CIS 3620 Final Project

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Domain: Personal Finance/Deposits/Online Banking. A large incumbent financial or technology company that is doing something interesting and new with technology

Company: JPMorgan Chase & Co

JPMorgan Chase & Co (JPMorgan) is a global financial institution based in the United States that provides various financial services, including consumer banking, investment banking, commercial banking, asset management, and more. The company has a strong emphasis on innovation and has been utilizing advanced technologies such as machine learning, artificial intelligence, and blockchain to improve its operations and offerings. It is renowned for its risk management capabilities and has navigated various financial crises effectively.

JPMorgan is currently trying to solve multiple financial problems for its customers such as wealth management, asset management, and investment management. JPMorgan is a large player in the financial services industry and is attempting to help its customers manage their finances and investments optimally and satisfactorily. The company hasn’t needed to focus on a specific niche to fulfill as it has built up a strong reputation among even the most trusted financial institutions in the world. Its merging of commercial banking and investment banking services has allowed them a large diverse range of customers.

JPMorgan’s customer base covers a very large range from the average consumer and small business up to extremely well-off investors and large enterprises. The company advertises very clearly that they serve even the world’s most prominent corporate, institutional, and government clients in both their JPMorgan and Chase brands. And that leads more to the fact that JPMorgan’s intended customer base is skewed toward more affluent customers with large amounts of wealth accrued. This is not surprising as these more affluent customers would turn much larger profits compared to targeting the average consumer. According to JPMorgan’s annual report, JPMorgan ranks as the #1 Global private bank amassing $4.0 trillion in client assets being managed within their asset & wealth management service. However, this does not mean that the less affluent much larger average customer is not served just as well considering JP Morgan’s standing in the financial market. According to JPMorgan’s annual report from 2022, they rank #1 in primary banks for U.S small businesses, serving 5.7 million small businesses and 79 million U.S consumers.

JPMorgan’s solution and advantage over its competitors are its strong risk management, a major contributor to their longstanding success, and its heavy focus on technology and innovation. JPMorgan’s strong risk management is brought about by a culture that has been procured over the many years JPMorgan has existed and JPMorgan’s coveted “fortress balance sheet”. The “fortress balance sheet" was popularized by their CEO Jamie Dimon, who described it as “What it really means is having a balance sheet that can withstand shocks”. This culture that has been cultivated has allowed JPMorgan to become a trusted financial institution too big to fail among its competitors.

As a secondary reason, JPMorgan has been heavily investing in finance technologies and innovations to stay ahead of its competitors. JPMorgan has been investing in recently emerging technologies such as blockchain and now shifting focus to artificial intelligence. These advancements and flexibility to adapt to newer technologies allow JP Morgan to stay ahead of competitors and adapt first.

JPMorgan is currently utilizing artificial intelligence technology advancements to create higher-quality services for customers and was previously utilizing blockchain technology. The company’s advancements in blockchain technology can be shown in its blockchain platform Quorum. Quorum utilizes the Ethereum blockchain to allow customers higher throughput, savings on fees, and improvements in transaction privacy. However, JPMorgan sold this Quorum off and has chosen to put all focus on artificial intelligence technology. As said in an article talking about artificial intelligence with JPMorgan, “JP Morgan found that 72% of traders ‘have no plans to trade crypto [or] digital coins’”. As for artificial intelligence, JPMorgan has utilized this technology in a multitude of services such as customer service and robo-advising. Aside from front-end services, JPMorgan also utilizes artificial intelligence in fraud detection and risk detection in investing.

The company’s primary domains of operation are investment banking, commercial banking, asset management, and consumer banking. It is one of the largest financial institutions in the world and offers a wide range of financial products and services to individuals, corporations, governments, and institutions. The company's investment banking division is particularly well-known for its expertise in mergers and acquisitions, underwriting, and securities trading.

JPMorgan has been leveraging AI and machine learning technologies to enhance its operational efficiency and deliver better services to its customers. One way JPMorgan Chase & Co is using AI is for fraud detection and prevention. JPMorgan Chase & Co is using AI to identify and prevent fraudulent activities. The bank has developed an AI-based fraud detection system to detect patterns and anomalies in transactions and flag potentially fraudulent activities in real time. This system helps the bank to identify fraudulent activities quickly and prevent any financial losses. Another area where they have used AI is trading and investment. JPMorgan is using AI to improve its trading and investment operations. The bank has developed an AI-powered trading system that uses machine learning algorithms to analyze market data and make more accurate predictions about market trends. This system helps the bank to make better investment decisions and generate higher returns for its clients. Recently we have seen how successful their growth has been compared to other banks. They have built trustworthiness among their clients throughout the world and it has thought to be one of the safest banks even in uncertain financial times such as now. The easiest and most obvious area to use AI is in customer service. The bank has developed an AI-based virtual assistant called COiN to understand natural language and respond to customer queries. This system helps the bank to provide faster and more efficient customer service, reduce response time, and improve the overall customer experience. The technical or cybersecurity aspect they are using it in for risk management. JPMorgan Chase & Co uses AI to manage risks associated with its financial operations. The bank has developed an AI-based risk management system that can analyze large volumes of data and identify potential risks in real time. This system helps the bank to manage risks more effectively and minimize the impact of any adverse events on its financial performance.

Overall, JPMorgan Chase & Co is leveraging AI to improve its operational efficiency, enhance customer experience, and generate higher returns for its clients. The bank's efforts in the field of AI and machine learning are likely to continue, as these technologies have the potential to transform the financial services industry and enable firms to provide better services to their customers.

