Package Title: Chapter 2, Testbank
Course Title: Rainer, IS 8e
Chapter Number: 2


Question type: Multiple Choice


1)  No other North American professional sports league compares to _____ in its ability to exploit social media.

a) MLB
b) the NBA
c) the NFL
d) the NHL

Answer: B

Difficulty: Easy
Section Reference 1: Opening Case
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard: AACSB Technology


2) The NBA is using virtual reality to _____.

a) create a more realistic video-game experience
b) evaluate recruits
c) help remote fans feel the courtside experience
d) train its players

Answer: C

Difficulty: Medium
Section Reference 1: Opening Case
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Comprehension
Standard: AACSB Technology


3) The NBA's use of virtual reality indicates they are using Porter's _____ strategy for competitive advantage.

a) cost leadership
b) differentiation
c) innovation

d) operational effectiveness

Answer: C

Difficulty: Medium
Section Reference 1: Opening Case
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Analysis
Standard: AACSB Technology


4) _____ are materials, services, and information that flow through and are transformed as a result of process activities.

a) Employees
b) Inputs
c) Outputs
d) Resources

Answer: b

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


5) _____ are people and equipment that perform process activities.

a) Employees
b) Inputs
c) Outputs
d) Resources

Answer: d

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

6) _____ are the product or service created by the process.

a) Employees
b) Inputs
c) Outputs
d) Resources

Answer: c

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

7) _____ is an example of effectiveness.

a) Automating order entry
b) Increasing customer satisfaction
c) Reducing production time by one day
d) Using RFID to track products

Answer: b

Difficulty: Hard
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology

8) _____ is an example of efficiency.

a) Automating order entry
b) Increasing customer satisfaction
c) Improving product quality
d) Reducing employee turnover

Answer: a

Difficulty: Hard
Section Reference 1: 2.1

Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology


9) Procurement processes are NOT completed by _____.

a) accounting
b) purchasing
c) sales
d) warehouse

Answer: c

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


10) Fulfillment processes are NOT completed by _____.

a) accounting
b) purchasing
c) sales
d) warehouse

Answer: b

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


11) In September 2014, NASCAR implemented an app from _____ to perform prerace inspections.

a) Amazon
b) Apple
c) Google

d) Microsoft

Answer: d

Difficulty: Hard
Section Reference 1: IT's About Business 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


12) NASCAR's new prerace app uses a _____ to track a car's inspection process.

a) dashboard
b) KPI
c) TPS
d) value chain

Answer: a

Difficulty: Easy
Section Reference 1: IT's About Business 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


13) _____ is NOT a benefit of the NASCAR app.

a) Digital notes
b) Fewer violations
c) Highlighted violations
d) Quick access to the rulebook

Answer: b

Difficulty: Easy
Section Reference 1: IT's About Business 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

14) _____ is the result of optimizing and aligning business processes to fulfill customers' needs, wants, and desires.

a) Customer satisfaction
b) Differentiation
c) Productivity
d) Quality

Answer: a

Difficulty: Medium
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


15) _____ is the result of optimizing operations and supplier processes.

a) Cost reduction
b) Differentiation
c) Productivity
d) Quality

Answer: a

Difficulty: Hard
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


16) _____ is the result of optimizing the manufacturing and logistics processes.

a) Cost reduction
b) Cycle and fulfillment time reduction
c) Productivity
d) Quality

Answer: b

Difficulty: Hard
Section Reference 1: 2.2

17) _____ is the result of optimizing the design, development, and production processes.

a) Cycle and fulfillment time reduction
b) Differentiation
c) Productivity
d) Quality

Answer: d

Difficulty: Hard
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


18) _____ is the result of optimizing the marketing and innovation processes.

a) Customer satisfaction
b) Cycle and fulfillment time reduction
c) Differentiation
d) Productivity

Answer: c

Difficulty: Hard
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


19) _____ is the result of optimizing each individuals' work processes.

a) Cycle and fulfillment time reduction
b) Differentiation
c) Productivity
d) Quality

Answer: c

Difficulty: Medium
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


20) _____ uses a "clean sheet" perspective.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: d

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


21) Many organizations find _____ too difficult, too radical, too lengthy, and too comprehensive.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: d

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

22) _____ is an incremental approach that focuses on reducing variation in the process outputs by searching for the root causes of the variation in the process itself or among process inputs.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: b

