

7.0 SWOT Analysis of SJIBL

SWOT analysis facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors. As though this tool, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization. Every business organization is required to judge the performance from the aspects of its Strength, Weaknesses, Opportunity and Threat (SWOT).

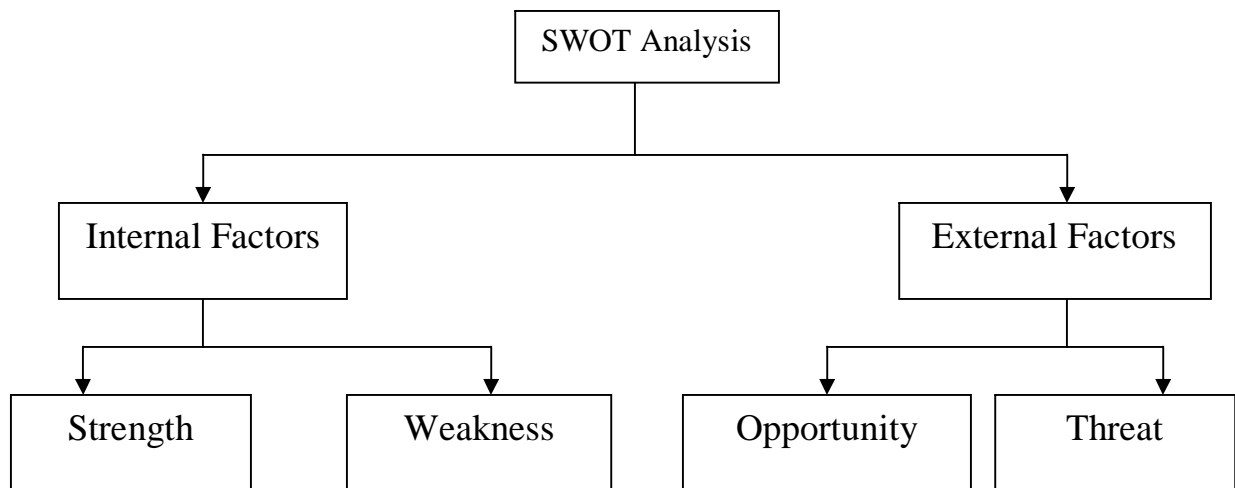


Figure 7.1: SWOT Analysis

7.1 Strength:

- Shahjalal Islami Bank Ltd. follows Shariah based banking system, which is operated by Shariah Council.
- Efficient and Experienced bankers and corporate personnel have formed the management.
- Planning is being from the top level and implemented by the great Team Work of Mid level & Lower level.
- Hassle free customer service with Online banking Facilities.
- Structural set up and business location is strategic.
- Wide product line is offered by SJIBL.
- Fully computerized accounts maintenance.
- SJIBL has the ability to quickly adapt to world class standard in terms of banking services.
- SJIBL provide ATM debit card and nonstop banking facilities.
- Financial Strength of SJIBL is huge. Year after year Banks Net operating profit is increasing significantly.
- Shahjalal Islami Bank's assets position is quite satisfactory. Bank is very alert to preserve the asset quality of the bank.
- SJIBL has a well-diversified pool of human resources, which is composed of people with high academic background. Also, there is a positive demographic characteristic- most employees are comparatively young in age yet mature in experience.
- The bank recently introduce on line banking which enable it to automate all of its operations. At present, several banking functions are performed by computers. The bank is also a member of SWIFT (Society for Worldwide Inter bank Financial Telecommunication) alliance Access which enables the bank to exchange critical financial messages swiftly and cost effective.
- Is being used for foreign trade related operations like letter of credit, fund transfer, guarantee, etc with optimum security.

7.2 Weakness:

- The bank lacks aggressive advertising and promotional activities to get a broad geographical coverage.
- The bank has only a few ATM booths and not in proper places. So, the scope of using ATM card is limited.
- Sometimes it seems that charges and other fees are very high compared to other private banks. Specially Debit card charges. It frequently creates customer dissatisfaction.
- Not enough staffs are available to meet the customer demand ratio at the Dhanmondi Branch. Even Not every employee has User id as a result one should depends on others.
- Delegation of authority is centralized which makes the employee to realize less responsibility. Thus, the employee morale is deteriorated.
- Lack of setting arrangement for the waiting customers.
- Absence of an upgraded website.

