

## Solutions – Chapter 2

### *Critical Thinking Exercise*

#### *Reducing New Product Stockout at Coles*

#### *Review Questions*

1. One benefit of virtual teams is that they enable organizations to enlist the best people in different geographical regions to solve important organizational problems. Another benefit is that they provide the ability to staff a team with people who have a range of experience and knowledge that stems from a variety of professional experiences and cultural backgrounds.
2. Virtual organization members must be sensitive to the different cultures and practices of the various team members to avoid misunderstandings that can destroy team chemistry.

#### *Critical Thinking Questions*

1. Student responses will vary. Student should provide a paragraph briefly outlining background and experience.
2. Student responses may vary. Communications are greatly improved when participants can see one another and pick up facial expressions and body language. I would recommend initial face-to-face meetings while the team is forming and defining goals, roles, and expectations on how its members will work together. It helps if virtual team members take the time to get to know one another by sharing experiences and personal background information.

### *Critical Thinking Exercise*

#### *Review Questions*

1. Organizations often outsource a process so they can focus more closely on their core business—and target their limited resources to meet strategic goals.
2. A growing number of organizations are finding that outsourcing does not necessarily lead to reduced costs. One of the primary reasons for cost increases is poorly written contracts that allow the service provider to tack on unexpected charges. Other potential drawbacks of outsourcing include loss of control and flexibility, the potential for data breaches of information stored on the service provider's computer hardware, overlooked opportunities to strengthen core competencies of the firm's own employees, and low employee morale.

### *Critical Thinking Questions*

1. Organizations often find that it takes years of ongoing effort and a large up-front investment to develop a good working relationship with an outsourcing firm. Finding a reputable outsourcing partner can be especially difficult for a small or midsized firm that lacks experience in identifying and vetting contractors.
2. Student responses may vary, but you might want to address the inevitability of eliminating the accounting department. What are the company's plans for downsizing?

### ***Critical Thinking Exercise***

#### *Change Management for ERP System Project*

#### *Review Questions*

1. Managers must take the time to explain the many tangible and intangible benefits for the organization as well as for the individual. Since this change will have a major impact on 50 members, the positive impact of the change should be stressed. Each person should be thoroughly informed of all job changes and requirements and provided any necessary training.
2. Human resources might want to identify a small subset of the 50 members who can will be good candidates for early adopters of the new system.

### *Critical Thinking Questions*

1. Student responses may vary. You should meet with the project manager to discuss expectations, document criteria, and share project status. In order to build rapport and trust, it might be a good idea to meet informally for coffee or lunch.
2. Student responses may vary. People are the key to the successful implementation of any change so communication with the business users is very important. Managers must take the time to listen to the fears and concerns of the users and use that opportunity to stress the benefits and positive impact the changes will have on the company and the individual.

### ***Critical Thinking Exercise***

#### *Product Supply Turns to Shadow IT*

#### *Review Questions*

1. Shadow IT enables the business to test quick solutions to business needs without delays brought on by involvement of information systems. It can create an innovative, synergistic partnership between the information systems department and other business units as well as provide the opportunity to evaluate and test many more information system initiatives. Conversely, the systems and processes developed may lack necessary levels of security required to meet compliance standards, it might create tension with the CIO, it might be more expensive than going through central purchasing, it may duplicate work, and issues can arise over responsibility to fix “nonapproved” solutions.
2. Student responses may vary. Your manager may want to skirt formal procedures associated with the purchase of large capital expense items—including scrutiny by the information system department—in order to get the inventory system up and running quickly.

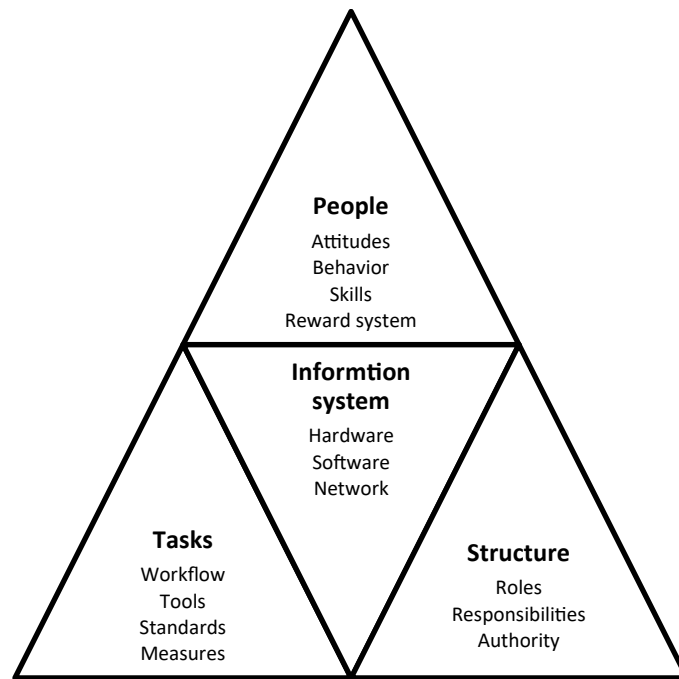
### *Critical Thinking Questions*

1. Student responses may vary. Issues often arise when a shadow IT solution “breaks” and questions are raised about who is responsible for fixing it and supporting the end users. There are also security risks associated with using a cloud service provider.
2. Student responses may vary. You may want to ask if the information systems department is aware of the plan to contract with a cloud service provider. Who will offer support to the system? Who will have access to the system?

