TO: CEO, US Bank

FROM:

DATE: May 12, 2021

SUBJECT: Internal and External Firm Analysis

Executive summary

The internal and external analysis finding shows that US bank invests in new technologies for the bank to serve the new online consumers. The bank should develop good corporate social responsibility to achieve success outside its core business. Building a highly skilled and sustainable workforce is the core to achieving success. To enhance global social and environmental, the bank should embrace the new environmental laws and help helps its firms integrate the different cultures within their operations.

**SWOT Analysis**

* Strengths: The US bank has good returns on capital expenditure, highly effective at the Go-To market policies, outstanding performance in new marketplaces, has a strong distribution network, a high level of customer satisfaction, adequate track record of joining firms through mergers and acquisitions.
* Weaknesses: US bank has limited success rate outside its main function, the bank needs more venture in terms of technology, there is a high rate of attrition in the workforce, integrating firms with a different culture is a challenge.
* Opportunities: New tendencies in customer behavior can help open a new marketplace for the bank. New customers from online channels, new environmental policies, new taxation policies will impact it.
* Threats: No consistent supply of advanced products, changing consumer behavior from online channels is challenging, new environmental guidelines under the Paris treaty 2016 threat to present product classes. Deficiency of expert workforce labor across some regions globally

Recommendations

The US bank needs to invest more heavily in the current new technologies, build a highly sustainable long-term workforce, and develop good corporate social responsibility.

**Porters Five Forces**

* Buyers’ bargaining power: In the banking industry exists two types of consumers, individual consumers, and corporate consumers; both have high switching costs, and thus they have low barraging power.
* Bargaining power of suppliers: The suppliers have high bargaining power; US bank works more with a specialized workforce that other banks and industries can hire.
* Threats to new entrants: US bank creates a significant economy of scales which helps reduces the fixed costs. The bank also heavily invests in investigating and growth, building dimensions, and redefining values, thus makes commerce more dynamic.
* The threat of substitute products: The threat of substitution is high, especially in the banking industry due to the value proposition and of the new products.US bank upholds its service alignment along with product alignment and also understanding the core desires of its customers.
* The rivalry of prevailing players: The finance industry is very competitive; US bank builds a high sustainable differentiation and efficient scales. The bank also collaborates with rivals.

**Diamond of National Advantage**

* Factor conditions: United States banking industry has highly skilled labor and developed infrastructure
* Demand conditions: The United States has the best markets in the world. The home market demand for banking services is very high. The banking services are in high demand and competitive in their offering.
* Related and supporting Industries: the United States has very vast suppliers of banking services and other competitive industries that international competition.
* Firm structure, Strategy, and Rivalry: the United States has a well-governed structure and regulations that determine how various industries compete. These regulations help to protect the existing firm against the threat to new entrants in the various industries.

**US Bank as learning firm**

US banks heavily invest in research, development, and capacity building. The bank also invests in the development and growth of the bank and the staff. There are many learning opportunities in the bank, developed special programs to aid learning. The bank also offers mentorship.

**Strategic Recommendations**

The bank should help its existing firms integrate with the culture within the country its operating. Their world is moving towards a global culture. The foundation for global economics is culture. It is sorely embedded in the culture.

The bank industries and the United States should develop conventional wisdom and thinking that will help create a cohesive and efficient competitive advantage. There is high competition in banking industries, and countries like China are devising policies to outdo the United States.