

**College Name: Conestoga College**

**Course Code: QUAL8350**

**Course Section: 2**

**Assignment:1**

**Group members:**

Singh, Harmanpreet

Patel, Om

Soni, Urvish Sanjay

Palani, Vijaybharathy

Froyd Tandon D Cruz Francis

Deva, Deva

Jain, Dikshita

**Guided by: Jb Abbas**

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# Team Contract

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| Project | ITBA Capstone |
| Team | BMO Consultants |

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| Team Objective |
| "To lead Bank of Montreal's (BMO) Digital Transformation Acceleration program, concentrating primarily on using data analytics and contemporary technological solutions to power all-encompassing digital transformation projects. This project reduces costs associated with operations and IT while also boosting digital capabilities, increasing operational effectiveness, raising customer happiness, and maintaining competitiveness in the financial industry.  The Digital Transformation Acceleration initiative aims to establish BMO as a progressive, digitally enabled financial organization that can innovate, drive sustainable development, and provide outstanding value to its stakeholders and clients."  Current major strategic initiatives underway (or recently completed)   * BMO made significant progress this year in growing and strengthening the bank. The bank completed three notable acquisitions, advancing our Digital First capabilities, and delivering interconnected One Client experiences. * *We plan to invest money in the latest technology and data analysis methods. This will help BMO improve its computer and data plans, making it ready for the business world ahead.* * *By using new and advanced technology, BMO can cut down both optimizing IT costs and operations expenses.* * *BMO is improving its digital capabilities and improving online services. This will make things run smoother and easier to use and increase customer satisfaction.* * *By adopting the latest and cutting-edge technologies and digital strategies, BMO can maintain a competitive edge and meet the evolving needs of its customers.* * The focus was on delivering interconnected One Client experiences. * On February 1, 2023, BMO completed its acquisition of Bank of the West, including its subsidiaries, from BNP Paribas. The acquisition strengthens its position in North America with increased scale and greater access to growth opportunities in strategic new markets. Exceeds the cost synergy which is expected with annualized benefits of over US$800 million * The bank is recognized for innovative digital experiences and expert guidance. BMO ranked first in personal banking customer satisfaction among the Big 5 banks in the 2023 Canada Retail Banking Satisfaction Study by J.D. Power. * We maintained our leadership position in mergers and acquisitions globally and in North America within Capital Markets and net ETF flows within Wealth Management. * Investments in technology and sales team to Align with business opportunities and the market to promote engagement, customer loyalty, and increased market share. (BMO Financial Group, 2023)   Overall Corporate and the IT & Operations (IT & Ops)  Mission: BMO is dedicated to delivering a great customer experience and being the bank that defines a great customer experience.  Vision: BMO’s vision is to be the bank that defines a great customer experience. |
| Team Procedures |
| Preferred communication methods are E-mail, Phone, Messages, and Zoom Meetings.  Team meetings: Team conferences will be planned regularly to review project status, resolve issues, and plan work. |
| Team Expectations |
| Every member is expected to engage in team activities actively.  Completing assignments on time and making contributions to team objectives. |

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| Team Participation |
| All planned team meetings require attendance.  If you cannot be there, inform the team beforehand.  Regular participation in and addition to team discussions. |
| Personal Accountability |
| Each team member is responsible for Attending team meetings regularly.  Participating fully in group tasks.  Completing things as assigned on time. |
| Consequences for Failing to follow procedures | |
| Actions for Breaking the Contract:  Dialogue: Have a first conversation to resolve any issues with the team member.  Escalation: If problems continue, bring them up with management or members of the team for a solution. | |

**Terms & Conditions**

The team members must be effective towards communication, providing information, attendance, and decent behavior.

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Email ID | Signature | Date |
| Om Patel | [Opatel2209@conestogac.on.ca](mailto:Opatel2209@conestogac.on.ca) | OP | 22-01-2024 |
| Harmanpreet Singh | [Hsingh2923@conestogac.on.ca](mailto:Hsingh2923@conestogac.on.ca) | HS | 22-01-2024 |
| Dave Deva | Dddave5381@conestogac.on.ca | DD | 22-01-2024 |
| Froyd Tandon D Cruz Francis | [Fdcruzfrancis5763@conestogac.on.ca](mailto:Fdcruzfrancis5763@conestogac.on.ca) | FD | 22-01-2024 |
| Dikshita Jain | [Djain6867@conestogac.on.ca](mailto:Djain6867@conestogac.on.ca) | DJ | 22-01-2024 |
| Vijaybharathy Palani | [Vpalani3114@conestogac.on.ca](mailto:Vpalani3114@conestogac.on.ca) | VP | 22-01-2024 |
| Urvish Soni | [Usoni7456@conestogac.on.ca](mailto:Usoni7456@conestogac.on.ca) | US | 22-01-2024 |