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


23) BPI is typically performed by _____.

a) clerical workers
b) executives
c) knowledge workers
d) low-level managers

Answer: c

Difficulty: Hard
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Synthesis
Standard 1 : AACSB || Technology


24) Six Sigma is a popular _____ technique.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: b

Difficulty: Easy

25) The correct order of the BPI phases is _____.

a) analyze, control, define, measure, improve
b) analyze, define, control, improve, and measure
c) define, analyze, measure, control, improve
d) define, measure, analyze, improve, and control

Answer: d

26) In the _____ phase of BPI, the BPI team documents the existing "as is" process activities, process resources, and process inputs and outputs.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: c

27) In the _____ phase of BPI, the BPI team identifies relevant process metrics and collects data to understand how the metrics evolve over time.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: e

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

28) In the _____ phase of BPI, the BPI team examines the "as is" process map and the collected data to identify problems with the process and their root causes.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: a

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

29) In the _____ phase of BPI, the BPI team identifies possible solutions for addressing the root causes, maps the resulting "to be" process alternatives, and selects and implements the most appropriate solution.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: d

30) In the _____ phase of BPI, the BPI team establishes process metrics and monitors the improved process after the solution has been implemented to ensure the process performance remains stable.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: b

31) When you map out how your business currently processes customer orders to figure out how to reduce delivery time, this is part of the _____ phase of BPI.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: c

32) When you figure out that customer orders are delayed because you do not have enough employees picking orders in the warehouse, you are in the _____ phase of BPI.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: a

Difficulty: Medium
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Comprehension, Application
Standard 1 : AACSB || Technology

33) When you decide to start automating order entry by creating a website instead of forcing people to call into Inside Sales to place orders, you are in the _____ phase of BPI.

a) analysis
b) control
c) define
d) improve
e) measure

Answer: d

Difficulty: Medium
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Comprehension, Application
Standard 1 : AACSB || Technology

34) _____ integrates disparate BPI initiatives to ensure consistent strategy execution.

a) BPC
b) BPM
c) BPR
d) BPS

Answer: b

35) Chevron identified their desired outputs and then worked backward by examining the supporting processes. They used a holistic approach that led the company to examine the interdependencies among processes used in different business units. This is a _____ approach.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: d

36) Chevron's initial effort to update its business processes was followed by several smaller, employee-driven _____ initiatives (many that used the Six Sigma improvement methodology).

a) BPC
b) BPI
c) BPM
d) BPR

Answer: b

37) Chevron supported internal improvement efforts by getting its suppliers involved using a unified _____ approach that involved standardizing processes across the entire company and consolidating process information within a central repository.

a) BPC
b) BPI
c) BPM
d) BPR

Answer: c

38) Chevron improved their business processes using _____.

a) BPI then BPM then BPR
b) BPI then BPR then BPM
c) BPM then BPR then BPI
d) BPR then BPI then BPM

Answer: d

39) Globalization is a _____ pressure.

a) market
b) societal
c) technology
d) nonexistent

Answer: a

40) Information overload is a _____ pressure.

a) market
b) societal
c) technology
d) nonexistent

Answer: c

41) The BYOD phenomenon is a _____ pressure.

a) market
b) societal
c) technology
d) nonexistent

Answer: c

42) The digital divide is an issue associated with a _____ pressure.

a) market
b) societal

c) technology
d) nonexistent

Answer: b

Difficulty: Medium
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


43) Compliance with government regulations is a _____ pressure.

a) market
b) societal
c) technology
d) nonexistent

Answer: b

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


44) _____ is a market pressure.

a) globalization
b) information overload
c) protection against terrorist attacks
d) technological innovation and obsolescence

Answer: a

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


45) _____ is a technology pressure.

a) Globalization
b) Information overload
c) Protection against terrorist attacks
d) Reducing the digital divide

Answer: b

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


46) _____ is a societal pressure.

a) Globalization
b) Information overload
c) Protection against terrorist attacks
d) Technological innovation and obsolescence

Answer: c

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


47) American companies can easily do business with Chinese companies. This is phenomenon is called _____.

a) globalization
b) information overload
c) protection against terrorist attacks
d) technological innovation and obsolescence

Answer: a

Difficulty: Medium
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Application
Standard 1 : AACSB || Technology

48) The internet makes customers _____ powerful; this is a _____ pressure.

a) less; market
b) less; societal
c) more; market
d) more; societal

Answer: c

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


49) _____ represents a huge challenge for IT departments because it means IT loses the ability to fully control and manage employee devices.

a) BYOD
b) ERP
c) RFID
d) TPS

Answer: a

Difficulty: Medium
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


50) _____ is a challenge of BYOD.

a) Control
b) Cost
c) Productivity
d) Satisfaction

Answer: a

Difficulty: Hard
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.

Bloomcode: Evaluation
Standard 1 : AACSB || Technology

51) Which of the following is NOT an organizational response to business pressures?

a) Creating a digital divide
b) Developing strategic systems
c) Focusing on customer wants
d) Mass customization

Answer: a

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

52) Ford's original strategy was _____.

a) configured mass customization
b) consumer segmentation
c) mass customization
d) mass production

Answer: d

Difficulty: Hard
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

53) _____ involves companies providing standard specifications for different consumer groups.

a) Configured mass customization
b) Consumer segmentation
c) Mass customization
d) Mass production

Answer: b

54) _____ is the current strategy for many manufacturers where a company produces a large quantity of items but customizes them to match the needs and preferences of individual customers.

a) Configured mass customization
b) Consumer segmentation
c) Mass customization
d) Mass production

Answer: c

55) More than ____ percent of American adults only have dial-up Internet access; this ___ a form of broadband Internet access.

a) 30; is
b) 30; is not
c) 50; is
d) 50; is not

Answer: B

56) _____ is trying to close the digital divide for its residents by utilizing FCC subsidies and the services of DigitalC and Siklu to install less expensive wireless service in low-income homes.

a) Cleveland
b) Milwaukee
c) New York City
d) Seattle

Answer: A

Difficulty: Easy
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate among business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB Technology


57) _____ fiber is basic fiber infrastructure without service.

a) Dark
b) Large
c) Light
d) Small

Answer: A

Difficulty: Easy
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate among business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB Technology


58) One of the major roadblocks for installation of broadband fiber-optic lines in rural areas is _____.

a) the owners of the preexisting utility poles rarely grant permission for outside entities to install fiber-optic lines, forcing those entities to undergo lengthy negotiations to gain access.
b) that streamlined FCC rules for installation only apply to Internet Service Providers and telephone and cable companies, and not county agencies, making the process more convoluted and lengthy.
c) the FCC does not permit any companies who do not own the utility poles outright to install fiber-optic lines, therefore forcing the ISPs, and telephone and cable companies to create queues for installation that are sometimes years long.

d) that so few people populate these rural areas, there is no demand for broadband and therefore the telephone and cable companies are often unaware that there is even a need that requires fulfillment in those communities.

Answer: B

Difficulty: Medium
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate among business process reengineering, business process improvement, and business process management.
Bloomcode: Application
Standard: AACSB Technology

59) Bank of America set up a _____ cloud after the financial crisis of 2007–2008.

a) Hybrid
b) Open
c) Private
d) Public

Answer: c

Difficulty: Easy
Section Reference 1: IT's About Business 2.4
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Learning Objective 2: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

60) Which of the following is NOT a benefit of Bank of America's new software-defined infrastructure cloud?

a) Cost
b) Flexibility
c) Scalability
d) Security

Answer: a

Difficulty: Medium
Section Reference 1: IT's About Business 2.4
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.

61) Bank of America retired more than _____ applications after the financial crisis of 2007–2008.

a) 100
b) 5,000
c) 18,000
d) 100,000

Answer: c

62) _____ uses RFID to allow guests to make onboard purchases and access staterooms.

a) Carnival Corporation
b) Celebrity Cruises
c) JetBlue Cruises
d) Royal Caribbean Cruises

Answer: D

63) _____ uses machine learning to analyze passenger behavior and provide personalized recommendations.

a) Carnival Corporation
b) JetBlue Cruises
c) MSC Cruises

d) Royal Caribbean Cruises

Answer: A

64) Which is not a piece of new technology that cruises lines are implementing on their boats?

a) Facial recognition
b) VR simulations
c) Drone service
d) Radio-frequency identification wristbands

Answer: C

65) Which is not a benefit for the companies behind cruises in terms of implementation of various customer-centered technologies?

a) Some technology incorporates machine learning that provides the cruise providers with valuable information about their customers and the customer experience.
b) Technology can replace previously needed manpower to perform certain tasks, such as taking food and drink orders.
c) Most of the technology used on cruise ships has eliminated the concern over security breeches that previously existed on cruise ships.
d) Technology enables some cruise lines to be able to offer enhanced experiences that increase cost to customers, therefore increasing profits.

