

CAPSTONE PROJECT PRESENTATION

Bank of Montreal

AGENDA



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EPIC Consulting



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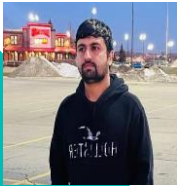
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OVERVIEW OF BMO

- A prominent financial institution in Canada with operations primarily focused across the commercial banking, wealth management, and Capital market sectors.
- It plays an important role in the Canadian economy through its investments, products, mortgages, and other services.
- Well known for its community services that contribute to societal benefits.
- The Bank offers reliable investment services that easily help its customers buy, sell, and invest in the stock market, mutual funds, and other financial products.



SWOT

STRENGTHS:

Market Dominance and Capitalization: The bank's impressive \$61.7 billion market capitalization fortifies its standing as a financial powerhouse, laying a robust groundwork for stability and expansion.

Global Presence and Customer Support: A concentrated presence in North America ensures exceptional customer support and market acumen, heightening client satisfaction and fostering loyalty.

Consistent Income and Performance: The bank's history of unwavering income demonstrates its stability and reliability, instilling trust among stakeholders and investors.

Diversified Service Portfolio: Offering an array of services such as risk and wealth management enables the bank to cater to a wide spectrum of customer needs effectively.

WEAKNESS:

Reliance on the North American Economy:

The bank's significant dependence on the North American market exposes it to potential impacts from regional economic shifts, affecting its overall performance.

Complex Operations and Risk Oversight:

Overseeing operations across multiple locations poses challenges in maintaining consistent efficiency and risk management, potentially leading to operational inefficiencies.

Rising Competition: Canada's major banks face intense competition that could strain market share, profitability, and overall acceptance within the industry.

SWOT

Opportunities :

AI-Powered Services: Integrating AI into customer service and cybersecurity holds the potential to greatly improve user experiences and bolster the bank's defenses against online threats.

Enhancing Mobile Banking App: An opportunity exists to elevate offerings, enhance user satisfaction, and maintain a competitive edge in the financial sector through app upgrades.

Green Investments for Industry Leadership: Participating in GREEN Bond transactions establishes the bank as a trailblazer in sustainable finance, tapping into a growing market for environmentally conscious financial products.

Market Expansion in the US: The acquisition of Bank of the West significantly bolsters the bank's position and capabilities in the US market, potentially amplifying its market share and profitability.

THREATS:

Supply Chain Disruptions and Inflation Impact: These pose a significant risk to the bank's stability as they could lead to reduced profit margins, increased production costs, and supply shortages.

Canadian Housing Crisis: Escalating property prices and limited supply present a serious issue, potentially causing housing insecurity and financial instability for a substantial portion of Canadians.

Adapting to Fierce Competition: The emergence of innovative fintech enterprises demands rapid innovation and adaptation to stay competitive, posing a significant challenge.

Unrealized Growth Opportunities with Immigrant Clients: Underutilizing the potential of immigrant clients represents a missed opportunity for growth. Specialized approaches are needed to effectively cater to their distinct financial needs.

BMO InvestorLine



- BMO InvestorLine is a broker that offers an online trading platform.
- Self-directed investors can manage their investing portfolio using stocks, ETFs, and mutual funds through BMO InvestorLine.
- It has Real-time research and alerts, performance tracking, and margin that adjust throughout the day.
- \$9.95 fee per trade
- Trust and reputation of 200+ years of BMO



