

Economic forecasting at bank of green

[Literature](#), [Russian Literature](#)



Executive Summary

Bank of Green is a mid-tier regional bank, focused primarily on consumer and small business lending. The strategic planning consisted of five major phases. Firstly Diagnosing the University's internal and external environment was necessary, secondly deciding up on the University's mission and vision, thirdly developing the overall goals and objectives, fourthly formulating the strategies that need to be followed in order to achieve the desired goals and objectives, and fifth and the last challenge was to allocate the resources in an effective and efficient manner in order to achieve the desired objectives.

All this had to be done keeping in mind the different other factors that might hinder the process. These factors namely could be time, budget and resources. We would further look into all the five stages of the strategic planning comprehensively in order to understand each and every process in a greater depth.

Introduction

The purpose of this report is to provide a solid base from where work could be started to explain the current situation or scenario to the audience. The report focuses on spreading awareness about the current economical situation and planning a strategic plan to counter it. The need to devise a strategy for the current situation is extremely important for the Bank. My role through out the report would be to highlight aspects that need to be located and changed in order to achieve the desired change expected in terms of the current economical situation.

The audience for my report would be the members of the meeting that is going to be held by the Federal Open Market Committee of the Federal Reserve. My report would impact the decision of the monetary policy that is going to be decided in the meeting. Bank of Green is a middle tier regional bank that focuses primarily on consumer and small business loans. Historically the bank has funded its loans through traditional bank deposits. However, given the rapid development in convenience of mutual funds and online investing, the bank has shifted its focus to offering a larger range of financial products and advice to its high-end customers.

This included offering its own mutual funds, annuity and insurance products from other companies, and financial planning courses. Bank of Green has a large staff dedicated to customer relations. A large part of the bank's customer base is retired individuals who have had long term relationships with the bank. These individuals have a range of financial expertise, some being dedicated followers of the financial news, while other have never heard of the Federal Reserve. The bank's customers get their income from a variety of sources.

Most have traditional bank accounts. Some, particularly the middle age customers, have substantial holdings of stock. Retired investors also typically have some sort of a pension or retirement plan. The bank's customers can be very concerned about changes in the economy. Those holding stock are worried about corporate profitability; the more profitable the company, the higher the value of the stock. Some of those with pensions have other concerns. Often, the value of their pensions does not keep up

with inflation. These investors tend to watch for signs of future inflation that could mean they would have a lower real income in the years ahead.

The growth of GDP seems to be slowing, leading many investors to be concerned about the future prospects for the economy. One indicator of the weakness of the economy is the decline in consumer confidence, a measure of how optimistic consumers are about the strength of the economy in the near future. If this decline continues, it could lead to a decrease in consumer spending. Also, firms have spent the last two years dramatically expanding their capacity by buying new machinery and building new factories. Because of this, it is expected that companies are likely to reign in spending on investment over the next year.

The significant topics that would be covered through out the report would be how the change in the approach of the bank towards its customers would be implemented and designed. A five step approach to strategic planning would be implemented. These five stages namely are diagnosing the organizations external and internal environments, deciding on a vision and mission, developing overall goals, creating and selecting general strategies to be pursued, and allocating resources to achieve the organization's goals. The eventual strategy would be to improve consumer confidence which can only be achieved through a growing GDP, for this the bank has to offer all types of loans on lower interest rates than before.

Diagnosing the organizations external and internal environments

The Bank experiences a hostile external environment as people are restraining from availing the lending of different banks. This is due to the

fact that consumer confidence is gradually falling. On the other hand the internal environment of the Bank is lacking motivation, a need of a good leader that can direct the employees strongly through this time is needed and emphasis has to be made on the factors that might improve employee motivation levels.

Deciding on a visions and mission

This is the most important part of the strategic planning as it is necessary to devise a current objective and a long term objective to work up on. The vision of the Bank would be quite simple that is to become the Bank with the highest money reserve in the city plus to be lending huge amounts and recovering them.

The mission would be to improve the current economic conditions in the country to stabilize the GDP growth and profits of the bank. Under this mission and vision raising quality standards and maintaining high consumer confidence would automatically be covered. The result of this would ascertain the Bank's growth direction making it in to a superior entity than others around it.

Developing overall goals

Developing the goals would be easy after the problems and their symptoms have been identified. It is important to separate the symptoms from the problems to correctly find out the solution to the problems. The overall goals would be to select a procedure that would help remove the problems smoothly and lead to a safe route of growth and prosperity. Overall goals would include the improvement of banking procedures and allocation of

resources in an effective way. It would also include a change in the business aim and will require bringing in more innovation.

Creating and selecting general strategies to be pursued

A brainstorming session would be held to generate new ideas that can help the bank in improving consumer confidence. Secondly those ideas would be screened and tested for errors and faults, and then the selected ideas would be planned and implemented. A control process would be established to check the credibility and validity of the procedures. There would be two types of strategies, the short term strategy and the long term strategy. Both these strategies would be designed keeping in mind the factors that might limit the bank (Kuiper, 2006).

Allocating resources to achieve the organization's goals

The allocation of resources would be properly planned. In order to increase efficiency and handle the resources, a resource planning team would be hired. This would plan and carry out the distribution of resources that the bank possesses. It is important to handle the resources in a way that they do not get wasted or exhausted.

Conclusion

To conclude the report I would like to mention that it is important to reorganize the business strategy and in this tense economical condition, solve the problem of consumer confidence that is to increase it and make people invest more in ventures, to do this the bank has to make the Federal Open Market Committee of federal reserves lower interest rates that the banks are offering in order to increase the lending of the Bank which

eventually would lead to an increase in the consumer spending automatically leading to a increase in consumer confidence and a growing GDP.

References:

Kuiper, S. (2006). *Contemporary Business Report Writing* . South-Western College Pub.