

# Case study of barclay plc

Business



Barclay wants to set up an Integrated universal banking model, possess diversification by business, geography, client and funding, as well as maintain an unremitting focus on customers and clients. Mission: Barclay Bank aims to “ assistance people achieve their ambitions with right methods” (Barclay.

Com). Value: As Antonym Jenkins, Chief Executive of Barclay Group (Barclay. Mom) represented, their corporate goal is to become a ‘ GO-TO’ bank for all stakeholders by setting up their own mode of thinking, working and acting in order to guarantee that nonusers’ and clients’ demands are the central of operations. 2. Formal organization Barclay PL partitioned Into four major areas.

Barclay Capital (BC) has the highest percentage of total Income In the last decade compared to the other branches. BC is the investment banking department, offering clients a full scope of solutions to cater to their strategic advisory, financing and risk management needs.

In September 2008, the financial crisis resulted in the collapse of Lehman Brothers Holding Inc (LBS.), which BC then purchased and incorporated into the investment department, which lead in turn to a substantial increase in PC’s equines and impact. Barclay Corporate provides integrated banking solutions to large corporate and financial organization internationally.

Barclay Wealth focuses on private and intermediary clients worldwide, providing International and private banking, fiduciary services and brokerage.

Investment Management was sold on 1st December 2009. However It used to manage the Group's economic interest in Blackjack, Inc and the residual elements relating to Barclay Global Investors. Organizational structures Barclay Implements ten Atonally structure Ana product Ana geographical structure. Leadership is partitioned into three main sections: Board of Directors, Executive Committee and Chief Executive. The Board's primary duty is to advance the long-term success by creating and delivering sustainable shareholder value.

In setting and supervising the performance of strategy, the Board schedules ensure that the system is efficiently and highly administrable. Furthermore, the accurate risk management and regulatory oversight process of the Board are the center of organization, which delivers growth in a controlled and sustainable way. The Board of Directors includes Group Chairman, Chief Executive and non-executive Directors Barclay Annual Report 2011 pop), their duty is to advise and constructively challenge management and supervise the success of the company.

The Board representatives have obligations to the " day-to-day management of the Group to the Chief Executive" (Barclay Annual report 2011), who is turn in accountable for ensuring that the company is operating efficiently while conforming to the strategy and risk to the requirements. Barclay' hierarchy clearly delegates responsibility for the management for all tasks. Utilizing functional organization encouraged specialized management and work efficiency, each department performance its unction's.

Furthermore, district directors are “ responsible for the operation of the division and may be accountable for its profitability’ (Hangman T. 2008 IPPP), in overseas markets. The latter structure provides adequate control of wide-ranging areas of business and applies to employees with different qualifications, experiences and backgrounds. This structure avoids over-centralization to a certain extent, allowing it to fit into different markets, due to the fact that the Group must rely on individuals to take actions to improve operations rather than handing down directives. .

The Environment analysis PESTLE analysts PESTLE framework helps managers to categorize external impacts into six main areas and understand the key drivers of change to adjust the strategy. Monsoon, G. & schools, K. 2009) Political: The Financial Times (Norris. F 2012) indicated that Barclay had been involved in a political storm owing to suspicion surrounding is manipulation of the London Interbrain offered rate (LABOR).

LABOR is one of the benchmark rates that form the operational bedrock of futures contracts, bulk commodity trading, individual consumption loans and Secured Line of credit. The action of Barclay may affect the policies of Central Banks, for instance Swiss National Bank, Bank of England and European Central Bank (CB). The outside pressure might threaten the reputation of Barclay, which may encounter extensive lawsuit from the world’s largest banking groups as a result (Treason J. 30. 10. 2013).

Economic: “ Market conditions in 2011 were particularly difficult as investors’ nervousness over global economic growth prospects grew and concerns about the fiscal deficit of certain Euro-zone countries Decade acute. ”

(Marcus Gallus Group cameraman 2011) Since the economic resurgence impacted the share prices of banks by the Euro-zone debt crisis, Euro-group leaders committing to a system of enforceable fiscal rules for the repayment of their debt. Moreover, the action of the CB to provide liquidity support to banks has helped boost confidence and the European downturn has shown a moderate upward trend.