Performance Tracking



All-time access



Real-time updates

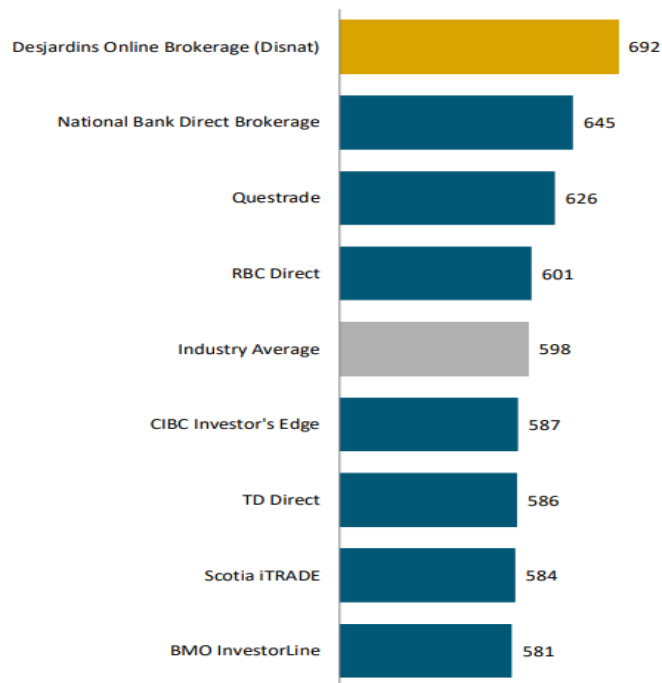


**Trading portfolio
and skills**

J.D. Power 2023 Canada Self-Directed Investor Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Enhancement of InvestorLine



OBJECTIVE

Claim the top spot in the Canadian Online Brokerage rankings by offering exceptional and seamless services to its users

APPROACH

- Eliminate Trading Commission
- Simplify Technology
- Restructuring Affordability
- Updated Mobile application

RESULTS



Increase in
number of
Users

1 Trillion

Assets Managed

100%

Customer
Satisfaction

KEY TAKEAWAY 1: User expectations and Financial positioning

KEY TAKEAWAY 2: Competitive approach helping in customer retention

Approaches for Enhancement of BMO InvestorLine



Eliminating Trading Commission

- Making it more competitive in the market can attract new investment and investors.

Simplifying Technology

- Simplify the platform to make it easy for new users.
- Add new features, and educational tools and increase the real-time support 24/7.
- Add automated features such as tax-loss harvesting, and automatic portfolio balancing.

Restructuring Affordability

- Restructure the fees for reg and non-reg accounts to be fairer and affordable to newbies.
- Reduce the quarter maintenance fees to attractive small portfolio investors.

Updating Mobile Application

- New and simple user interface
- More optimized and flexible
- Increase the responsiveness and provide real-time alerts and custom notifications.

Project Scope and Charter



Scope

It describes the improvements that will be made, such as lowering trading commissions, enhancing accessibility, and updating the mobile app.



Charter

Understanding client requirements by analyzing their needs and designing strategies to meet those needs.

Regular process feedback to improve and modify the application features and functionality to retain customers.

Business and Solution Requirements



Business Requirements

Introducing AI driven insights
Multiple device compatibility
Improved customer support



