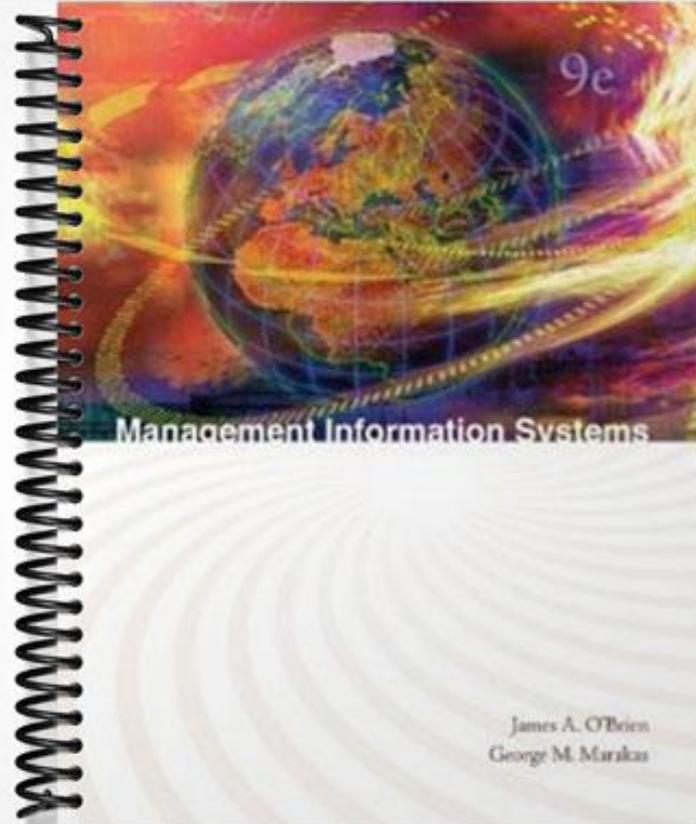


TEST BANK



Management Information Systems

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Chapter 02 Competing with Information Technology

True / False Questions

1. (p. 44) When an organization uses information technology to develop products, services and capabilities in order to gain a strategic advantage over competitive forces in the global marketplace, it is using information systems in a *strategic* role.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1*

2. (p. 27) According to Nicholas Carr, the author of "IT Doesn't Matter," the primary risk linked to information technology is not using it correctly.

FALSE

According to Carr, the primary risk linked to IT is overspending on it.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2*

3. (p. 47) Competition is a negative characteristic in business that can require significant resources to overcome.

FALSE

Although competition can require significant resources, it is a positive characteristic in business that is natural and healthy.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

4. (p. 47) Most products and services have some sort of substitute available to the consumer.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 5*

5. (p. 47) In the Internet world, a firm's biggest competitor may be one that is not yet in the marketplace but could emerge almost overnight.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2*

6. (p. 47) The threat of *new entrants* is often at its strongest during periods of rising costs or inflation.

FALSE

The threat of **substitutes** is often at its strongest during periods of rising costs or inflation.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

7. (p. 47) If a key supplier's bargaining power gets too strong, it can force the price of goods and services to unmanageably high levels.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1*

8. (p. 48) An *innovation* strategy may allow a firm to focus its products or services and gain an advantage in a particular segment or niche of a market.

FALSE

A **differentiation** strategy may allow a firm to focus its products or services and gain an advantage in a particular segment or niche of a market.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

9. (p. 48) When a firm develops ways to differentiate its products from a competitor's, it is pursuing a *cost leadership* strategy.

FALSE

When a firm develops ways to differentiate its products from a competitor's, it is pursuing a **differentiation** strategy.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1*

10. (p. 48) When a firm uses IT to create virtual organizations of business partners, it is pursuing a *growth* strategy.

FALSE

When a firm uses IT to create virtual organization of business partners, it is pursuing an **alliance** strategy.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

11. (p. 48) A given activity can fall into one or more of the categories of competitive strategy.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

12. (p. 48) If an organization offers its online package tracking system in a manner that allows its customers to access shipment information not only via a computer, but via a mobile phone as well, then such an action could fall into both the differentiation and innovation strategy categories.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

13. (p. 48) When a firm makes such radical changes to its business processes for producing products and services that it alters the fundamental structure of an industry, it is pursuing an *innovation* strategy.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1*

14. (p. 48) Not everything innovative will serve to differentiate one organization from another.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

15. (p. 50) Investments in information technology can allow a business to lock in customers and suppliers, and lock out competitors, by building valuable new relationships with them.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2*

16. (p. 50) Companies like Wal-Mart began to extend their networks to their customers and suppliers in order to build innovative continuous inventory replenishment systems that would lock in their business.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2*

17. (p. 50) According to the Timex case, a key to staying competitive today is using information systems to keep track of innovations and making them easier to build into products.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*

18. (p. 50) When a business effectively builds in switching costs, its customers and/or suppliers become reluctant to switch to another competitor.

TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2

19. (p. 50) A strategic use of information technology would be to leverage investment in information system specialists, hardware, software, databases, and networks from operational uses into strategic applications.

TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

20. (p. 52) A company that places a strategic focus on customer value recognizes that quality, rather than price, has become a primary determinant in a customer's perception of value.

TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

21. (p. 52) Companies that consistently offer the best value from the customer's perspective must provide two key services: keeping track of their individual customers' preferences and selling products or services at lowest price.

