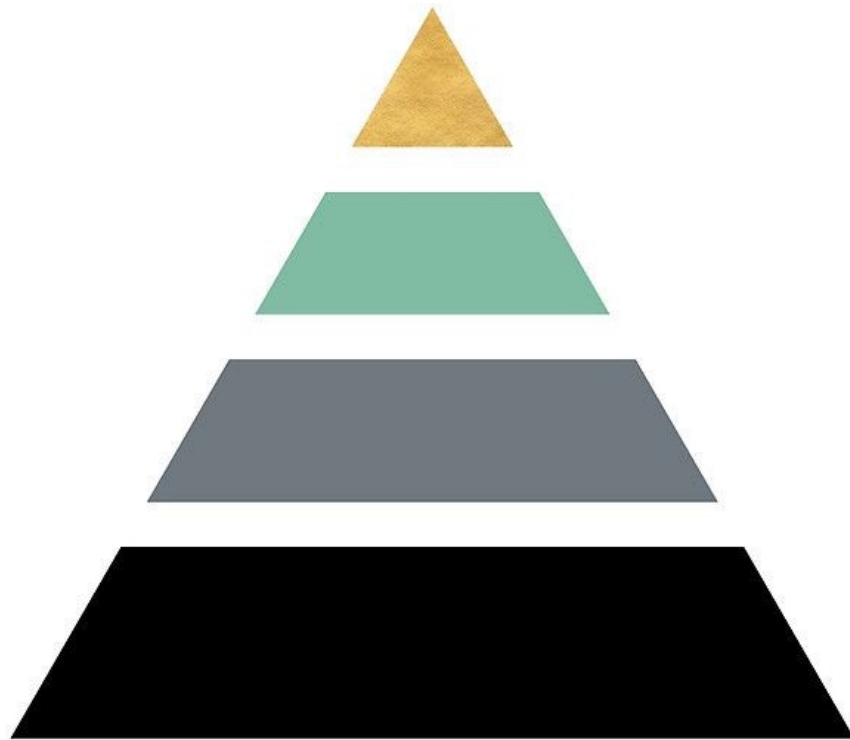




Capstone Preparation



Mr. Tom Lofland

CAPSTONE PROJECT 2023

PROJECT OVERVIEW

- ▣ THE ANALYSIS IS TO BE APPLIED TO YOUR FINANCIAL INSTITUTION OR ORGANIZATION. AND YOU SHOULD FOCUS ON ANALYZING THE AREAS OF:

1. MARKETING / SALES
2. ORGANIZATIONAL STUCTURE/MANAGEMENT
3. FINANCIAL MANGEMENT
4. CREDIT AND ECONMIC CONDITION

CHOOSE A MINIMUM OF TWO DIFFERENT AREAS FOR YOUR ANALYSIS

PROJECT OUTLINE

▣ I. DESCRIPTION OF ORGANIZATION

▣ 10 POINTS – (10%)

- ▣ WRITE A BRIEF (1-2 PARAGRAPHS) DESCRIPTION OF YOUR ORGANIZATION :
 1. NAME
 2. MARKETS
 3. LOCATION
 4. SIZE IN BRANCHES
 5. ASSET SIZE
 6. NUMBER OF BANKING LOCATIONS (INSIDE/OUTSIDE MAYRLAND)
 7. RELEVANT BANK HISTORY (MERGERS, GROWTH, DOWNSIZING)
- ▣

PROJECT OUTLINE

▣ II. INTERNAL STRENGTHS AND WEAKNESS ANALYSIS

▣ 30 POINT – (30%)

- ▣ USING YOUR KNOWLEDGE OF THE INDUSTRY AND MATERIALS FROM YOUR CLASSES DETAIL :
 - ▣ TWO (2) GREATEST INTERNAL STRENGTHS
 - ▣ TWO (2) GREATEST INTERNAL WEAKNESS
 - ▣ IN YOUR ORGANIZATION.
- ▣ EXPLAIN:
 1. WHY ARE THEY STRENGTHS – HOW CAN THEY BE LEVERAGE
 2. WHY ARE THEY WEAKNESS – HOW THEY POSE PROBLEMS
 3. HOW DO CUSTOMERS VIEW YOUR ORGANIZATION
 4. WHY DO YOUR CUSTOMER BANK WITH YOU
 5. HOW DID YOU COME TO THESE CONCLUSIONS

▣ (3 – 4 PAGES)

PROJECT OUTLINE

- ▣ III. EXTERNAL THREATS AND OPPORTUNITES ANALYSIS
 - ▣ 30 POINTS – (30%)
- ▣ USING KNOWLEDGE FROM YOUR COURSEWORK AND OF THE LOCAL, REGIONAL AND NATIONAL MARKETS
DETAIL TWO (2):
 - ▣ TWO (2) GREATEST EXTERNAL THREATS
 - ▣ TWO (2) GREATEST EXTERNAL OPPORTUNITIES
 - ▣ PRESENTING THEMSELVES TO YOUR ORGANIZATION
OVER THE 1 – 3 YEARS. RELATE THEM DIRECTLY TO
YOUR ORGANIZATION AND HOW THEY SPECIFICALLY
IMPACT YOUR ORGANIZATION.
- ▣ (3 – 4 PAGES)