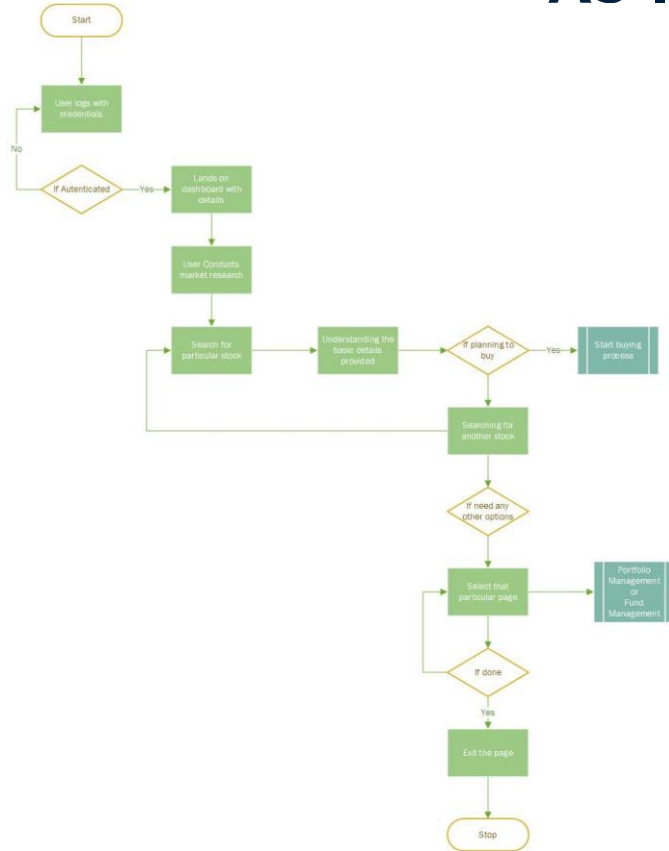
Solution Requirements

Adhere security guidelines
Tackle multiple user load
simultaneously
User-friendly design and features