Social: Bob Diamond (Barclay Annual Report 2011) mentioned that banks need to become better citizens, not only because out of a sense of pure philanthropy, but also in order to deliver real commercial benefits in a way that creates actual value for society. Moreover, Barclay became the title sponsor of Barclay Premier League and Barclay Singapore Open Golf since 2004 and 2011 respectively. Technological: Barclay has strengthened the programming of IT system for effective, accurate and humankind services.

Barclay chief Antonym Jenkins has used several presentations to the public to announce his company's great use of IT techniques that might prevent a 'colossal mistake' that would abolish 1, 700 operating posts. (Treason 2013)

Environment: Barclay assists renewable energy firms in accessing finance from the capital markets and offers advisory services across the sector. In Ireland (Barclay Annual Report 2010 pop), Barclay has supported the erection of onshore wind farms and has played a strategic financing role in vital energy infrastructure project.

Legal: I-J promulgated Banking Act at 2009, strengthened the protection of depositors, formulated the bankruptcy institution, improved the Financial Services Compensation Scheme and remedied the institutional deficiency. To

sum up, according to the PESTLE, the external impacts such as economic resurgence, social status, legal protection and world investment system are conducive to the further development, since the position and role of Barclay are elatedly stable.

4.

The strategic fit between the organization and environment Capital strategy and risk management are the core components of Barclay PL, which aims to achieve the minimization of shareholder's value. Barclay provides a feasible service by offering sufficient financial support to cover the Group's existing and forecasted business requirements and correlative risks (Barclay Annual Report 2011 pop). The finance department guarantees that the Group and its legal subsidiaries possess sufficient capital and analyzes the possible hazards that may arise under the stressed conditions.

Furthermore, the post-supervision department supports Barclay' service rating, Group growth, environment changes and market.

Risk management is highlighted by the Barclay PL as one of its most important strategies. Its task is to: Identify and profile the significant risks of management's new policies, ensure the operability of infrastructure to sustain the business growth, thereby pledging the financial returns remain feasibly deliverable under a range of business situations. " Optimize risk return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structure. Barclay PL Annual report 2010) Help executives and advisers improve and explain the Turner placement Ana market positioning AT ten Group. (Murphy. D <https://assignbuster.com/case-study-of-barclay-plc/>

Porter 5 forces Porter's diamond focuses on the internal impacts of market by analyzing the level of threats, suggests the inherent reasons why some nations are more competitive than others.

**Bargaining Power of Suppliers:** The main suppliers to Barclay are equipment and technology services corporations. However, the bargaining power of these suppliers only represents a medium level of risk.

The strategies are covered under building appropriate, strong and stable relationships with suppliers. **Bargaining Power of Customers:** Customers focus on the future benefits, appropriate human resource of the specific services and probable risks; hence they need some comparison with other banks that also provide the similar banking products. The power represents a medium level of risk.

**Threat of new entrants:** Banking industry is an active business, and as such new entrance into the field could strongly influence the performance of Barclay on different levels, resulting in policy changes.

Therefore, new entrants represent an area of high risk. Barclay' strategies for mitigating this risk emphasize four points: guaranteeing the stability of each branch, enhancing capital usage efficiency, ensuring service quality, and pledging long-time running. **Threat of Substitutes:** Banking products have homologous functions with diverse emphasis. Consequently, this threat is low for the banking industry. **Competitive Rivalry between Existing Players:** This item includes regulatory risk and new products development.

Regulatory risk arises from an inability to comply completely with the laws, regulations or criterion applicable especially to the financial services industry, such as general changes in regulatory policy, competition and pricing conditions, non-performing loan ratio and local consumers or depositor compensation. This bargaining power is at a high level. To summarize, Barclay should focus on the new entrants and existing competition by improve service and products quality, increase diversity index, in order to promote market expansion. . Recommendations To preserve their position as the market leader, according to the analysis, Barclay needs to monitor the impact of regulatory changes.

That might restrict the company's reject activities, results in the growing accounting cost and may impact the overall income of the Group as well as its social impact. In addition, introducing a non- risk leverage assessment system based on the value chain and risk management, available for evaluate the feasibility of the strategies and capital budgeting.