Answer: C

66) One negative aspect of Celebrity Cruises installation and implementation of various technologies on its boats and for its customers' use is _____.
a) the automatically unlocking cabin door locks all had to be replaced, which was quite expensive.
b) that customers largely responded in a negative way to the need to utilize various devices for optimal experiences.
c) that to implement the optimized wayfinding, the cruise ships all had to build new infrastructures.
d) customers were unwilling to pay more for VR views of the sea and the cruise line has ended up with many empty rooms on its voyages.

Answer: A

Difficulty: Medium
Section Reference 1: IT's About Business 2.5
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Application
Standard: AACSB Technology


67) The best-known framework for analyzing competitiveness is _____'s competitive forces model.

a) Job
b) Gates
c) Mintzberg
d) Porter

Answer: d

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


68) Porter's competitive forces model identifies _____ major forces that can endanger or enhance a company's position in a given industry.

a) 3
b) 4
c) 5

d) 6

Answer: c

69) The threat of new competitors will enter your market is _____ when entry is easy and _____ when there are significant barriers to entry.

a) high; high
b) high; low
c) low; high
d) low; low

Answer: b

70) The threat of new competitors will enter your market is high when entry is _____ and low when there are _____ barriers to entry.

a) easy; few
b) easy; significant
c) hard; few
d) hard; significant

Answer: b

71) Supplier power is _____ when buyers have few choices from whom to buy and _____ when buyers have many choices.

a) high; high
b) high; low
c) low; high
d) low; low

Answer: b

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


72) Supplier power is high when buyers have _____ choices from whom to buy and low when buyers have _____ choices.

a) few; few
b) few; many
c) many; few
d) many; many

Answer: b

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


73) Buyer power is _____ when buyers have many choices from whom to buy and _____ when buyers have few choices.

a) high; high
b) high; low
c) low; high
d) low; low

Answer: b

74) Buyer power is high when buyers have _____ choices from whom to buy and low when buyers have _____ choices.

a) few; few
b) few; many
c) many; few
d) many; many

Answer: c

75) If there are many alternatives to an organization's products or services, then the threat of substitutes is _____; if there are few alternatives, then the threat is _____.

a) high; high
b) high; low
c) low; high
d) low; low

Answer: b

76) If there are _____ alternatives to an organization's products or services, then the threat of substitutes is high; if there are _____ alternatives, then the threat is low.

a) few; few
b) few; many
c) many; few
d) many; many

Answer: c

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


77) The threat from rivalry is _____ when there is intense competition among many firms in an industry and _____ when competition is not as intense.

a) high; high
b) high; low
c) low; high
d) low; low

Answer: b

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


78) You have to offer online banking if you want to operate a bank. This is a(n) _____.

a) buyer power
b) entry barrier
c) substitute product
d) supplier power

Answer: b

Difficulty: Medium

79) Which of the following increases supplier power?

a) Globalization
b) Integrated supply chains
c) Intermediation
d) Internet searching

Answer: b

80) Which of the following reduces buyer power?

a) Globalization
b) Loyalty programs
c) Intermediation
d) Internet searching

Answer: b

81) Threat of substitute products or services refers to companies _____ the industry; rivalry refers to companies _____ the industry.

a) inside; inside
b) inside; outside

c) outside; inside
d) outside; outside

Answer: c

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology

82) _____ industries experience the greatest threat from substitutes.

a) Information-based
b) Manufacturing
c) Product-based
d) Retail

Answer: a

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Application
Standard 1 : AACSB || Technology

83) _____ are the costs, in money and time, imposed by a decision to buy elsewhere.

a) Entry barriers
b) Loyalty programs
c) Substitute products
d) Switching costs

Answer: d

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

84) You live in a small town with only one large retailer. This means there is low _____.

a) buyer power
b) supplier power
c) threat of new entrants
d) threat of substitutes

Answer: a

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Application
Standard 1 : AACSB || Technology


85) Your business manufactures motors. Based on prices and shipping, you only have one business as an option to buy bearings. This means there is high _____.

