

The business situation

Business



JP Morgan Chase (JPM hereafter) is a global leader in financial services in all senses of the term (A leader in global financial services, 2007). It is a symbol of global corporate success, and its moves are watched closely by the entire business world. Hence its policies with respect to Information Technology, outsourcing and back-sourcing are all matters of great interest to management observers and practitioners everywhere.

Outsourcing and back-sourcing are such resource and attention sapping moves that no modern corporation can afford the luxury of switching back and forth between these two extreme options. This document examines the circumstances in which JPM has resorted to these steps, and attempts a critique of the presented case study. 3 principal factors determine the internal and external environments in which JPM has decided to outsource Information Technology (IT hereafter) to IBM, and to rescind this decision in favor of back-sourcing, consequent to the Bank One acquisition:

The financial services world is one that has many connotations, and JPM has large presences in all the common segments (A leader in global financial services, 2007). Business activities traverse such diverse sectors as investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. The JPM business portfolio is extremely wide and comprehensive. This is an advantage for an enterprise of JPM's scale, and is indeed in the very nature of business for a holding company.

However, it does imply that JPM is not one homogenous business entity, but rather a conglomerate of allied but distinct lines of profit opportunities. Bank

One, with its strength in retail banking, is an appendage of specialist value for JPM, rather than an organization of equal standing. The credentials of Austin Adams to head Information Services (IS hereafter) in a merged entity with vital business interests in sectors completely divergent from retail banking, is therefore an issue for reflection within JPM.