

Citibank's e-business strategy for global corporate banking

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MIS 760 - IT Strategy Case Study: Citibank's E-Business Strategy for Global Corporate Banking Please prepare an analysis of this case. Your write-up should be 4 to 7 pages. Each of the following questions should be addressed individually: 1. What are the impacts of the internet on the competitive landscape of corporate banking? Hint: use Porters 5 forces) The statements below are the impacts of the internet on the competitive landscape of corporate banking: * Intense competition which further increased the rivalry amongst existing competitors * The challenges of serving corporate customers with a variety of needs in terms of size of organization and how progressive and open to change these companies were. Based on the resistance received this could create a threat of substitute products or services. The aggressive changes that were being made by Citibank placed them away head of the competition. This lead in front of their competitors could create new alliances to limit the gap. * The new markets that are potentially Citibank's creates a challenge to lower cost, improve efficiency while still meeting the needs of the customers. * The substitute products such as local banking and or older systems which may not be as progressive as Citibank in terms of technology. 2.

What has Citibank done to differentiate its e-business products from those of its competitors? Citibank was able to differentiate its e-business products from those of its competitors by focusing on customer satisfaction instead of only the bottom-line. Customer satisfaction was focused on the support, technology and response time, making sure the clients felt confidence in the brand. The customer service along with the products are the reasons why Citibank is able to keep its recognition and loyalty throughout the world.

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Citibank used many technologies to get more clients satisfied such as ATM's, telephone lines, and the paperless system of payments which is a secure business transaction for the customer. 3. What can Citibank do to create competitive advantages? In order for Citibank to create competitive advantage the following processes can be implemented: * Find a way to lower prices on products while still increasing the bottom line. * Mobile and Web is very important to many individuals so having the ability to initiate transactions via the previously mentioned methods will put them ahead of the competition. . How has Citibank successfully converted its traditional moneymangement business into an e-business? During the process of transforming traditional assets to digital assets, what issues should a company like Citibank take into account to ensure successful implementation? Citibank successfully convert its traditional money management into an e-business system by giving convenience to the customers, (example the technology investments), flexibility, and staying ahead of the competition by investing in infrastructure that would only make the experience better for the customer.

The transformation was done by becoming more centralized and focusing on the customers and investing in the right technology to improve efficiency and customer satisfaction. For example use of systems to manage the automatic processing of transactions which reduces the time it takes to process and human errors as well. Also the online and real time processing with the direct access to the information for customers and employees, efficient working, cost savings and comfort for customers.

During the process of transforming traditional assets to digital assets, the issues Citibank should take into account to ensure a successful implementation are, consistency of data and the learning curve/impact for the customer. Citibank successfully responded to these changes with the different alliances with technological companies such as Oracle, SAP, Commerce One, building a new global infrastructure integrating products in new ways. 5. What actions has Citibank taken to serve the needs of two very different market segments, MNCs and SMEs?

Citibank developed two different strategies for each market segments, some of the strategies for MNCs are secure platforms to access services, local and global which can offer fast and worldwide capabilities. Also provide fraud and identity theft protection, showing the advantages of online real time banking For the SMEs, Citibank offer rewards such as free internet access as the customers slowly progress into a fully onlineenvironment. The clients were not aware of the additional benefits of the internet, especially dealing with limited access so the free internet allowed for an easier transition. . How has Citibank's Cash and Trade Group managed to develop different e-business products for varied industries? With the market changing so rapidly, how does Citibank identify market needs? Citibank has managed to develop different e-business products for diverse industries by utilizing the growing technology market and providing the convenience for their customers. The many products and services offered has been a success for each market segment because it meets the needs of each groups.

Also the customer's service lines, relationship managers and products specialists for the varied clients are required to identify the market needs

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and develop the new services according to the different industry segments.

7. One of Citibank's challenges is in managing vendors and suppliers without allowing them to exploit its clients. How does Citibank protect its clients from its strategic partners? Citibank managing vendors and suppliers without allowing them to exploit its clients by not sharing their clients information with the vendors and suppliers.

This is very important because they are protecting the privacy for the customers. Citibank was able to do so by using the suppliers technology without directly involving them, using the different suppliers applications, providing best customer service to their clients without charging extra service fee, and marketing or promotions from the suppliers. The goal is to give convenience to the customers using the Citibank applications providing customers full access to their accounts whenever or wherever without the hassle or headaches. 8. Prepare a SWOT analysis to evaluate Citibank's e-business strategy.

SWOT ANALYSIS STRENGTHS * Combined business units * Acquisitions * CitiDirect * Partnerships: Oracle, SAP, & Commerce One Inc. * Centralized operations with much attention focused on 1, 400 large global corporations and institutional investors| WEAKNESSES * Different clients and different needs * Service differentiation. This relates back to the different clients and needs because the service has to cater to the client. * Vendor Citibank was working with and the issues when it came to supplier management| OPPORTUNITIES * Creating a brand which is known for excellence.

Being a pioneer of Web and mobile support for their customers. * The global service market has a lot of room for growth. Citibank was one of the few
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doing business so it is possible to still take advantage and increase profits. They have the ability of first to market in this case. * As Citibank continue to increase their business globally, it would service them best to take an opportunity to work with local business (not within the same market) to offer benefits to their customers. | THREATS * Utilizing the web or mobile brings the concern of security. Threat of new entrance from competitors being able to offer lower prices, better incentives, and the technology to go with it. * Decrease in revenue due to economic times| 9. How does this case demonstrate the alignment of an e-business strategy with a company's overall business strategy? This case demonstrates the alignment of an e-business strategy with a company's overall business strategy by emphasizing Citibank's changes from traditional to a more e-business structure still being global, meeting the needs of the customers, and still improving bottom line doing so.

Also the ability to offer a variety of products and services was in alignment with Citibank's business strategy because it had to meet the needs of various customers. The e-business strategy allowed them to do so successfully. 10. Beyond the case: Citibank has hit hard times in the last several years. Do you think the strategy described in this case helped in the decline or was this a bright spot? Explain your answer. I think the strategy implemented was a bright spot for Citibank.

It helped to gain more clients at different levels on a global perspective. The internet revolutionize the banking industry and changed the customers and clients expectations as it pertains to integrating its products and services in new ways. The hardship Citibank faced in the last several years, I believe had

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nothing to do with this strategy but more so economic. There were many other factors in the market which contributed to the hard times. Once those factors are changed then Citibank's strategy will continue to benefit them in the long term.