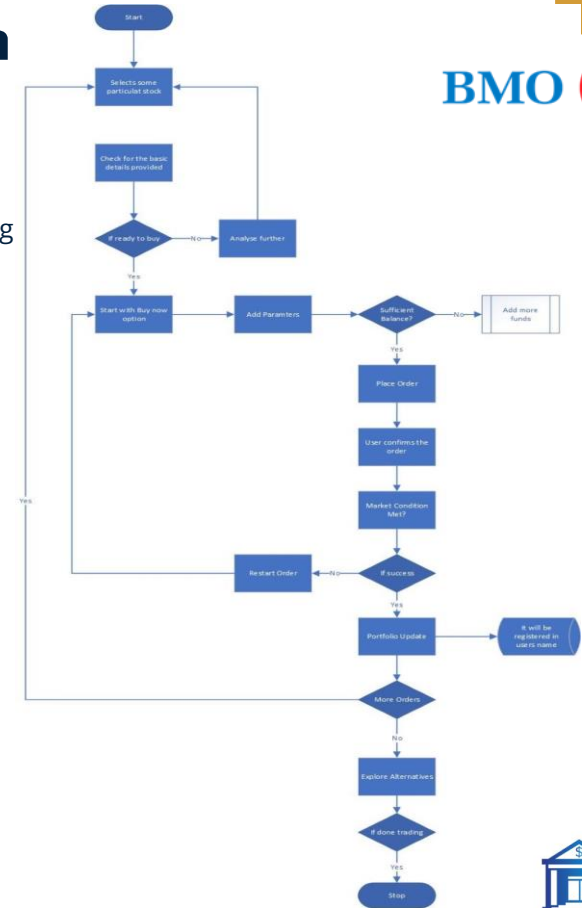
AS-IS Process Design



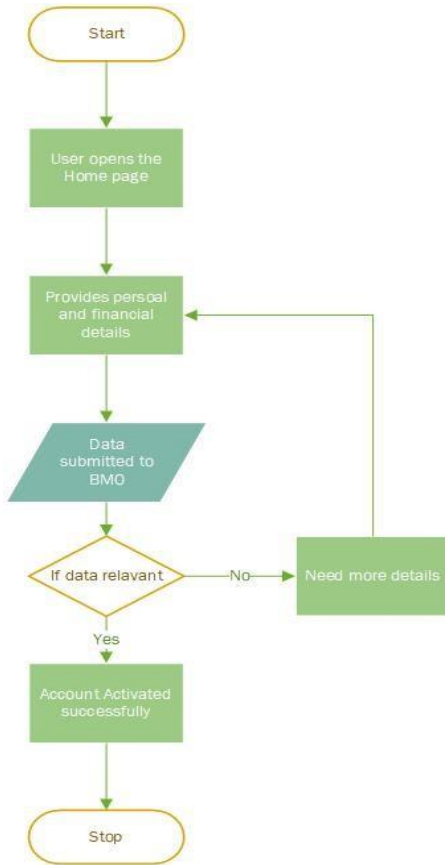
User Interaction



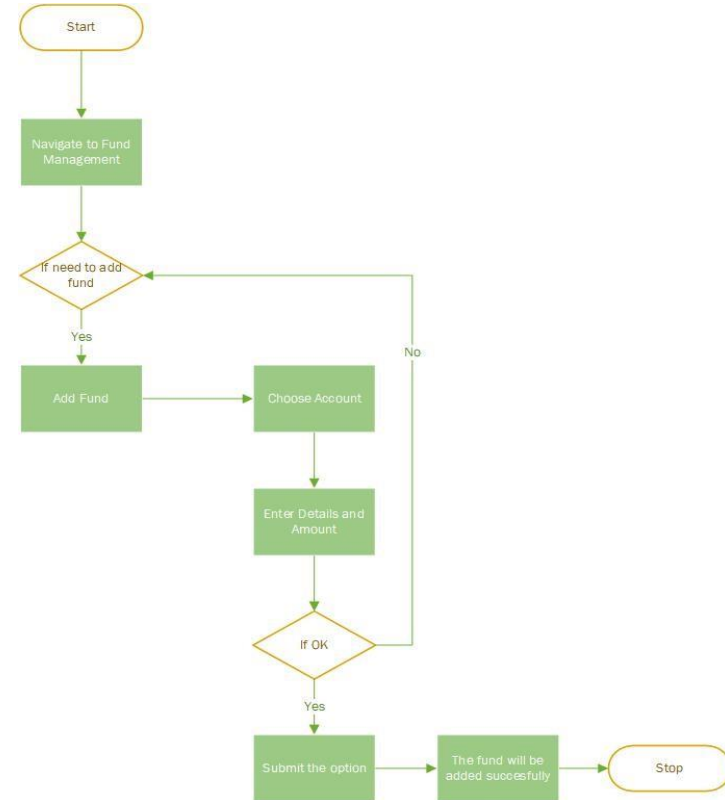
Order Processing



AS-IS Process Design

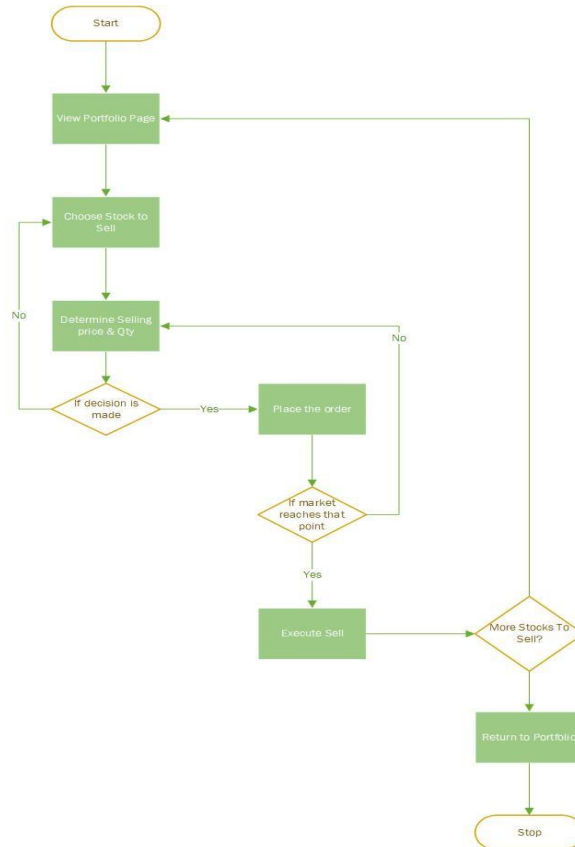


Fund Management



AS-IS Process Design

Portfolio
Management



Possible Design Options



Internal Development



In House Platform Production



Hire additional IT professionals.



Hybrid Development



Core Platform will be Built in-house.



Advanced Third-party Analytical Services and Cyber Security.



Status Quo



Carry on with the Current Trading Platform.

