

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

Your name: Amanda Albert

	Company Studied
<p>Name of company studied</p>	<p>The company that I have chosen to familiarize myself with is JP Morgan Chase, one of the Big Four banks in the U.S. By choosing this company I hope to also learn more about the industry of consumer finance.</p>
<p>Articles you read about each company (online or print) – you must list at least 5 citations (article title, author, publication, date or if the article is online, the URL). If you read more, list more.</p>	<ol style="list-style-type: none"> 1. Bradford, Harry. "JPMorgan Chase's Reputation Falls To Lowest Level On Record In Wake Of \$2B Loss." <i>The Huffington Post</i>. TheHuffingtonPost.com, 23 May 2012. Web. 19 Oct. 2012. http://www.huffingtonpost.com/2012/05/23/jpmorgan-chases-consumer-reputation-yougov_n_1540582.html 2. "CHASEwhatmatters." <i>Chapter 8: Segmenting and Targeting Markets</i>. Michael Blogs, 29 Apr. 2011. Web. 17 Oct. 2012. http://michaelblogs--michael.blogspot.com/2011/04/chapter-8-segmenting-and-targeting.html. 3. Dash, Eric. "DealBook." <i>DealBook</i>. NY Times, 15 June 2011. Web. 19 Oct. 2012. http://dealbook.nytimes.com/2011/06/15/how-dimon-shook-up-his-management-team/ 4. Freifeld, Karen. "NY Sues JPMorgan over Bear Stearns Mortgage Securities." <i>Reuters</i>. Thomson Reuters, 01 Oct. 2012. Web. 18 Oct. 2012. http://www.reuters.com/article/2012/10/02/us-jpmorgan-lawsuit-idUSBRE8901FZ20121002 5. Gogoi, Pallavi. "A Black Mark for Survivor of Financial Crisis." <i>Yahoo! Finance</i>. N.p., 12 May 2012. Web. 19 Oct. 2012. http://finance.yahoo.com/news/black-mark-survivor-financial-crisis-150826628--finance.html 6. Henry, David, and Carrick Mollenkamp. "Analysis: The Core Problems with JPMorgan's Failed Trades." <i>Reuters</i>. Thomson Reuters, 14 May 2012. Web. 18 Oct. 2012. http://www.reuters.com/article/2012/05/14/us-jpmorgan-trades-idUSBRE84D04X20120514 7. "JPMorgan Chase: Business Strategy - E-Commerce, Marketing Mix, and More." <i>JPMorgan Chase: Business Strategy - E-Commerce, Marketing Mix, and More</i>. JP Morgan Chase & Co, 08 Oct. 2010. Web. 17 Oct. 2012. http://team3jpmc.blogspot.com/2010/10/business-strategy-e-commerce-marketing.html. 8. "JPMorgan Chase & Co." <i>JPMorgan Chase & Co</i>. N.p., n.d. Web. 17 Oct. 2012.

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>http://www.jpmorganchase.com/corporate/Home/home.htm</p> <p>9. "JPMorgan Chase & Company." <i>New York Times</i>. NY Times, 12 Oct. 2012. Web. 18 Oct. 2012. http://topics.nytimes.com/top/news/business/companies/morgan_j_p_chase_and_company/index.html</p> <p>10. "J.P. Morgan Chase & Co." <i>CNNMoney</i>. Cable News Network, 23 July 2012. Web. 17 Oct. 2012. http://money.cnn.com/magazines/fortune/global500/2012/snapshots/2608.html</p> <p>11. Schwartz, Nelson D. "DealBook." <i>DealBook</i>. NY Times, 18 Oct. 2011. Web. 18 Oct. 2012. http://dealbook.nytimes.com/2011/10/18/bank-of-america-gives-up-its-title-as-biggest-in-u-s/?scp=4</p> <p>12. Shabazz, Bahiyah. "Not Too Big to Fail: JP Morgan Is Mounting Its Losses." <i>Examiner.com</i>. Examiner, 17 July 2012. Web. 19 Oct. 2012. http://www.examiner.com/article/not-too-big-to-fail-jp-morgan-is-mounting-its-losses</p> <p>13. Wherry, Rob. "Why JPMorgan May Have The Best Strategy On Wall Street." <i>Business Insider</i>. Morningstar, 03 Feb. 2011. Web. 17 Oct. 2012. http://www.businessinsider.com/an-inside-look-at-jp-morgans-long-held-strategy-2011-2.</p> <p>14. Yang, Jia Lynn. "JPMorgan Chase Confronts Federal Regulatory Probes, Other Headaches." <i>Washington Post</i>. The Washington Post, 07 July 2012. Web. 19 Oct. 2012. http://www.washingtonpost.com/business/economy/jpmorgan-chase-confronts-federal-regulatory-probes-other-headaches/2012/07/06/gJQAJvDnSW_story.html</p>
Headquarters location	The JP Morgan Chase tower, corporate headquarters, is located at 270 Park Avenue. New York City, New York 10017. The building is situated in Midtown Manhattan.