7.3 Opportunity:

Here the opportunity means an area of buyer need or potential interest in which a bank can perform profitably. If the management can use the continuous support properly it can enjoy huge opportunity for improving its growth. Other opportunities are-

- SJIBL can recruit more efficient and experienced persons to give fast and efficient service to the customers.
- The Bank may advertise them self by introducing social welfare activities.
- Many branches can be opened to reach the bank's services to the remote areas.
- Open New SME center in different Business oriented places of the country.
- The bank can offer micro credit as well as new loan scheme for business individuals, SME and Agro based business.
- Introducing Merchant banking division.
- SJIBL can diversity its portfolio by taking new sector.
- Credit card business.
- Expansion of new area of investment.
- Going for Product line expansion.
- The bank can introduce more innovative and modern products and services for then customers.
- Evolution of E-Banking system.

7.4 Threat:

The environmental threat is a challenge posed by an unfavorable trend or development that would lead to deterioration in sales or profit. Bank's other threats are as follows-

- Multinational as well as the fast growing local banks with modern products and services are capturing huge market within short period a resulting to switch over the existing customers of the bank.
- Bangladesh Bank Sometimes requires Private Commercial Banks to be abide by such rules and regulations which are not suitable for every commercial Bank.
- Number of potential competitors in home and abroad is increasing day by day.
- Political Instability, Restless political condition in Bangladesh, such as Strike, Boom blast, etc. threatens the prosperity of Bank.
- Market pressure for lowering Profit rate.
- Low Foreign Exchange Reserves in the Country with Falling Exports and Slowdown in Global Economy.
- Stricter Regulations against the Foreign or Multinational Banks.
- Mergers and acquisitions of the organizations in banking industry of Bangladesh.

7.5 Findings

In order to improve the service quality of customers different opinion from their point of view are required. After collecting and analyzing data I have some findings. These findings are completely my personal view to research work.

- Branches are very much enthusiastic to provide more service to the clients. Retail Banking Division is an efficient department. They are very much prompt to give decision to their valued client. Head Office Credit committee sits regularly on weekly basis. They never keep any things pending.
- The number of human resources in the Customer care section is really insufficient to give services to huge number of customers.
- The employees of the bank cannot provide effective and efficient services to the customers because of lack of computer facility.
- According to some client's opinion, introducer is one of the problems to open an Account. If a person who is new in the city wants to open an account it is a problem for his/her to arrange for an introducer of SB or CD accounts holder.
- In processing the services, the fees charged by SJIBL are competitively less in compare with the competitors.
- In line with the objective of the study, it can be said that there is a high degree of positive correlation between foreign trade business and banks net profit. In fact, foreign trade business attributes a lot to the profitability of the bank.
- The investment of the branch is low in comparison to the total deposits of the branch.
- The Bank has given less emphasis on long-term financing.
- Dollar price hike will shrink import while export and remittance inflow will be encouraged.
- The whole process of foreign trade, of which a huge part is occupied by L/C, is highly dependable on the personal skills of the officials engaged in the process.

- More than 50% foreign trade income comes from L/C opening charges. Other sources of income includes: amendment charges, postage charges, SWIFT charges, L/C advice etc.
- Modern technical equipment such as Fax machine is not sufficient in foreign Exchange department. As a result the exchange process makes a delay and it is also complicated.
- China and India are the countries from where most of the Imports are done.
- Shahjalal Islami Bank Limited has also shortage of efficient management information system.

Shahjalal Islami Bank Limited is providing better service comparing to other private banks. But there are almost fifty-two Banks' in our country. In the near some new banks are going to be opened. So in order to compete in the market Shahjalal Islami Bank Limited should be very careful about their service. They have to improve service quality and provide more facilities.