### *Review Questions*

1. A value chain is a series (chain) of events that includes inbound logistics, warehouse and storage, production, finished product storage, outbound logistics, marketing and sales, and customer service. A supply chain is a network of suppliers, distributors, and retailers that participate in the production of a product.
2. Supply chain management (SCM) helps determine what supplies are required for the value chain, what quantities are needed to meet customer demand, how the supplies should be processed (manufactured) into finished goods and services, and how the shipment of supplies and products to customers should be scheduled, monitored, and controlled.
3. The members of a virtual team are distributed geographically, but collaborate and complete work through the use of information systems. Members may seldom meet face to face. Virtual team members must be prepared to do work anywhere, anytime. As a result, members of a virtual team may feel that their work day never ends.

4. Sustaining innovation results in enhancements to existing products, services, and ways of operating. Such innovations are important because they enable an organization to continually increase profits, lower costs, and gain market share. A disruptive innovation is one that initially provides a lower level of performance than the marketplace has grown to accept. Over time, however, the disruptive innovation is improved to provide new performance characteristics, becoming more attractive to users in a new market.
5. Business process reengineering is the radical redesign of business processes, organizational structures, information systems, and values of the organization to achieve a breakthrough in business results.
6. Continuous improvement is a form of innovation that constantly seeks ways to improve business processes and add value to products and services.
7. Outsourcing is a long-term business arrangement in which a company contracts for services with an outside organization that has expertise in providing a specific function. Offshoring is an outsourcing arrangement where the organization providing the service is located in a country different from the firm obtaining the services.
8. The soft side of implementing change involves work designed to help employees embrace a new information system and way of working.
9. Organizational culture consists of the major understandings and assumptions for an organization. Organizational learning is the adaptations and adjustments made within an organization based on experience and ideas over time.
10. Leavitt's diamond proposes that every organizational system is made up of four main components—people, tasks, structure, and technology—that all interact; any change in one of these elements will necessitate a change in the other three elements. Thus, to successfully implement a new information system, appropriate changes must be made to the people, structure, and tasks affected by the new system.



11. Student responses will vary. Three sites might include:

- CareerBuilder: This site is one of the biggest job boards, and its robust search function allows you to filter by several criteria, including location, degree required and pay range. CareerBuilder partners with news media around the country and collects job listings from them. It also provides career advice and resources for candidates.
- TheLadders: This site focuses on job openings for upper-level executives and professionals who are aiming for the management suite.
- Glassdoor: This site promotes itself as giving job seekers insights into a company's work conditions, interview processes, salaries and benefits. In addition to providing job listings, Glassdoor allows employers to identify job candidates and market their companies to job seekers.

Source: <https://www.roberthalf.com/job-seekers/career-center/job-hunting-tips/10-best-job-search-websites>

12. The role of CIO is to employ an IS department's equipment and personnel to help the organization attain its goals. CIOs also understand the importance of finance, accounting, and return on investment. They can help companies avoid damaging ethical challenges by monitoring how their firms are complying with a large number of laws and regulations.

13. Shadow It is the term used to describe the information systems and solutions built and deployed by departments other than the information systems department. In many cases, the information systems department may not even be aware of these efforts.

### ***Discussion Questions***

1. Student responses may vary. As an example of a simple value chain, the gift wrapping department of an upscale retail store takes packages from customers, covers them with appropriate, decorative wrapping paper, and gives the package back to the customer, thus increasing the customer's (and the recipient's) perceived value of the gift.
2. Student answers will vary. Students should detail a virtual team they are a member of.
3. Student answers may vary, but some examples might include the failure to promote creativity among the employees and failure to receive employee input prior to decisions. To encourage innovation, some IS departments are creating separate groups that explore new, innovative ideas. Innovative companies include Apple, Facebook, Google, Amazon, Twitter, Kickstarter, and PayPal.
4. The main similarity between outsourcing and downsizing is the goal of cutting costs. Outsourcing is a long-term business arrangement in which a company contracts for services with an outside organization that has expertise in providing a specific function. This might lead to downsizing, or reducing the number of employees, as a number of job functions may have been eliminated. However, outsourcing does not always lead to downsizing. Outsourcing may occur to enable employees who were stretched too thin to focus on their core business.
5. Student answers will vary.
6. Student responses will vary. Perceived usefulness and ease of use can influence an individual's attitude toward the system, which also affects the worker's behavioral intention to use the system.
7. Technology diffusion is a measure of how widely technology is spread throughout an organization. An organization in which computers and information systems are located in most departments and areas has a high level of technology diffusion. Therefore, you would need to measure the use of the new system across the organization.
8. Students who use the Internet and other nontraditional sources to find IS jobs have more opportunities to land a job. Most large companies list job opportunities on their Web sites. These sites allow prospective job hunters to browse job opportunities, locations, salaries, benefits, and other factors. In addition, some sites allow job hunters to post their résumés.