Number of employees	JP Morgan Chase has 260,157 employees as of July 2012.
Gross Revenue in most recent year available	The total gross revenue for JP Morgan Chase so far this year is \$110.84 million.
Chairman of the Board and CEO	James "Jamie" Dimon has been Chairman of the Board and the Chief Executive Officer of JP Morgan Chase since 2005.
How is the company leadership described? Are they competent, admired, respected, etc.?	CEO James Dimon is a very talented and well-respected man at JP Morgan Chase. He kept the entire company out of the hand of the financial crisis of 2008, and made sure his company stayed profitable every quarter during the recession, And when the United States needed a strong institution to bail out a failing bank, it turned to

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>JPMorgan Chase, twice. President Obama has even praised Dimon on his talents at keeping his bank afloat and prospering. The CEO of JP Morgan Chase clearly has leadership capability and is very intelligent and competent in managing his bank. Earlier this year Dimon decided to shake his management team to better suit the company. Mr. Scharf, the head of Chase Retail Financial Services, will now have his responsibilities be split among three of Mr. Dimon’s most trusted lieutenants, acknowledging that the job may have become too big for one person to manage. Todd Maclin, who is known for steering JP Morgan Chase’s commercial bank through the crisis with minimal losses, will take on additional responsibilities overseeing the bank’s branch network and small-business banking operations. Gordon A. Smith, the head of Chase Card Services, will now run auto finance and student lending, as well as oversee JP Morgan Chase’s overall branding efforts. Frank J. Bisignano, the bank’s chief administrative officer known for his operations know-how, was given the additional task of turning around JP Morgan Chase’s troubled mortgage unit. Dimon says they are fortunate to have such a strong, talent, capable and intelligent management team at the company. These changes he made reflected their ongoing commitment to focusing on the development of their leaders and providing them with diversified opportunities and experience across the company, (Dash).</p>
<p>Key Products/Services</p>	<p>JP Morgan chase is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. The JP Morgan brand is used specifically for investment banking, asset management, treasury and securities services, and private banking and equity. The Chase brand is used for credit card services, small business, and commercial and retail banking.</p>
<p>Three adjectives that describe the company in the marketplace</p>	<p>Three adjectives that describe JP Morgan chase in the marketplace include, reliable, profitable and innovative. “JP Morgan is known for huge earnings, cautious decisions and strategies that build bridges across multiple companies,”(Shabazz). CEO Jamie Dimon has grown the company’s profits due to his exceptional management style. Recently JP Morgan Chase has found itself in trouble, with a mistake that has cost them \$2 billion dollars, because of the sheer size and the market share of the company they were a target in these trades. The company got involved in risky trades, but the higher the risk the higher the reward, however they find themselves in trouble. Jamie Dimon has come of with innovative ideas as to how to pull the company out of trouble. Despite the hardship of the loss, as always the company still remains profitable quarter after quarter like it was able to do during the financial recession of 2008. As with most failures, comes success. Investors will continue to rally behind JP Morgan Chase in support of its decisions while it soar shares, because the company still remains are reliable source of returns for many investors, as it most likely always will.</p>
<p>Describe the company’s culture</p>	<p>JP Morgan Chase’s company motto for their culture is “first class business in a first-class way”. JP Morgan Chase has a company culture driven by performance, partnership, meritocracy, inclusion, and directness. To reach its goal of being the best financial services firm in</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>the world, JPMorgan Chase is committed to creating an open, entrepreneurial and dynamic workplace that encourages each employee to contribute to the best of his or her ability. JP Morgan Chase's business principles make clear that building a great team and winning culture means operating with the highest standards of integrity and being open and honest with themselves, other colleagues, shareholders and their communities. They train and retrain great managers and strive to get incentives right. Senior leaders of the firm support the company's culture, starting with the Chairman and CEO, Jamie Dimon, who said, "We need to constantly remind ourselves that the most important thing we can do for employees is to build a healthy, vibrant company that treats people with respect and creates opportunity. Everyone counts, and we have to remember that we all support one another." JP Morgan chase has a market culture, where they have an external focus and they encourage stability and control. They maintain a strong system of governance and internal controls. The company values competition, aggression and personal initiative as well as results and people who work long hours to get them. Market cultures emphasize winning and meeting ambitious goals. According to an article from Morningstar, JP Morgan may have the best strategy on wall street. The article says that the company is making its best effort to be a role model for a bank-run fund family. It goes on to say that the company's "management is strong, the overall fund lineup is decent, (especially on the fixed-income side), it has a clean regulatory history, and the compensation structure is fair. Because of that, its earns a Corporate Culture grade of B." By holding its firm and employees to the highest ethical standards JP Morgan Chase has remained among the world's most trusted and respected financial services institutions.</p>