# RACI Chart

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Task/Activity** | **BA Team** | **Financial Analysts** | **Market Analysts** | **Strategy Team** | **IT & Ops Team** |
| **Analyze Financial Status** | R | A | C | I | I |
| **Assess Market Share** | R | C | A | I | I |
| **Conduct Competitive Analysis** | R | I | A | A | I |
| **Review Strategic Initiatives** | R | I | I | A | A |
| **Examine Organizational Structure** | R | I | I | I | I |
| **Evaluate Executive Team** | R | I | I | A | I |
| **Review Corporate Mission** | R | A | I | A | A |
| **Review IT & Ops Mission** | R | A | I | A | R |
| **Understand Corporate Vision** | R | A | I | A | A |
| **Understand IT & Ops Vision** | R | A | I | A | R |

# List of team members including roles and responsibilities

|  |  |  |
| --- | --- | --- |
| Team Members | Roles | Responsibilities |
| Om Patel | Project Leader | Responsible for completion of project and competitive analysis of BMO. |
| Harmanpreet Singh | Assistant Manager | Responsible for Overview of company, Market & Share Analysis. |
| Dave Deva | Team Leader | Responsible for Creating Team Contract and Assigning work to the team members. |
| Froyd Tandon D Cruz Francis | Business Analyst | Responsible for Creating RACI Matrix of BMO. |
| Dikshita Jain | Research Analyst | Responsible for SWOT Analysis of BMO with 3 other competitors. |
| Vijaybharathy Palani | Business Analyst | Responsible for completion of Organization structure of BMO. |
| Urvish Soni | Business Analyst | Responsible for creation of Team chart with their roles and responsibilities. |

# BMO’s Overview

## Financial status (earnings, profitability, expenditures on IT and Operations)

* The gross profit of the Bank of Montreal was $23.131B in October 2023; however, it decreased by 11.67% from the year 2022.

A screenshot of a graph

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* If we talk about operational profit, which was **$1.585 billion in October 2023, this also decreased by 68.71% from the year 2022.** (*Bank of Montreal Operating Income 2010-2023 | BMO*, n.d.)

A screenshot of a graph

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* If we talk about expenditure on IT and operations, expenses were **$46.137B, which was a 121.32% increase from the year 2022.**

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## Market share

The market capitalization of the Bank of Montreal as the evaluation in January 2024, it was $68.85B. Because of this, the company becomes the world's **235th most valuable company.**

A graph with orange lines

Description automatically generatedCurrent major strategic initiatives underway (or recently completed)

* BMO made significant progress this year in growing and strengthening the bank. The bank completed three notable acquisitions, advancing our Digital First capabilities and delivering interconnected One Client experiences.
* The focus was on delivering interconnected One Client experiences.
* On February 1, 2023, BMO completed its acquisition of Bank of the West, including its subsidiaries, from BNP Paribas. The acquisition strengthens their position in North America with increased scale and greater access to growth opportunities in strategic new markets. Exceeds the cost synergy which is expected with annualized benefits of over US$800 million
* The bank is recognized for innovative digital experiences and expert guidance. BMO ranked first in personal banking customer satisfaction among the Big 5 banks in the 2023 Canada Retail Banking Satisfaction Study by J.D. Power.
* We maintained our leadership position in mergers and acquisitions globally and in North America within Capital Markets and net ETF flows within Wealth Management.
* Investments in technology and sales team to Align with business opportunities and the market to promote engagement, customer loyalty, and increased market share. (BMO Financial Group, 2023)

## Organizational structure and head office structure

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(Organimi, 2023)

# Competitive Analysis

A competitive analysis of these institutions reveals critical information about the market position, financial performance, and digital presence of the top four Canadian banks—BMO, Scotiabank, RBC, and CIBC. Based on the mentioned sources, the following is a thorough comparison:

## Financial Performance

**BMO:** With CA$1.1 trillion in total assets under management in 2022, BMO reported a net income of CA$2.26 billion in the second quarter of 2023.

**Scotiabank:** With CA$1.349 trillion in total assets under management in 2022, Scotiabank reported a net income of CA$2.2 billion in the second quarter of 2023.

**RBC:** The bank has over 17 million customers worldwide. RBC's net income for the second quarter of 2023 needed to bear.

**CIBC:** In Q2 2023, CIBC reported adjusted earnings of C$1.57 per share, exceeding profit projections.

## Online Presence

The percentage of BMO's digital growth was 11.3%.

At 28.2%, CIBC had the most significant rate of digital growth.

## Place in the Market

In Canada, TD Bank has the second-largest market capitalization after RBC.

As of 2020, BMO was named North America's most sustainable brand.

Although BMO and Scotiabank have comparable net incomes based on their financial performance and digital presence, BMO is better than Scotiabank due to its consistent brand recognition and digital expansion. Further bolstering BMO's dominance over the other three banks are its total assets under management and it’s standing as North America's most sustainable brand.

# SWOT Analysis

## Bank of Montreal (BMO)



## Royal Bank of Canada (RBC)



## Scotiabank (Bank of Nova Scotia)



## Canadian Imperial Bank of Commerce (CIBC)



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