Hybrid Development -selected solution



Benefits



Reduced
development and
integration time



Familiar and latest
analytics tool



Reduce
development cost

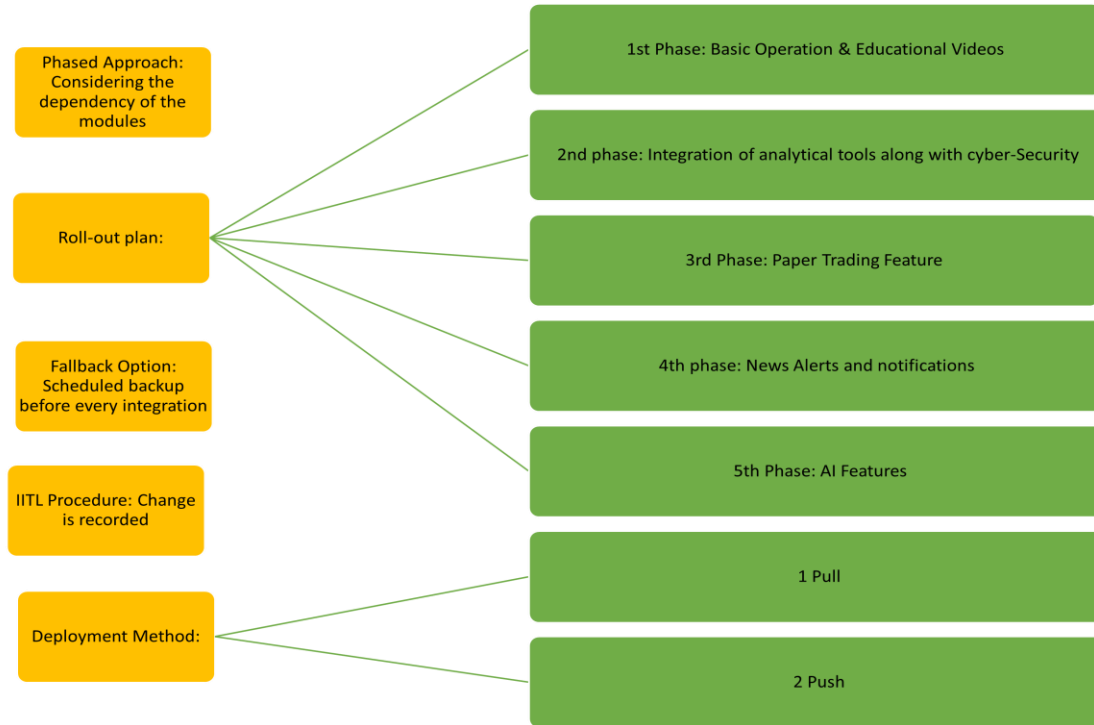


Reduced
maintenance costs
and resources.

