

# Strategic analysis : jp morgan chase

Business, Management



Morgan and Chase Supervisor] Environmental analysis of JP Morgan and Chase of Morgan and Chase: Morgan and Chase deal with a number of clients that work in various fields of finances. Some of the clients of J. P. Morgan deal with mergers and acquisitions. J. P. Morgan helps these customers by advising the customers and facilitating the mergers. These advices are strategic in nature and encompass multiple initiatives. In the same way the company helps its consumers by advising and helping them raise finances through their Equity Capital and Derivatives Markets (ECDM) practice. The ECDM covers various aspects of equity related issues. These issues range from structuring to pricing of equity and equity linked products (J. P. Morgan, 2013).

Trends and specs at Morgan and Chase:

The main trend seen at the organization has mainly been regarding the technological advancement at the bank. There is a realization amongst the company's managerial staff that organizations that possess the latest technological tools and implement them in their banking will be able to post a leading and dominating players in the banking industry. Another emerging trend seen at the bank is that of focus on large data sets related to the customer. These data sets help the organization in managing various risks, help understand the customer spending patterns and follow continuously changing regulations of the country. Using various data mining techniques the organization can extract useful data that would help the company in optimizing its performance (Capegemini, 2012).

Competitors of Morgan and Chase:

The Bank of America is one of the major financial corporations of the United

States. The organization has established links with almost all of major companies across the globe. They handle financial transactions for these companies that are worth millions and sometimes billions of dollars.

Moreover the acquisition Merrill Lynch made it the world's leading wealth manager (FindTheBest, 2013).

The second competitor of Morgan and Chase is Citibank. The company has placed several branches around the globe. With branches in more than 125 countries the bank has become the largest financial organization around the globe. Citibank's services have been provided with a particular prefix that makes the bank's services easily identifiable (FindTheBest, 2013).

Chase and economic forces:

When assessing the performance of a bank two things are taken into account. The first is price to book ratio and the second is the amount a bank makes on the bank's equity return. A good return on equity in United States is considered to be 10%. Morgan and Chase's return on equity varies between 8%-10%. In the same way the price to book ratio is determined by the return on equity that is the book value of Morgan and Chase should increase by 8-10% per year. Currently, Morgan and Chase sells its book value at a 26% discount value making it underpaid (Hasson investments, 2012).

Technology at Morgan and Chase:

Mobile banking and social media has been one of the main focuses of the organization technologically. The company is aiming to use these social media websites to understand what the needs of the customer are and help promote the services of their bank (Capegemini, 2012).

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