a) buyer power
b) supplier power
c) threat of new entrants
d) threat of substitutes

Answer: b

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Application
Standard 1 : AACSB || Technology


86) The music and newspaper industries were hurt primarily by _____.

a) buyer power
b) supplier power
c) threat of new entrants
d) threat of substitutes

Answer: d

Difficulty: Hard

87) Organization's use Porter's competitive forces model to design _____ strategies; they use the value chain model to identify _____ activities to make the greatest impact.

a) general; general
b) general; specific
c) specific; general
d) specific; specific

Answer: b

88) Primary activities _____ add value directly to the firm's products or services; support activities _____ add value directly to the firm's products or services.

a) do; do
b) do; do not
c) do not; do
d) do not; do not

Answer: b

89) _____ is an example of a support activity for most firms.

a) Inbound logistics

b) Marketing and sales
c) Operations
d) Product and technology development

Answer: d

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter
Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


90) _____ is an example of a primary activity for most firms.

a) Human resource management
b) Operations
c) Procurement
d) Product and technology development

Answer: b

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter
Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


91) Which of the following has the strategy "I can sell at a lower price than you can"?

a) Cost leader
b) Customer oriented
c) Differentiation
d) Innovation
e) Operational effectiveness

Answer: a

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter
Porter's five competitive forces.
Bloomcode: Knowledge

92) Walmart's strategy is _____.

a) cost leader
b) customer oriented
c) differentiation
d) innovation

Answer: a

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Application
Standard 1 : AACSB || Technology


93) Which of the following has the strategy "I am better because I am different"?

a) Cost leader
b) Customer oriented
c) Differentiation
d) Innovation
e) Operational effectiveness

Answer: c

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


94) Rolex's strategy is _____.

a) cost leader
b) differentiation
c) innovation
d) operational effectiveness

Answer: b

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology


95) Which of the following has the strategy "I'm doing something new and you can't catch up"?

a) Cost leader
b) Customer oriented
c) Differentiation
d) Innovation
e) Operational effectiveness

Answer: d

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


96) Car and technology companies are currently competing over who can offer the first self-driving car. This is an example of a(n) _____ strategy.

a) cost leader
b) customer oriented
c) differentiation
d) innovation
e) operational effectiveness

Answer: d

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Synthesis
Standard 1 : AACSB || Technology

97) Which of the following has the strategy "I can do the same thing more efficiently than you can"?

a) Cost leader
b) Customer oriented
c) Differentiation
d) Innovation
e) Operational effectiveness

Answer: e

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


98) You decide to integrate your supply chain to cut down production time. This is an example of a(n) _____ strategy.

a) cost leader
b) customer oriented
c) differentiation
d) innovation
e) operational effectiveness

Answer: e

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Synthesis
Standard 1 : AACSB || Technology


99) Which of the following has the strategy "I treat my customers better than you do"?

a) Cost leader
b) Customer oriented
c) Differentiation
d) Innovation
e) Operational effectiveness

Answer: b

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


100) Which of the following is NOT an example of excellent alignment?

a) Organizations view IT as an engine of innovation that continually transforms the business, often creating new revenue streams.
b) Organizations view their internal and external customers and their customer service function as supremely important.
c) Organizations rotate business and IT professionals across departments and job functions.
d) Organizations allow IT employees to develop overarching goals for the business.
e) Organizations ensure that IT employees understand how the company makes or loses money.
f) Organizations create a vibrant and inclusive company culture.

Answer: d

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1: AACSB || Technology


101) Robotic pizza delivery currently exists in _____.

a) Africa
b) China
c) Europe
d)The United States

Answer: C

Difficulty: Easy
Section Reference 1: Closing Case
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB || Technology

102) In addition to improving their pizzas, _____ improved its ordering process with digital technologies such as a voice-ordering chatbot and a robot delivery system.

a) Domino's
b) Little Caesars
c) Papa John's
d) Pizza Hut

Answer: A

Difficulty: Easy
Section Reference 1: Closing Case
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB || Technology


Question Type: True/False


103) Unlike the NFL and MLB, the NBA encourages sharing of game highlights and photos on social media sites like Vine.

Answer: True

Difficulty: Easy
Section Reference 1: Opening Case
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard: AACSB || Technology


104) The rise of on-demand entertainment has resulted in drastically reduced revenues for organizations such as the NFL, NBA, NHL, and MLB.

