

Morgan stanley case study

Business



**ASSIGN
BUSTER**

Why did Morgan Stanley underinvest in information technology? Morgan Stanley underinvest in information technology because the firm focused its business strategy on maximizing profits instead of generating revenue since the stock market crashed in 2001. To gain the maximizing profit, the company cut costs in many aspects including the investment of information technology. 2. Why was the merger with Dean Witter disruptive for the company?

Because Morgan Stanley and Dean Witter created a digital, cultural, and philosophical divide which was very difficult to overcome, and the most under the arrangement was the business sector of Retail Brokerage. Moreover, the Retail Brokerage group was accepted as an unequal partner in the whole enterprise. Last but not the least, Retail Brokerage group was also not well integrated with the rest of the company.

Therefore, the merger with Dean Witter was disruptive for the company. 3. Why was Dean Witter and Retail Brokerage a good place to increase spending on information systems? Business firms invest heavily in information systems to achieve six strategic business objectives: operational excellence; new products, services, and business models; customer and supplier intimacy; improved decision making; competitive advantage; and survival.

To invest in Dean Witter and Retail Brokerage on information technologies helps Morgan Stanley to make substantial improvements which will help the financial advisor better serve the clients, while also help the customers better manage their relationship with the company. 4.

If you were James Gorman, the new head of Global Wealth Management Group, what information systems would you invest in? Why? Do you think Morgan Stanley's plans for an integrated client information system are worthwhile?

If I were James Gorman, I would like to invest money in on-line customer service system. As an ordinary client of Morgan Stanley, the most significant thing is to access his private account anytime and anywhere. The only approach to accomplish such conceivability is to develop a network platform to meet the clients' requirements. I suppose that it is worthwhile for Morgan Stanley's integrated client information system plan. Because of this information age, most of the business activities need to be accomplished through information technologies.

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Aside from new systems, what changes in management and organization are required to restore revenue and profit growth at the Global Wealth Management Group? Besides new systems, I suppose that competitive operating concept and advanced management mode is also quite important for the Global Wealth Management Group. It is vital for company to harness the latest information technologies, but the operating concepts rank the enterprises. In addition, the latest information systems need the advanced management mode to run the whole company well.