asasa

by Aa Aa

Submission date: 25-Jul-2021 08:47AM (UTC-0400)
Submission ID: 1623721942
File name: Bank_of_America.edited.edited.docx (15.84K)
Word count: 1071
Character count: 6033

Components of Implementation Plan

Name

Institution

Course

Instructor

Date

Components of Implementation Plan

Bank of America is one of the largest financial institutions in the United States. It also has several outlets within and outside the country, thus attracting many customers. The internal and external components of the bank determine its performance. For instance, it has more strengths than weaknesses, making it remain competitive in the market. The available opportunities also make the bank outdo its competitors. Given these factors, the bank is likely to grow and accrue more benefits than ever before. The study focuses on the competition, internal and external issues, and Bank of America's future outlook.

Internal and External Issues

There are several internal and external issues affecting the Bank of America. The internal factors are related to strengths, weaknesses, threats and opportunities that impact the performance. The internal issues that affect the organization's performance include; strengths and weaknesses, while the external factors are threats and opportunities. Some of the strengths include; strong brand name and financial stability. In addition, it is the largest bank in the American market, has stability in growth, has over 150 branches globally, and has good relationships with companies within the United States (Gillenwater, 2012). With all these strengths, the bank maintains its competitive advantage in the American market.

On the other hand, weakness is another internal issue with the Bank of America. Over-reliance on the current IT trends and software developers, dependence on the United States financial services markets makes it vulnerable and slows business diversification (Gillenwater, 2012). In addition, relying on IT reduces the organization's performance due to limited resources and capabilities. Consequently, the main source of revenues of Bank of America is from America. This makes it vulnerable in the market.

Opportunities and threats are external issues in the organization. Opportunities include; ability to expand in other countries, a diverse portfolio for customers, increased credit value for customers and the opportunity to acquire mergers acquisitions. Whereas strengths entail; constant change in government regulations and increased competition that reduces market share for the bank. The ability to penetrate markets both locally and internationally has enabled Bank of America to expand (Gillenwater, 2012). Expansion opportunity is mostly available in urban areas and developing countries. Competition, an external issue, is the major threat to the Bank of America. For instance, Wells Fargo and Citigroup are some of the largest financial institutions with threats to Bank of America.

Competition

Just like other organizations, Bank of America faces stiff competition. Major competitors are Wells Fargo and Citigroup (Poly, 2013). The two competitors have formed strategic alliances to outmatch Bank of America. Though the bank is ranked the highest in the United States, its effectiveness outside the country remains low. This implies that market shares obtained by the bank outside the country are very low, unlike the home market. However, Bank of America can increase its aggressiveness in operation to catch up with these big financial corporations. Due to increased competition within and outside the country, the bank has recruited more than 800 employees and traders to recognize its presence (Poly, 2013). However, it still stands chances of facing stiff competition from well-established financial corporations.

Bank of America portrays some differences from its competitors. First, the availability of more noninterest-bearing deposits is mainly found in Bank of America. This makes it more advantageous than the competitors. The available money can, in turn, be invested to earn more interest. Though other banks can access this kind of money, Bank of America still has an advantage over them. Unlike other banks, this financial organization has more non-interest-bearing deposits that enable it to issue huge loans to its customers and invest (Poly, 2013). Given this advantage, the Bank of America earns much upon an increase in interest rates. While other banks charge high interest rates, the Bank of America charges moderate due to the abundance of non-interest deposits.

Consequently, Bank of America has more branches compared to its competitors. This denotes more distribution networks that reach out to too many customers. Lastly, the cost structure of Bank of America is more flexible compared to that of competitors. In return, several costs are reduced, making its services highly affordable to the customers. Therefore, the bank still benefits compared to its competitors, whose operating costs are high.

The future outlook for Bank of America

The future outlook for the bank is based on its visions and plans. Currently, the bank is committed to incorporating high-end technology to make finical services more flexible and increase artificial intelligence and commitment to innovation. Given these visions, there is expected higher earnings, an increase in shares in investment banking, dividend payout and an ideal solution to tech. Furthermore, the previous years' earnings indicate how Bank of America is likely to increase its earnings. For instance, the accrual of over 4.9 billion dollars in the year 2019 indicates future success.

Further, being ranked the best and largest investment banking for decades, there is the possibility of accrual of more shares shortly. Also, after the financial crisis in the past years, the current one looks safer; hence there is hope for more improvement. Lastly, with the focus placed on digital solutions, there is the possibility of creating more bases.

Implementation of the Tools for Measuring Business Success

Bank of America can develop the tools to improve its performance by applying increased profits and maintaining customer loyalty. There already exists a strong customer base; hence the bank should now consider their maximum satisfaction. The success of every financial institution is based on the revenue, expenses, operating profit, expenses, assets and returns on equity (Woods, 2015). Availability of cash can, in turn, be invested to earn more interest. Although other banks can access these kinds of money, Bank of America still has an advantage. Unlike other banks, this financial organization has more non-interest-bearing deposits that enable it to issue huge loans to its customers and invest (Woods, 2015). An example of a business tool that Bank of America introduced is Business Advantage 360. This is a digital tool that makes it easier for a financial institution to manage its finances.

References

Gillenwater, M. (2012). Bank of America: Is Bigger Always Better?.

Poly, C. (2013). The Competition Process. A Note from the Department Head 3 Editor's Overview 4 A Planner's Perspective 5, 85.

Woods, K. (2015). Exploring the relationship between employee turnover rate and customer satisfaction levels. The Exchange, 4(1).

asasa

ORIGINALITY REPORT

1%	0%	0%	1%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Rochester Institute of Technology Student Paper	1%

Exclude quotes	On	Exclude matches	Off
Exclude bibliography	On		