Answer: False

Difficulty: Easy
Section Reference 1: Opening Case
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Comprehension
Standard: AACSB || Technology

105) Customers of a business process can be either internal or external to the organization.

Answer: True

Difficulty: Medium
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


106) A retailer is an example of an internal customer to a manufacturer.

Answer: False

Difficulty: Hard
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Synthesis
Standard 1 : AACSB || Technology


107) The two fundamental metrics that organizations employ in assessing their processes are efficiency and effectiveness.

Answer: True

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


108) Efficiency focuses on doing things well in the process.

Answer: True

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.

109) Effectiveness focuses on doing the things that matter.

Answer: True

110) Efficiency focuses on high quality products.

Answer: False

111) Effectiveness focuses on progressing from one activity to another without delay or without wasting money or resources.

Answer: False

112) No single functional area is responsible for cross-functional business processes.

Answer: True

Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Comprehension
Standard 1 : AACSB || Technology


113) An organization's business processes can be a competitive advantage or disadvantage.

Answer: True

Difficulty: Medium
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


114) NASCAR officials can spot trends and patterns with their new app to help make the races fair for everyone.

Answer: True

Difficulty: Easy
Section Reference 1: IT's About Business 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


115) NASCAR's prerace inspection app is a strategic information system.

Answer: True

Difficulty: Hard
Section Reference 1: IT's About Business 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology


116) BPI delivers the same huge performance gains promised by BPR.

Answer: False

Difficulty: Medium
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


117) BPI projects tend to be performed from the bottom up while BPR projects tend to involve top-down change mandates.

Answer: True

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


118) Organizations can adopt BPR to sustain BPI efforts over time.

Answer: False

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


119) Organizations can adopt BPM to sustain BPR efforts over time.

Answer: False

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

120) Chevron primarily used BPC to save money.

Answer: False

Difficulty: Easy
Section Reference 1: IT's About Business 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


121) Chevron originally improved supplier relationships to save money on shipping.

Answer: False

Difficulty: Easy
Section Reference 1: IT's About Business 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


122) Chevron used BPR, BPI, and BPM to achieve operational excellence.

Answer: True

Difficulty: Easy
Section Reference 1: IT's About Business 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


123) A workforce including more women, single parents, minorities, and persons with disabilities puts societal pressure on organizations.

Answer: False

Difficulty: Hard
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Evaluation

124) The internet makes customers more powerful.

Answer: True

125) Mass customization is also called make-to-order.

Answer: True

126) E-commerce is a broader concept than e-business.

Answer: False

127) E-commerce is the process of buying and selling goods and services.

Answer: True

128) Everyone has access to the Internet in the United States.

Answer: False

Difficulty: Easy
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB Technology


129) Dial-up internet access refers to a slower form of internet access that hits speeds of around 56 kilobits per second.

Answer: True

Difficulty: Easy
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB || Technology


130) The basic fiber infrastructure without service is called dark fiber.

Answer: True

Difficulty: Easy
Section Reference 1: IT's About Business 2.3
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard: AACSB || Technology


131) Bank of America standardized its IT infrastructure, streamlined applications, developed customer-focused innovations, and streamlined its physical infrastructure to recover from the financial crisis of 2007–2008.

Answer: True

Difficulty: Easy

Section Reference 1: IT's About Business 2.4
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


132) MSC Cruises uses RFID, NFC, and VR to improve the cruising experience.

Answer: True

Difficulty: Easy
Section Reference 1: IT's About Business 2.5
Learning Objective 1: 2.3
Bloomcode: Knowledge
Standard: AACSB Technology


133) Privacy and security are not an issue on cruise lines since data cannot be transmitted off the ship when it is out to sea.

Answer: False

Difficulty: Easy
Section Reference 1: IT's About Business 2.5
Learning Objective 1: 2.3
Bloomcode: Knowledge
Standard: AACSB Technology


133) When you create a competitive strategy, you must plan your own moves and anticipate and counter your competitors' moves.

Answer: True

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


134) The web has changed Porter's five fundamental forces.

Answer: False

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


135) The web has changed the nature of competition but has not changed Porter's five fundamental forces.

Answer: True

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


136) The overall impact of the web is to increase competition which generally diminishes a firm's profitability.

