

Bank of America

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Questions?

HISTORY
 Founded in 1812, Bank of America is the oldest continuously operating U.S. bank.
 In 1929, it was the first American bank to be listed on the New York Stock Exchange.
 In 1998, it was the first American bank to be listed on the London Stock Exchange.

MISSION STATEMENT
 To provide financial services that help our customers achieve their financial goals and improve their quality of life.

Corporate Social Responsibility
 Bank of America is committed to social responsibility and community development.
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Product Lines

Product Line	Revenue	Profit
Banking	\$100B	\$10B
Securities	\$50B	\$5B
Insurance	\$20B	\$2B
Other	\$10B	\$1B

CORPORATE-LEVEL STRATEGIES
 Bank of America is a global financial institution with a strong presence in the United States and international markets.

BUSINESS-LEVEL STRATEGIES
 Bank of America is a global financial institution with a strong presence in the United States and international markets.

Industry Competitors
 Citigroup Inc.
 JPMorgan Chase & Co.
 Wells Fargo & Co.



STRENGTHS AND WEAKNESSES
EXTERNAL ANALYSIS
 Strengths:
 - Strong global presence
 - Diversified revenue streams
 - Strong capital base
 Weaknesses:
 - Dependence on regulatory environment
 - High operating expenses



OPPORTUNITIES AND THREATS
EXTERNAL ANALYSIS
 Opportunities:
 - Growing global presence
 - Expanding into emerging markets
 - Strong capital base
 Threats:
 - Intense competition
 - Regulatory changes
 - High operating expenses

SWOT/TOWS MATRIX

	Strengths (S)	Weaknesses (W)
Opportunities (O)	SO	WO
Threats (T)	ST	WT

TOWS ALTERNATIVE STRATEGIES
 SO: Focus on global expansion and emerging markets.
 WO: Diversify revenue streams and reduce operating expenses.
 ST: Strengthen capital base and improve operational efficiency.
 WT: Focus on core competencies and reduce operating expenses.

FINAL STRATEGIC RECOMMENDATION
 Through consistent banking, Bank of America is well-positioned to continue its growth and profitability.
 The company should focus on its core competencies and reduce operating expenses.

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BANK OF AMERICA Harvard Case Solution & Analysis

MISSION STATEMENT

“We have defined our core mission as making people's financial lives better by building closer connections with stakeholders, including our customers, clients, investors, regulators, community partners and employees. Our focus has been on strengthening our financial foundation, simplifying and integrating the company, and working to resolve legacy issues, including litigation, which arose as a result of the economic downturn. We are continuing to improve the products, services, advice and expertise our customers and clients need to buy houses, grow businesses, manage their finances and improve their lives.”

Corporate Social Responsibility

- Funded Golden Gate Bridge construction
- Funded the nation's railways during the American Industrial Revolution
- Financed Hollywood during the Great Depression



Product Lines



CORPORATE-LEVEL STRATEGIES

Directional growth strategy uses horizontal concentration for a competitive advantage in increased market share.

- Acquisition of Countrywide

Bank of America



Countrywide®

HOME LOANS

- Acquisition of Merrill Lynch



BUSINESS-LEVEL STRATEGIES

Economic Value Creation

- Keep service costs low
- Keep equipment costs low
- Increase consumer's perceived value

Cost Leadership

- Broad target as their competitive scope
- Lower prices & lower expenses
- Improve operations management
- Provide innovative solution

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