PROJECT OUTLINE

- ▣ STRATEGIES AND GOALS
 - ▣ 30 POINTS – (30)
- ▣ CHOOSE:
 - ▣ ONE STRENGTH OR ONE WEAKNESS
 - ▣ ONE OPPORTUNITY OR ONE THREAT
- ▣ WRITE A TWO TO THREE PAGE MEMO TO YOUR SUPERIOR
OUTLINING EACH ISSUE.
 1. ESTABLISH A GOAL FOR EACH
 2. DEVELOP STRATEGIES TO BUILD ON STRENGTHS
 3. HOW TO TAKE ADVANTAGES OF OPPORTUNITIES
 4. CORRECT THE WEAKNESS
 5. MITIGATE THE THREAT

PROJECT OUTLINE

- ▣ PLEASE INCLUDE:
- ▣ BIBLIOGRAPHY OF REASEARCH MATERIALS REFERENCE IN YOUR PAPER AND ANY STATISTICAL TABLES OR OTHER DATA THAT YOU BELIEVE WILL SUPPORT YOUR CONTENTIONS

PROJECT OUTLINE

- ▣ THE ENTIRE PROJECT SHOULD BE:
 - TYPEWRITTEN
 - DOUBLE SPACED
 - NO LONGER THAN 8-12 PAGES
 - EXHIBITS, SURVEYS, STATISTICAL DATA, INCLUDED WITH THE PAPER WILL NOT BE COUNTED IN THE TOTAL PAGE LENGTH.

SWOT ANALYSIS OVERVIEW

- A SCAN OF THE INTERNAL AND EXTERNAL ENVIRONMENT IS AN IMPORTANT PART OF THE STRATEGIC PLANNING PROCESS. ENVIRONMENTAL FACTORS INTERNAL TO AN ORGANIZATION CAN BE CLASSIFIED AS :
- (S) STRENGTHS
- (W) WEAKNESSES
- AND THOSE EXTERNAL TO AN ORGANIZATION CAN BE CLASSIFIED AS:
- (O) OPPORTUNITIES
- (T) THREATS
- SUCH AN ANALYSIS OF THE STRATEGIC ENVIRONMENT IS REFERRED TO AS A “SWOT” ANALYSIS

SWOT ANALYSIS OVERVIEW

- ▣ THE SWOT ANALYSIS PROVIDES INFORMATION THAT IS HELPFUL IN MATCHING AN ORGANIZATION’S RESOURCES AND CAPABILITIES TO THE COMPETITIVE ENVIRONMENT IN WHICH IT OPERATES. AS SUCH, IT IS INSTRUMENTAL IN STRATEGY FORMULATION AND SELECTION. SWOT ANALYSIS IS A FRAMEWORK FOR ANALYZING YOUR ORGANIZATION’S STRENGTHS AND WEAKNESSES AND THE OPPORTUNITIES AND THREATS IT FACES. THE GOAL IS TO MAXIMIZE THE STRENGTHS, MINIMIZE THE WEAKNESSES, TAKE THE GREATEST POSSIBLE AVANTAGE OF OPPORTUNITIES, AND MITIGATE THE THREATS.

SWOT ANALYSIS OVERVIEW

- ▣ STRENGTHS:
- ▣ AN ORGANIZATION'S STRENGTHS ARE ITS RESOURCES AND CAPABILITIES THAT CAN BE USED AS A BASIS FOR DEVELOPING A COMPETITIVE ADVANTAGE. EXAMPLES:
 - PATENTS
 - STRONG BRAND NAMES
 - GOOD REPUTATION AMONG CUSTOMERS
 - A NEW, INNOVATIVE PRODUCT OR SERVICE.
 - LOCATION OF YOUR BUSINESS
 - QUALITY PROCESSES AND PROCEDURES

SWOT ANALYSIS OVERVIEW

- ▣ WEAKNESSES:
- ▣ THE ABSENCE OF CERTAIN STRENGTHS MAY BE VIEWED AS A WEAKNESS. EXAMPLES:
 - ▣ LACK OF PATENT PROTECTION
 - ▣ A WEAK BRAND NAME
 - ▣ POOR REPUTATION AMONG CUSTOMERS
 - ▣ UNDIFFERENTIATED PRODUCTS AND SERVICES (RELATION TO YOUR COMPETITORS)
 - ▣ LOCATION OF YOUR BUSINESS
 - ▣ POOR PRODUCTS AND SERVICES

SWOT ANALYSIS OVERVIEW

- ▣ OPPORTUNITIES:
- ▣ THE EXTERNAL ENVIRONMENTAL ANALYSIS MAY REVEAL CERTAIN NEW OPPORTUNITIES FOR PROFIT AND GROWTH. EXAMPLES:
- ▣ DEVELOPING A NEW MARKET SUCH AS THE INTERNET
- ▣ MERGERS, JOINT VENTURES OR STRATEGIC ALLIANCES
- ▣ A MARKET VACATED BY AN INEFFECTIVE COMPETITOR
- ▣ ARRIVAL OF NEW TECHNOLOGIES
- ▣ LOOSENING OF REGULATIONS