Answer: True

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


137) Threat of substitute products or services and rivalry among existing firms in the industry are the same except that substitute products refers to the internet while rivalry refers to brick-and-mortar stores.

Answer: False

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Application, Synthesis

138) If there are only two competitors, rivalry will be low.

Answer: False

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Evaluation
Standard 1 : AACSB || Technology

139) Primary activities relate to the production and distribution of the firm's products and services.

Answer: True

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

140) Primary activities do not add value directly to the firm's products or services.

Answer: False

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

141) Support activities create value for which customers are willing to pay.

Answer: False

Difficulty: Easy
Section Reference 1: 2.4

Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


142) Business managers and IT managers always have the same objectives.

Answer: False

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


143) The business and IT departments are often ignorant of the other group's expertise.

Answer: True

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


144) Business and IT employees communicate well with each other.

Answer: False

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


145) Business executives often know little about IT, and IT executives understand the technology but may not understand the real needs of the business.

Answer: True

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


146) Virginia and Idaho allow robotic delivery of products.

Answer: True

Difficulty: Easy
Section Reference 1: Closing Case
Learning Objective 1: 2.2
Bloomcode: Knowledge
Standard: AACSB || Technology


Question type: Text Entry


147) A ___ is an ongoing collection of related activities that create a product or a service of value to the organization, its business partners, and its customers.

Answer: business process

Difficulty: Easy
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


148) Inputs are materials, services, and information that flow through and are transformed as a result of ___.

Answer: process activities

Difficulty: Medium
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Knowledge

149) Business process ___ is a management technique that includes methods and tools to support the design, analysis, implementation, management, and optimization of business processes.

Answer: management

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

150) Business process ___ is a radical redesign of a business process that improves its efficiency and effectiveness often by beginning with a "clean sheet."

Answer: reengineering

Difficulty: Easy
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

151) A workforce including more women, single parents, minorities, and persons with disabilities puts ___ pressure on organizations.

Answer: market

Difficulty: Medium
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Comprehension
Standard 1 : AACSB || Technology
Standard 1 : AACSB || Diversity

152) The ___ refers to the wide gap between those individuals who have access to information and communications technology and those who do not.

Answer: digital divide

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


153) ___ is the process of buying and selling goods and services.

Answer: E-commerce

Difficulty: Easy
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


154) ___ provide a competitive advantage by helping an organization implement its strategic goals and improve its performance and productivity.

Answer 1: strategic information systems
Answer 2: SISs

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


155) ___ activities relate to the production and distribution of the firm's products and services.

Answer: Primary

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


156) ___ activities do not add value directly to the firm's products or services.

Answer: Support

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

157) Businesses strive to produce products and services at the lowest cost in the industry when they have a ___ strategy.

Answer: cost leadership

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

158) Businesses strive to offer different products, services, or product features than competitors when they have a ___ strategy.

Answer: differentiation

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology

159) Businesses introduce new products and services, add new features to existing products and services, or develop new ways to produce them when they have a ___ strategy.

Answer: innovation

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.

160) Businesses try to improve the manner in which they execute internal business processes so that they perform these activities more effectively than rivals with a(n) ___ strategy.

Answer: operational effectiveness

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


161) Businesses concentrate on making customers happy with a ___ strategy.

Answer: customer orientation

Difficulty: Easy
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Knowledge
Standard 1 : AACSB || Technology


Question Type: Essay


162) List the three areas where information systems play a vital role. What role does technology play in each area? Suppose you purchase a product from Amazon; describe how this purchase would flow through these three areas.

Answer:

Difficulty: Medium
Section Reference 1: 2.1
Learning Objective 1: Discuss ways in which information systems enable cross-functional business processes and business processes for a single functional area.
Bloomcode: Application, Evaluation
Standard 1 : AACSB || Communication
Standard 2 : AACSB || Analytic
Standard 3 : AACSB || Technology

Standard 4 : AACSB || Reflective Thinking
Solution: 1) Executing the process
a. Embedded/intertwined; Process fails without system working
b. Example – if the Amazon crashes, the order wouldn't go through
2) Capturing and storing process data
a. Sometimes happens inside the system but sometimes has to be entered into it
b. Example – this is completely automated for Amazon (no person is involved); this is also part of the recommender system (automatic recommendations for cross-selling)
3) Monitoring process performance
a. Instance level (specific task) or process level (the whole process); evaluation
b. Example – this is how the order is tracked (order status) projected shipping dates, etc.