<p>Describe the company's values</p>	<p>JP Morgan Chase company values are reflected in the way that they conduct their business and in the outstanding results that they continuously achieve for their clients. The company values diversity. JP Morgan Chase has said that, "We want individuals of any race, nationality, gender, sexual orientation, or physical ability to have the opportunity to excel based on their performance and contribution to the firm,"(JP Morgan Chase & Co.). The company understands that their collective diversity is their strength and leads to the best solutions for our clients. JP Morgan Chase values performing to the highest standards for their clients and shareholders, their strong open culture that values inclusion and respect, and delivering constructive feedback from one employee to another. The company believes that employees should reach their full potential, advance and then be rewarded based on their merit, capability and character. They do their best to manage and operate the company with a set of business principles and they believe that shareholders will benefit by doing the right thing for the clients and communities. Lastly, JP Morgan Chase treats all of their colleagues with respect and believes that different perspectives bring strength and innovation to their work and lead to the best solutions for customers, (JP Morgan & Co.). The top three values according to JP Morgan Chase's business principles are being the best, executing superbly, and building a great team and winning culture. The company's clients appreciate that they understand their</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>needs and act in their interest. Their focus on partnership, emphasis on trust, and desire to constantly perform better also help them attract employees with the same values.</p>
<p>Biggest internal challenge</p>	<p>The biggest internal challenge that JP Morgan Chase has right now is managing its many branches, including Bears Stearns, which now has a civil fraud lawsuit being brought against them for misconduct of mortgage-backed securities being sold during the housing boom from 2005 to 2007. The Residential Mortgage-Backed Securities Working Group brought the civil suit to New York State Supreme Court. The suit accuses the firm for making material misrepresentations about the quality of the loans in the securities, and ignoring evidence of flaws among the loans that they sold to investors. "Investors lost more than \$22.5 billion on more than 100 of those securities," (Freifeld). The suit also states that when Bear Stearns realized that there was problems with the loans that they had purchased from a lender, they were suppose to make the originator buy them back, but instead they demanded cash from the lenders and kept the money rather than passing in on to the investors. It was also stated that Bears Stearns comprised the process in order to increase their number of securities. The unethical decision of one branch of JP Morgan Chase affects the whole company. A representative for JPMorgan, which acquired Bear Stearns in a fire sale in March 2008, said it would contest the allegations, (JPMorgan Chase & Company). Although JP Morgan Chase didn't acquire Bear Stearns until after the actions of the allegations, it is still affected the company as of now. JP Morgan Chase is the largest bank in the country and is continuing to expand, but keeping all of its many branches in line seems to be a great difficulty because of the sheer number and size of them. The company values and culture don't seem to me penetrating through all of the branches of JP Morgan Chase, and the company is suffering because of that. They need to learn how to better communicate their business principles, especially on ethics to their many branches of the company.</p>
<p>Biggest external challenge</p>	<p>JP Morgan Chase's biggest external challenge right now is trading in the markets. "JPMorgan Chase & Co lost at least \$2 billion in its failed hedging strategy not only because it was sloppy, but because it grew too big in a rarified market of complex financial instruments that it had created,"(Henry, David). The strategy dealt with credit default swaps, something that was the cause of the 2008 financial crisis. The swaps were originally used to hedge the bank's exposure to other investments it owns, JP Morgan chase helped invent the market for such swaps. These swaps known as "synthetic" position, because they trade risk without trading the actual bonds, turned out to be costly for the JP Morgan Chase. As the bond market shifted, the company had to adjust its hedges; these swaps complicated the structure, which caused the company's hedges to not be able to offset the losses from one swap from the gains of another. Furthermore the size of JP Morgan Chase's swap positions in this small trading market, with lack of liquidity, made it difficult for company to escape unscathed once the trades started to fall through. Also because JP Morgan Chase was so dominant in in this market it was clear they were isolated and at risk to other trading entities. Jamie Dimon, CEO of JP Morgan Chase,</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>acknowledged sloppy execution and oversight of the trades. The cost of the failed trades adds up to about \$2 billion, however because of this incident the banks share plummeted 9 percent, taking \$15 billion off the company's market value, with more cost to come. JP Morgan Chase needs to refocus their external view on the market and regroup to align their strategies, especially about the growth of their company.</p>