FALSE

Companies that consistently offer the best value from the customer's perspective (a) keep track of their customers' individual preferences, (b) keep up with market trends, (c) supply products, services, and information anytime, anywhere, and (d) provide customer services tailored to individual needs.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

22. (p. 52) Internet technologies can make customers the focal point of customer relationship management (CRM) and other e-business applications.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2*

23. (p. 54) The value chain framework can be used to view a firm as a series, a chain, or a network of basic activities that add value to its products and services, and thus add a margin of value to the firm.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

24. (p. 54) Hilton Hotels is an example of a company that has established an online community of customers, employees, and business partners to build strong customer loyalty.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

25. (p. 54) According to the value chain concept, primary processes include such things as the procurement of resources and human resource management that are directly related to the manufacturing of products or delivery of services to the customer.

FALSE

Human resource management is a **support process**, not a primary process.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

26. (p. 54) When using the value chain concept, managers should seek to develop strategic information systems for those activities that they view as the "weakest link" in the value chain.

FALSE

Managers should try focus on the basic processes that add the most value to a company's products or services.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

27. (p. 55) The value chain concept can help managers decide where and how to apply the strategic capabilities of information technology.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

28. (p. 56) Business process reengineering (BPR) is most often called streamlining.

FALSE

Business process reengineering (BPR) is most often called **reengineering**.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

29. (p. 56) Although the potential payback of reengineering is high, so is the risk of failure and level of disruption to the organizational environment of the firm.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 3*

30. (p. 55) Business process reengineering (BPR) combines a strategy of *promoting business innovation* with a strategy of *making major improvements to business operations* so that a company can become a much stronger and more successful competitor in the marketplace.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

31. (p. 56) Many companies have found that organizational redesign approaches are an important enabler of business process reengineering.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 3*

32. (p. 56) All the employees within a marketing department, from clerical staff to top managers, form a cross-functional team.

FALSE

A cross-functional team includes employees from several different departments or specialties.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3*

33. (p. 56) Information technology plays a major role in the business process reengineering of most business processes.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 3*

34. (p. 71) GE has created a significant amount of customer *interest in* its services, which allows it to tie pricing to the business benefits it provides, rather than the products themselves.

FALSE

GE has created a significant amount of customer **dependency for** its services, which allows it to tie pricing to the business benefits it provides.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5*

35. (p. 71) GE installs equipment with no up-front costs; instead, it charges for the equipment upkeep and use.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5*

36. (p. 60) Agility in business performance is the ability to prosper in rapidly changing, continually fragmenting global markets for high-quality, high-performance, standardized products and services.

FALSE

Agility in business performance is the ability to prosper in rapidly changing, continually fragmenting global markets for high-quality, high-performance, **customer-configured** products and services.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 4*

37. (p. 61) An agile company cooperates with its suppliers and competitors.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

38. (p. 61) By nurturing an entrepreneurial spirit, an agile company provides powerful incentives for employee responsibility, adaptability, and innovation.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

39. (p. 61) Information technology can enable a company to develop relationships with its customers in virtual communities.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2*

40. (p. 61) Yahoo! transformed its service from a search engine into a portal by dedicating one branch of its business to providing content and other media-related services.

FALSE

Yahoo! transformed its service from a search engine into a portal by initiating numerous partnerships to provide content and other media-related services from its website.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2*

41. (p. 63) Cisco sells solutions to customers, but its products come from a virtual manufacturing arrangement with two large electronics suppliers and manufacturers.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2*

42. (p. 63) One of the reasons people form virtual companies is to keep new entrants out of a market.

FALSE

The basic strategies of virtual companies include (a) share information and risk with alliance partners, (b) link complementary core competencies, (c) reduce concept-to-cash time, (d) increase facilities and market coverage, (e) gain access to new markets and share market or customer loyalty, and (f) migrate from selling products to selling solutions.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

43. (p. 63) Knowledge-creating companies constantly create new business knowledge and then disseminate it throughout the company in order to quickly build the new knowledge into their products and services.

TRUE

*AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 4*

44. (p. 63-64) Explicit knowledge involves the "how-to" knowledge that resides in workers.

FALSE

Explicit knowledge is made up of data, documents, and things written down.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

45. (p. 64) Successful knowledge management creates *techniques, technologies, and rewards* for getting employees to share what they know and to make better use of accumulated workplace knowledge.

TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4

46. (p. 63) As an organization's learning process continues and its knowledge base expands, the knowledge creating company works to integrate its knowledge into its *business processes, products, and services*.

TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4

47. (p. 65) According to the case study on Intec Engineering, it is easy to place a value on knowledge management systems.

FALSE

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 5

48. (p. 69) According to the text, the main point in the article, "IT Doesn't Matter" - that IT is nothing more than the infrastructure of modern business - is correct.

FALSE

the article asserts that this view is *dangerously wrong*.

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5

Multiple Choice Questions

49. (p. 44) A strategic information system can be any kind of information system that uses information technology to help an organization _____.

- A. gain a competitive advantage
- B. reduce a competitive disadvantage
- C. meet strategic enterprise objectives
- D. All of the choices are correct.**

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

50. (p. 70) As explained in the Real World case, Ralph Szygenda, CIO of General Motors, believes that business should:

- A. Spend more on IT than any other competitor
- B. Spend what is required to achieve differentiation, but no more**
- C. Use a "shotgun" approach to IT spending
- D. None of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 5

51. (p. 47) All of the following can be used to counter competitive forces in the marketplace *except*:

- A. Alliance
- B. Growth
- C. Innovation
- D. Bargaining**

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

52. (p. 48) Becoming a low-cost producer of products and services in an industry is an example of a(n):

- A.** