

# Charles schwab swot essay

Literature, Russian Literature



The management's constant vision of the future is made this company so successful. Schwab was looking for ways to match up and out perform its competitors and always searching and implementing new technologies. Schwab was a large company and was well known, which can be both strength and a threat. Schwab's name alone provides a certain reputation. Investors over the world have heard of Schwab and recognize their quality of services.

Schwab's main marketing tool is to keep costs low and services high. The company wanted to reach as many clients as possible. Programs were set up such as the Client offering, which allowed investors to manage their own portfolios. The Advisor Network was set up to help their clients who wanted to have Schwab manager their investments. Schwab's weaknesses are those that we believe many businesses face. The management of Schwab's seemed to have switched hands many times. In 2002 the company looked nothing like they set out to be back in the 1970's and 1980's.

The company was quick to implement new technologies, risking a huge loss if unsuccessful. They gambled with new software such as Street-Smart, Telebroker, Equalizer, Cyber Trader, and Quicken. Software like street smart was strong but its cost structure made the business unsustainable. At one point in the earlier years of Charles Schwab, the company faced an issue with under qualified employees. Schwab will change this by hiring better qualified financial advisors and a larger number of MBA's. The business embraced several opportunities and considered implementing them all.

The largest was its success in switching over a large part of the business to online services. Charles Schwab is the largest online brokerage firm as well as the largest service provider to individual investors. Their online business cut costs enormously and created more accounts than was expected. In 2000 Schwab purchased U. S.

Trust, a large and respected wealth management for high net worth investors. By 2001 the company considered the overwhelming amount of wealth the baby boomers were obtaining within the next ten years. The baby boomers require a high degree of control, wealth and are willing to embrace new technologies.

Schwab faces threats in every aspect of their business. The industry segment Schwab was in was the Investment Services and everyone is a threat at this point for Schwab. Schwab is only the six largest investment finance firm in the United States. Competitors of Schwab include Morgan Stanly, JPMorgan, Goldman Sachs, Merrill Lynch, Bear Stearns and E-Trade. Maybe even a larger threat is the continuous change of the financial market and economical changes. A crash in the Stock Market or an Economic downfall or even natural disaster could be devastating for any of these firms. Schwab faced many organizational issues.

The structure of the company was in need of constant change in order to keep up with its competitors. Technology was always a factor. They implemented several types of software and online usage. Acquiring U. S. Trust, Schwab now widened their services to wealthier investors.

Management played key roles in the success of the company as well as the constant changing of an inadequate business model. Work Cited“ Charles Schwab Corporation, The - SWOT Analysis”. May 06, 2010.

<http://nesteggnewsfeed.com/financial-planning/charles-schwab-corporation-the-swot-analysis-new-company-profile-published/>

<https://assignbuster.com/charles-schwab-swot-essay/>