Note that students are often warned to be careful of what they post on social media sites, including Facebook. Employers often search the Internet to get information about potential employees before they make hiring decisions.

9. The CIO should be a customer relationship manager, a strategic communicator, and a project manager, delicately balancing project portfolios, available resources, and governance. He/she should also be a leader, not a dictator; a technologist, not a technician; a business person, not an accountant; and finally, a diplomat, not a politician.
10. Student responses will vary.

### ***Problem-Solving Exercises***

1. Student should create a spreadsheet similar to Figure 2.12 using five occupations of his choice.
2. Student should develop a force field analysis of the restraining forces and driving forces that would impact his decisions to change majors or jobs.
3. GE's Change Acceleration Management process illustrates the key processes involved in facilitating effective change. The student should research this and summarize the key steps with a slide presentation.

### ***Team Activities***

1. Students should interview a manager of a successful organization about organizational culture.
2. Students should develop interview questions and an assessment process to evaluate user satisfaction or a new system.
3. Students should develop focus group questions to assess feelings about a new information system.

### ***Web Exercises***

1. Student should search for H-1B visas data by job category.
2. Students should search for information on the top-ranked places to work. According to Fortune, the three top-ranked companies for 2016 are Google, ACUITY, and Boston Consulting Group.
3. Students should research how recruiters use social network data to screen applicants. Recruiters can use social media data in a number of ways. Some examples might include:
  - Interested in seeing which candidates are the most (or least) connected

- Use a candidate's social media pages to test the candidate's professionalism.
- Look for specific traits of interest to the company.

### ***Career Exercises***

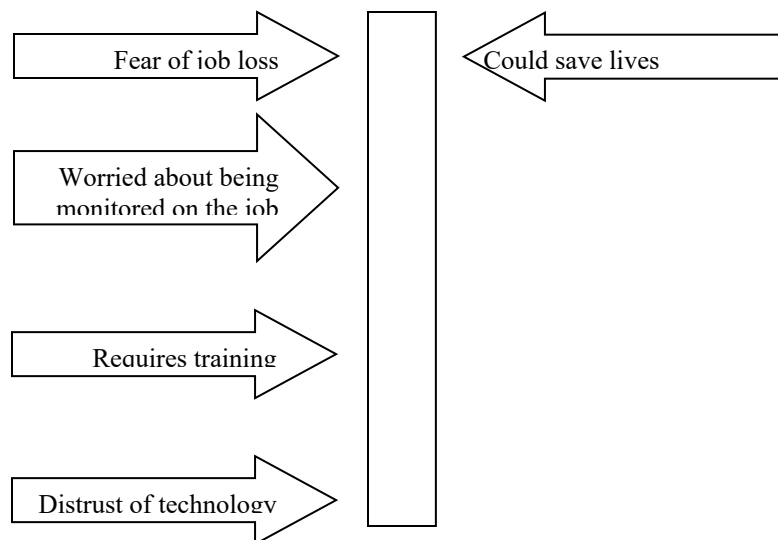
1. Students could conduct research about an entrepreneur that they admire.
2. Student response will vary.
3. Student response will be based on ideal job.

### ***Case Studies***

#### *Case One: Railroads struggle to Implement Positive Train Control*

#### *Critical Thinking Questions*

1. Student answers may vary. This is an example of a simple analysis.



2. Responses will vary. Arguments for PTC might include:
  - Rail worker safety
  - Passenger safety
  - Enforcement of line speeds/monitor trains

Arguments against PTC might include:

- High cost
- High time commitment
- Frequency conflicts



3. Students should research the current status of PTC. They should note that congress extended the original PTC implementation deadline from December 31, 2015 to at least December 31, 2018. In addition, in August 2016, the U.S. Department of Transportation's (DOT) Federal Railroad Administration (FRA) awarded \$25 million in grants for 11 projects in six states and the District of Columbia to assist in implementing PTC.

Source: <https://www.transportation.gov/briefing-room/fra-awards-25-million-grants-positive-train-control-implementation>

### *Case Two: Nordstrom's Innovation Efforts Recognize the Importance of the Soft Side of Implementing Change*

#### *Critical Thinking Questions*

1. The soft side of implementing change involves work designed to help employees embrace a new information system and way of working. Moving the technology innovators out if the lab allows them to work more closely with the end users. This keeps the end users involved and more connected to the innovation process and more willing and likely to accept change.
2. Student responses may vary. The resistance Nordstrom faced was probably typical resistance an organization faces when implementing change. This resistance might include fear of job loss, uncomfortable with changes to job, distrust of technology, or distrust of innovators and/or end users. As in all cases, managers need to take the time to explain the tangible and intangible benefits to both the individual and the organization.
3. With Nordstrom's focus on the soft side of implementing change, employees are more likely to embrace change and innovation.