For leadership teams, the strategic question is evolving.

IT IS NO LONGER:

How many accounts did we open?



INSTEAD, IT IS:

How quickly did we activate the operating relationship?

Financial institutions that control operating flows build leverage. Those that simply house deposits do not.

In modern business banking, primacy is not opened. It is activated.

AUTHOR BIO

Cale Johnston is Founder and CEO of Onsetto, a fintech platform helping financial institutions capture the business operating account through structured activation.

Johnston previously founded ClickSWITCH, the automated retail account switching platform acquired by Q2.

He works with banks and credit unions to accelerate deposit growth, migrate operating workflows, and establish primacy in commercial banking relationships.