<p>Internet presence – is it effective? Please describe.</p>	<p>JP Morgan chase is innovative in the area of E-Commerce, they offer online and mobile banking, where customers can manage their checking or savings account, loans, lines of credit, credit cards, and any other account they have with JPMorgan Chase. The company uses various promotional marketing tools to reach its customers; these tools are primarily seen on line. JPMorgan Chase uses online ads to get its name out to its customers, especially on Facebook where millions of people are bound to see their logo everyday. The company also has a Facebook page sponsored by JPMorgan Chase that allows people to get involved. It is called "Chase Community Giving" and allows users to vote on which charity or organization the company will make a donation to, (JPMorgan Chase: Business Strategy - E-Commerce, Marketing Mix, and More). JPMorgan Chase also heavily advertising to their active customers. When customers log into their online account they screen displays are flooded with ads about other products and services offered by JP Morgan Chase.</p>
<p>Advertising in other media – is it effective? Please describe.</p>	<p>As well as advertising on the internet JP Morgan Chase, also advertise on billboards and invests in ad spaces on buses and taxis. In the business portion of JPMorgan Chase, the major marketing tool is the actual relationship ratio between the employees and clients. By having a relationship with each business client, the company is able to gain customer loyalty and long lasting partnerships as well as having their business expand by word of mouth. They have several referral programs and offer rewards to their customers for any referral that results in a new relationship with JPMorgan Chase. "The company tries to provide the business client with as many products and services as possible on top of just deposit accounts. These products include loans, lines of credit, and credit cards just to name a few,"(JPMorgan Chase: Business Strategy - E-Commerce, Marketing Mix, and More). Another way these relationships are enhanced is through the "Chase at Work" program. This is when JP Morgan Chase invites its own employees to come to their offices and lets them sit down with the company's employees to open deposit accounts and give them information on the other products and services that are offered. This tailored service gives the business clients confidence in knowing that JPMorgan Chase is there for them.</p>
<p>Target customer demographics</p>	<p>Segmenting a target market is essential for a business to thrive. There are five characteristics that come into play when segmenting a target market, including geography, demographics, psychographics, benefits sought, and usage rate. JP Morgan Chase uses all of these to segment their target market. Demographics is the segmentation that refers to the consumers age, gender, income, ethnicity, background, marriage status and presence of children. An example of demographic segmentation at JP Morgan Chase is their services that they offer to customers in Generation Y, which is their student checking and</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>savings, such as their "Chase College" and "Chase High School" accounts. The target market of J.P Morgan Chase Bank is rather large. J.P Morgan Chase Bank targets other businesses, investors and stockholders, as well as the body politic that is granted to attain their checking and saving accounts, as well as be holders of their abundant amounts of credit and debit cards that Chase Bank offers,"(CHASEwhatmatters). Specifically for JP Morgan Chase's customer demographics, they serve almost everyone from baby's bonds to and old man's savings, from big time business investors to single mothers who need help with loans, from locally to globally. JP Morgan Chase has to segment their target market by more than just demographics, because in the case of just demographics they can serve just about anyone.</p>
<p>Describe their reputation</p>	<p>JPMorgan Chase emerged from the financial crisis almost unscathed and with an enormous new influence over the other banks that fell to the 2008 recession. James Dimon, known as a tough, hands-on type, was known for being a different type of CEO; he power housed the company through the financial crisis while genuinely caring about his clients. JPMorgan Chase has enjoyed a reputation since the financial crisis for being different from other banks: smarter about risk-taking and less likely than its peers to be caught in the middle of criminal activity. The company's enthusiasm for cost-cutting and mastery of risk did more than keep JPMorgan strong enough to bail out two failing competitors, Bear Stearns and Washington Mutual after the recession. It gave the company enough street cred during the post-crisis years. However, Dimon staked so much of his reputation on creating this perception of being the ultimate, infallible risk manager that it led the company into the elephant hole they are in now. After keeping a positive reputation during and after the financial crisis, JP Morgan Chase's reputation is now taking a huge hit. JP Morgan Chase managed to lose \$2 billion in bad trades and is being questioned by the Justice Department, the Securities and Exchange Commission and the Commodity Futures Trading Commission. This caused traders to take off about 10 percent off JPMorgan's stock price and brought many complaints from industry observers and lawmakers who said banks needed tighter regulations. These losses have made lawmakers worry about if the bank's operations are too risky. Dimon confessed to a "flawed, complex, poorly reviewed, poorly executed and poorly monitored,"(Gogoi). Investigators are also asking for information from JPMorgan Chase, among about a dozen other financial firms, about the scandal in the London financial sector over how bank rates are reported. JPMorgan Chase's consumer perception dropped by 25 points to -33, (Bradford). The plunge put JPMorgan's reputation at its lowest level in a while. Previously its lowest score was -22 when it faced public criticism for its use of government bailout money. Even Dimon admits that his firm's reputation has taken a hit after the announcement of the loss. No matter that the company's reputation is faltering with the very recent mistakes and scandals, JPMorgan is still expected to make a healthy profit this year.</p>
<p>Who are their major competitors?</p>	<p>JP Morgan Chase's biggest competitors are mainly the three other financial institutes in the Big Four, the four largest banks in the U.S, including Bank of America, Citigroup and Wells Fargo. Bank of America</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>is a large, diversified financial company that competes with JP Morgan Chase in a number of ways including the credit card issuance, asset management and financial services. Bank of America is the second largest bank with \$2.2 trillion in assets, and JP Morgan Chase being the first with \$2.9 trillion in assets, (Schwartz). With the Bank of America shrinking its balance sheet and selling off assets, it is being reshaped into a smaller and, investors hope, more profitable institution. In a time of slow economic growth bigger is not always better, as seen through JP Morgan Chase's challenges. The bank's recent success seems to be a combination of numerous locations and anticipating trends and the merging of Merrill Lynch. Bank of America is a close runner up to JP Morgan Chase, and a huge competitor of the company. Citigroup also competes with JP Morgan Chase across a number of segments like Bank of America. Being the third largest bank in the U.S., Citigroup's global reach is something few other banks can touch. In addition to just Citibank, it owns several international regional banks and has more than 50 million Citi-branded credit cards. Citigroup's product lines all carry the "Citi-" prefix, making them easy to identify. There's CitiMortgage, CitiCards, CitiFinancial, CitiCapital. However, Citigroup was hit hard during the financial crisis and has been trying to refocus its original mission of traditional banking ever since, still a large competitor of JP Morgan Chase because of its competitions in smaller segments. The last bank of the big four is Wells Fargo, a competitor of JP Morgan Chase as well. The company competes mainly with JP Morgan Chase's credit card and deposit banks. Wells Fargo claims to serve one in every three US households through at least one of its business lines. Wells Fargo was the first bank to offer clients internet access to bank accounts. Wells Fargo is the latest addition to the Big 4. Three other major competitors of the JP Morgan Chase company that are not in the big four banks include, American Express Company, Goldman Sachs Group and Morgan Stanley. American Express runs a credit card issuance program that competes with JP Morgan Chase. Goldman Sachs operates an asset management business, which competes with JP Morgan Chase. Morgan Stanley, like Goldman Sachs, operates an asset management business, which competes with JP Morgan Chase. In all different ways these six companies compete with JP Morgan Chase in big ways and small.</p>
<p>Would you like to work for this company? Why or why not?</p>	<p>Yes, I would like to work for JP Morgan Chase. The company has a structured culture that I would be able to thrive in. They value competition, aggression and results as well I as do. I'm a perfectionist and I'm willing to work long hours to get the work done. The company makes their values and business principles very clear, they also make sure every employee knows where they are right now and what it will take to get from point A to point B in the future. Working for the largest bank in the U.S. would be an added bonus. The CEO James Dimon is a very unique person, with an internal drive for success and innovative, I think he is great at being a leader and an all around good person I would enjoy working for him. JP Morgan chase has a very open, welcoming culture, people are very smart but down-to-earth something I can relate too. At JP Morgan Chase there are always opportunities to excel and work your way up the ladder, they do a great job at rewarding people for their performance. I'm very</p>

HRM1101 – Corporate Analysis Assignment
Due: Friday, October 12, 2012

	<p>intelligent and a great leader I think I would do well at this team-oriented company and I would be able to direct the teams in the right direction. I would fit in well with the company culture. I share many of the same values JP Morgan Chase has including, teamwork, diversity, respect, corrective criticism, and inclusion. I can relate to their mission statement and their overall company mission, I believe I can thrive at a company like JP Morgan Chase.</p>
--	--