SWOT ANALYSIS OVERVIEW

- ▣ THREATS:
- ▣ CHANGES IN THE EXTERNAL ENVIRONMENT ALSO MAY PRESENT THREATS TO THE ORGANIZATION.
- ▣ EXAMPLES:
- ▣ A NEW COMPUTER IN YOUR HOME MARKET
- ▣ PRICE WARS WITH COMPETITORS
- ▣ A COMPETITOR HAS A NEW, INNOVATIVE PRODUCT OR SERVICE
- ▣ NEW REGULATIONS

SWOT ANALYSIS OVERVIEW

▣ TIPS FOR A SUCCESSFUL SWOT ANALYSIS

- BE REALISTIC ABOUT STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS.
- ANALYSIS SHOULD DISTINGUISH BETWEEN WHERE YOUR ORGANIZATION IS TODAY, AND WHERE IT COULD BE IN THE FUTURE
- BE SPECIFIC, AVOID GRAY AREAS
- KEEP YOUR “SWOT” SHORT AND SIMPLE. AVOID COMPLEXITY AND OVER ANALYSIS

PART B / CAPSTONE PROJECT

- ▣ YOUR MANAGEMENT HAS READ YOUR “SWOT” ANALYSIS AND YOU HAVE NOW HAVE BEEN ASKED TO PRESENT YOUR FINDINGS TO THE CEO AND KEY EXECUTIVE MANAGEMENT MEMBERS
- ▣ PREPARE A 5-MINUTE PRESENTATION ON YOUR ANALYSIS AND RECOMMENDATIONS

PART B / CAPSTONE PROJECT

- ▣ YOU MAY USE HANDOUTS, (NO NEED TO PREPARE A POWERPOINT PRESENTATION)
- ▣ THE AUDIENCE WILL CONSIST OF 3 NON-CLASS MEMBERS, USUALLY AN ACTIVE CEO (NOT YOUR OWN), MARYLAND BANKING SCHOOL BOARD MEMBERS, GRADUATES, FACULTY, AND/OR ADMINISTRATORS
- ▣ YOUR PRESENTATION WILL TAKE PLACE ON WEDNESDAY EVENING DURING YOUR SENIOR SESSION

PART B / CAPSTONE PROJECT

- ▣ YOU WILL BE GRADED ON YOUR PRESENTATION. THIS IS AN OPPORTUNITY FOR YOU TO SPEAK BEFORE A GROUP OF YOUR PEERS. THERE WILL BE LIMITED QUESTION & ANSWER BY THE PANEL.
- ▣ THE 5 MINUTE TIME LIMIT WILL BE ENFORCED TO ALLOW EVERYONE AN OPPORTUNITY TO PRESENT. TIME SLOTS FOR PRESENTATIONS WILL BE SELECTED RANDOMLY AND POSTED AT THE START OF THE 2023 SESSION.

CAPSTONE PRESENTATION FEEDBACK FORM

- ☐ NAME:
- ☐ PLEASE RATE THE FOLLOWING FROM 1 – 10 (10 BEING THE HIGHEST, AND 1 BEING THE LOWEST):
- ☐ QUALITY OF ANALYSIS
- ☐ CLARITY OF RECOMMENDATION
- ☐ EFFORT
- ☐ OVERALL PRESENTATION
- ☐ RESPONSE TO QUESTIONS
- ☐ ADDITIONAL COMMENTS:

INTERNAL STRENGTHS

- TRAINING PROGRAM
- TECHNOLOGY
- LONG TERM STANDING IN COMMUNITY
- STRONG SALES TEAM
- BRANDING
- LOCAL LEADERSHIP
- EMPLOYEE KNOWLEDGE & TENURE
- EXPERIENCE MANAGEMENT TEAM
- ORGANIZATION STRUCTURE
- LOCALLY OWNED & OPERATED

INTERNAL WEAKNESS

- STAFFING
- MANAGEMENT TURNOVER
- TECHNOLOGY
- INABILITY TO CROSS SELL
- LACK OF BRANCH NETWORK
- TRAINING PROGRAMS
- LACK OF EXPERIENCE PERSONNEL
- PRODUCTS
- EMPLOYEE MORALE
- MARKETING

OPPORTUNITIES

- START UP BANKS
- DEVELOP NEW MARKETS
- EMPLOYEE RECRUITMENT
- MERGERS
- SPECIAL LOAN PROGRAMS
- ABILITY TO ACQUIRE
- NEW TECHNOLOGIES

EXTERNAL THREATS

- COMPETITION
- LACK OF MARKET COVERAGE
- MERGERS
- FRAUD
- CHANGE IN THE ECONOMY {COVID-19}
- SHRINKAGE OF MARGINS
- CREDIT UNIONS
- DODD / FRANK
- CYBER SECURITY
- WEATHER