The article “This $12 Billion Tech Investment Could Disrupt Banking” on JPMorgan Chase & Co's website discusses how technology is transforming the banking industry and how the company is investing in technology to better serve its customers and stay competitive. The article stresses that customers' expectations are changing, and technology is allowing banks to meet these growing expectations. JPMorgan Chase is exploring a wide range of technologies such as blockchain, artificial intelligence, and machine learning to streamline processes, enhance security, and provide more personalized experiences for customers. As discussed previously, the company is using machine learning algorithms to analyze customer data and provide more personalized investment advice.

Technology is disrupting traditional banking and financial institutions must be flexible to keep up with these changes. However, technology is also creating new opportunities for banks to innovate and grow. For instance, JPMorgan Chase is leveraging blockchain technology to simplify cross-border payments, which has traditionally been a slow and costly process. By using blockchain, the company can reduce costs and provide faster and more efficient services to its customers. Furthermore, JPMorgan Chase is exploring the potential of new technologies such as quantum computing to further improve its operations.

Several other major companies in the financial industry domain act in similar domains as JPMorgan Chase & Co. Some of the largest financial institutions include Bank of America: A multinational investment bank and financial services company with operations in commercial banking, investment banking, and wealth management. Wells Fargo: A financial services company that operates in commercial banking, investment banking, asset management, and wealth management. Goldman Sachs: An investment bank that offers a range of financial services, including investment banking, securities trading, asset management, and wealth management.

J.P. Morgan Chase has had an incredible impact on the world. From helping new companies start with investments (investment banking) to reorganizing businesses and getting them back on track (financial services). J.P. Morgan also has been opening up economic opportunities for people with an arrest record or conviction, helping people who haven't been able to work get jobs and start new. The company also mentions on its website that they are spending an additional $750M on Black, Hispanic, and Latino suppliers as a part of its Racial Equity commitment.

Companies in the same domain(s) as this company tend to look at the same things to measure different successes of different aspects of the company. For investment banking, ROI, or return on investment, is one good measure to see how a business is doing with the investments it receives. The more money that's generated from investments given, the higher the ROI; it's calculated by dividing Net profit/Investment. Another way that J.P. Morgan states they measure success is by how they “strengthen, safeguard and grow our company over time”. If a company doesn't want to be left behind in this growing technological world, it will do what it can to grow its company. This means using new technology to make things easier and more efficient such as using AI to manage mundane tasks & using blockchain to get around constant taxes or fees. The company is performing very well, they are near if not at the top with no signs of slowing down. Such a progressive company doing well will continue doing its part at its success.

J.P. Morgan does a lot better than their competitors in many different aspects. Competition in the same domain includes Citigroup, Bank of America, Wells Fargo, Capital One, Goldman Sachs, and more. With an ROI exceeding no lower than 5% for the last 10 years, their investments have consistently shown continuous, positive returns. Of all the companies in the same domain, J.P. Morgan has the highest market cap of approximately 200b, albeit being one of the largest service firms in the world. On top of that, they have one of the highest stock prices of their competitors and generally do better than the majority of the other companies year to year.

A few services or ideas that would be beneficial to a company as big as J.P. Morgan, would be using some resources to connect to the advancing society that will keep on “updating”. To form a more distinct “Fintech” section to be the J.P. Morgan we know as a bank, but to the fintech companies that are starting up and being developed with new ideas. The same way the company uses its services to assist small businesses and startups can be used to further explore the newer forms of financial services.

The technology age that we are in will never go backward. To not evolve with the growing change around you, can turn into being outdated. The top financial companies in the same domain, do what they can to “stay with the times”, adapting to the environment around you is the only way for a company to grow in today’s society. Offering assistance to better the new services being offered would benefit everyone involved, directly and indirectly. Imagine having an amazing idea that could work, but would never see the light of day because you weren’t able to find and receive the support or guidance that was needed for that idea to flourish. This company needs to stay on top of the financial world’s changes, or else they’ll fall behind.

This fintech section would allow JPMorgan to step up its game in the technology world and stay up to date with it. One way this would be possible is by cloud computing. Cloud computing is growing faster than ever. Cloud platforms such as AWS and Microsoft Azure and Google Cloud Platform are taking over how data is stored on-premise and replacing it with a cheaper alternative cloud solution. In the foreseeable future, an AI-powered financial assistant doesn’t seem unrealistic anymore since the idea of ChapGPT was introduced. This AI-powered financial assistant would give personalized investment strategies based on the type of investor you are and show you the evidence and proof behind its strategy so that you can rest reassured. Finally, a decentralized currency such as Bitcoin or Ethereum can be made widely available and accepted as a form of currency. A decentralized currency is a stretch and has its pros and cons but in today's age, nothing is impossible.

These technologies would allow JPMorgan to better work with promising fintech services more reliably and efficiently. Cloud computing technology would allow for the service to perform faster and more flexibility to expand if the service becomes more successful further down the line. Cloud computing would enable better security and most importantly the ability to provide service anytime. AI-Powered financial assistants have become a recent trend currently being utilized by many financial corporations, such as JPMorgan’s already available AI advisory programs in other divisions. These AI financial assistants allow personalized service for customers while still keeping more consistent service for customers. Decentralized currency allows for borderless payments and resistance to inflation and deflation for currencies for customers around the world. With the ever-growing popularity of decentralized currencies such as Bitcoin, being open to utilizing a decentralized currency could open up more paths for JPMorgan to expand its audience.

JPMorgan Chase & Co (JPMorgan) is a global financial institution, leading in the financial services industry. With a strong reputation among its peers and the flexibility to adapt to the ever-changing environment, JPMorgan could further take advantage of the market by supporting new and promising fintech companies. JPMorgan is one of the oldest and largest financial institutions with a promising future going forward.

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