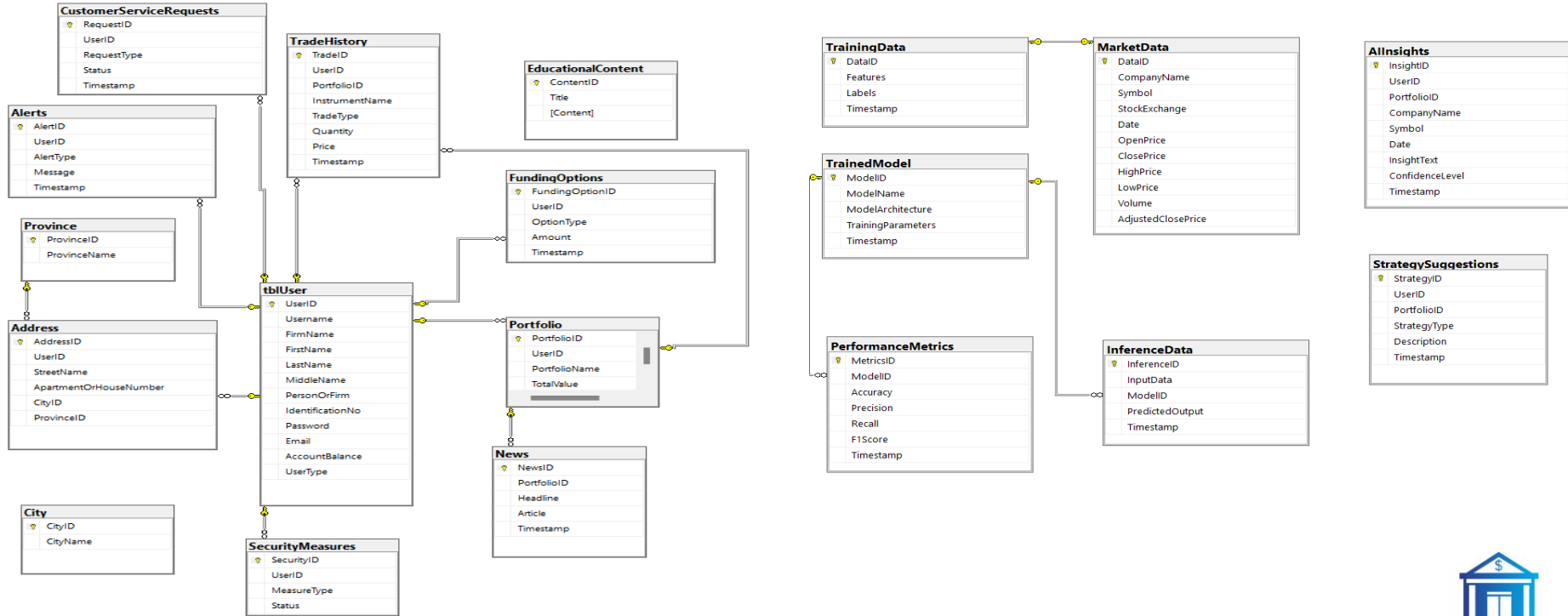


Subject matter
experts.

Implementation Strategy



Database Design



Major Risk and Mitigation



Dynamic Pricing API

Before implementing the dynamic pricing API fully, thoroughly test and validate it in a controlled setting.



Compatibility across Multiple Platform

Collaborate with beta testers on various platforms to find and fix any incompatibilities prior to a public release.



Downtime

Beta testing to identify and resolve any inconsistencies before a public release. Make sure the technical team ready while the application rollout to face any uncertainty.