163) Describe a scenario where BPI, BPM, and BPR would be best for a company. What role do executives play in carrying out these initiatives? What role do factory workers play in carrying out these initiatives?

Answer:

Difficulty: Hard
Section Reference 1: 2.2
Learning Objective 1: Differentiate between business process reengineering, business process improvement, and business process management.
Bloomcode: Analysis, Synthesis
Standard 1 : AACSB || Communication
Standard 2 : AACSB || Analytic
Standard 3 : AACSB || Technology
Solution: 1) BPI = incremental improvements; BPM = maintaining BPI over time; BPR = radical improvements; BPI = getting employees to recommend ways their department could do things better; BPM = ensure business processes are continually aligned with the strategy (meeting frequently with lower management); BPR = implementing a new ERP system
2) Executives = driving BPR and providing incentives for BPM and BPI; factory workers = drive BPI and carry out BPM and BPI


164) What is "green IT"? Why would a company want to pursue "going green" and how could they do it? Do you think it is worth it to "go green"? Why or why not?

Answer:

Difficulty: Hard
Section Reference 1: 2.3
Learning Objective 1: Identify effective IT responses to different kinds of business pressures.
Bloomcode: Comprehension, Analysis, Evaluation
Standard 1 : AACSB || Communication
Standard 2 : AACSB || Analytic

Solution: 1) Being more socially responsible
2) To address environmental concerns; facilities design and management (sustainable work environments), carbon management (monitor and reduce), international and US environmental laws (follow laws in what buy and how dispose)
3) Yes – it is good for the environment so customers who care about this will buy the product; no – it costs a lot of money for no impact on the bottom line


165) List and describe Porter's five forces. Describe whether the web has increased or decreased each force and why. Suppose you want to open a restaurant in your home town; evaluate this potential business using Porter's Five Forces.

Answer:

Difficulty: Hard
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Comprehension, Evaluation
Solution: 1) Threat of entry of new competitors = the threat that new competitors will enter your market is high when entry is easy and low when there are significant barriers to entry; web = increases because easy to create a website but decreases because first mover will set the standard; restaurant: high for franchises (assuming you have the money to put down for that) but fairly easy to open a restaurant (just need a location, food, tables, etc.), but students could argue for low for some franchises (where it could cost millions of dollars).
2) Bargaining power of suppliers = supplier power is high when buyers have few choices from whom to buy and low when buyers have many choices; web = increases because integrating supply chain increases switching costs but decreases because it is easier to shop around; restaurant – low (lots of options for buying food – US Foods, Sysco, etc.; easy to hire people for serving)
3) Bargaining power of buyers = buyer power is high when buyers have many choices from whom to buy and low when buyers have few choices; web = decreases because loyalty programs increase switching costs but increases because it is easier to shop around; restaurant – high for large towns where they have lots of places to eat but lower for small towns where there aren't many restaurants
4) Threat of substitute products or services = the threat of substitutes is high when there are many alternatives to an organization's products or services; web = increases because substitutes can be created rapidly where information-based industries have highest threat but decreases if can create switching costs; restaurant – high because people don't have to eat out (they can cook their own food)
5) Rivalry among existing firms in the industry = threat from rivalry is high when there is intense

competition among many firms in an industry; web = increases because of transparency; restaurant – this depends on whether or not competition is fierce or not – could have two restaurants that constantly fight to bring in customers or thousands of restaurants who aren't really competing much


166) What is business-IT alignment and why would an organization want to pursue it? What makes alignment so difficult? Thinking about your college or university, does the IT department have a good reputation? Do you think there is a strong alignment between IT and the professors?

Answer:

Difficulty: Medium
Section Reference 1: 2.4
Learning Objective 1: Describe the strategies that organizations typically adopt to counter Porter's five competitive forces.
Bloomcode: Comprehension, Evaluation
Standard 1 : AACSB || Communication
Standard 2 : AACSB || Analytic
Standard 3 : AACSB || Technology
Solution: Tight integration of the IT function with the organization's strategy, mission, and goals; why — innovation, customer service, business and IT know each other well, reach overarching goals that are clear to everyone, everyone understands how the company makes money, a healthy company culture; difficult = different objectives, ignorant of each other's expertise, lack of communication; evaluation = most IT departments don't have a good reputation and don't have strong alignment