Risk Strategy



**Identify
Potential Risks**



**Sort risks on
priority**

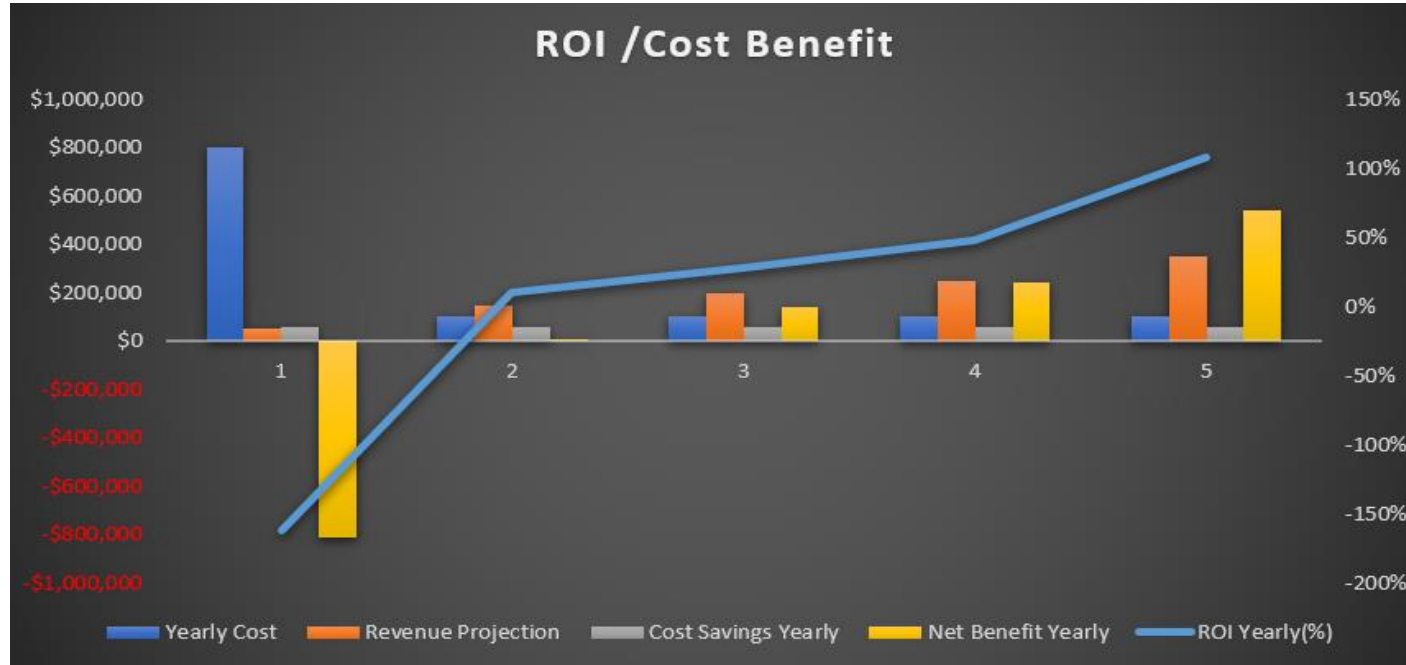


**Develop
Ways to
tackle**

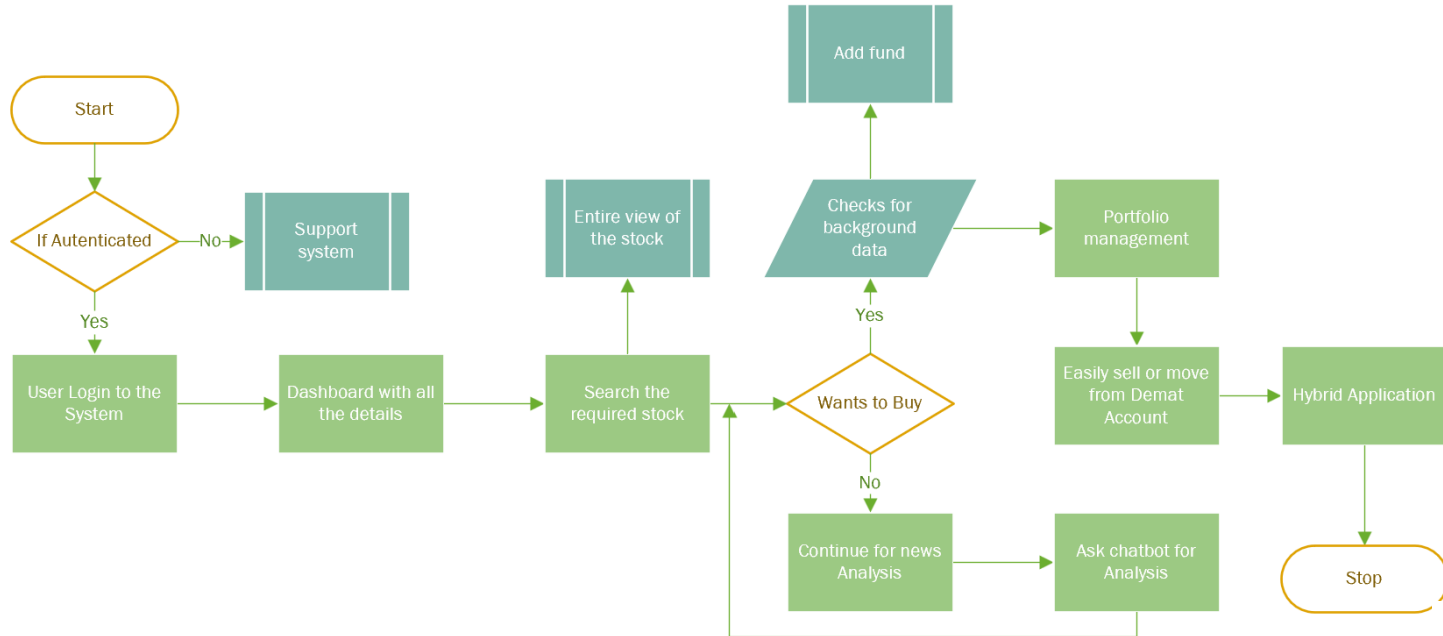


**Employee/
Customer
training**

Cost benefits profile (ROI)



To-Be Process Design



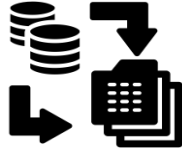
Transition Requirements



Communication Plan



Training Program



Data Migration Strategy



Fallback Plan



Performance Monitoring



Parallel operations



Feedback Mechanism



User Support Channels



Security Measures

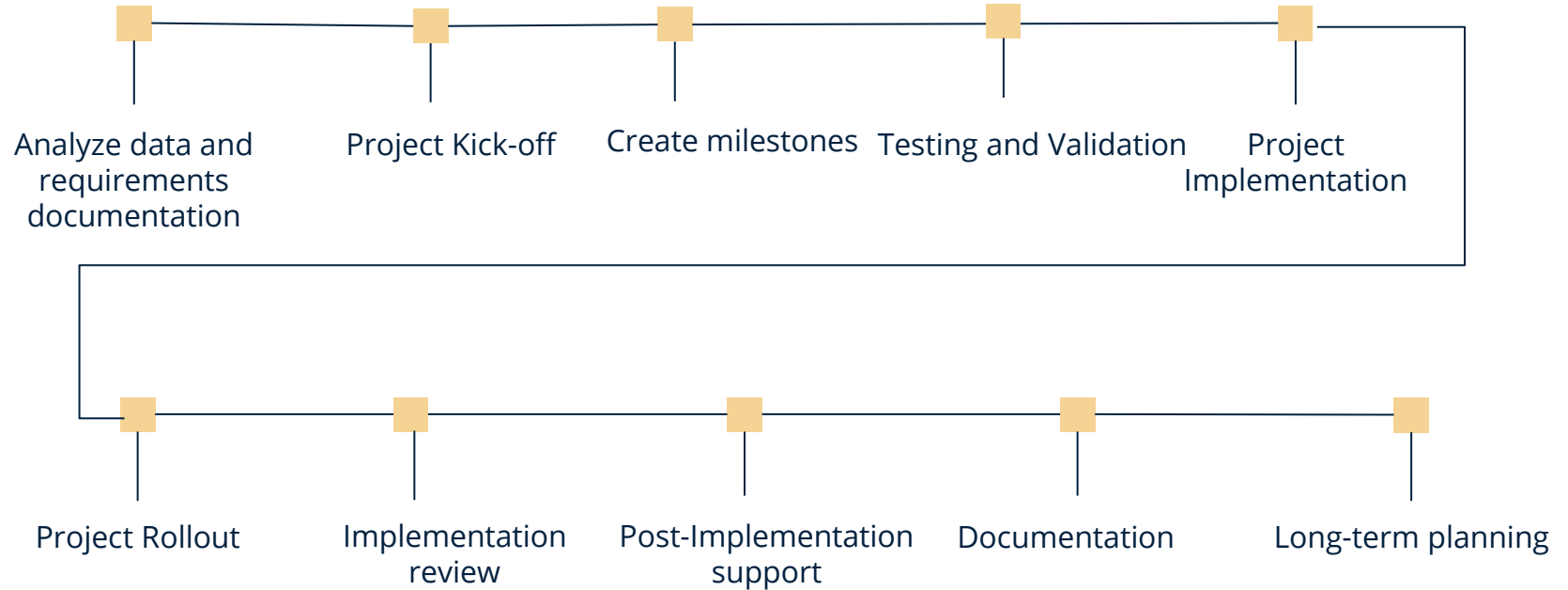


Regulatory Compliance



Phased Rollout

Next Steps



Conclusion



- This way, we aim to meet the user requirements and expectations, helping the firm have a strong financial position in the market by adopting a customer-centric approach and competitive strategies which will help us attract more customers and investors.

Thankyou!

Questions?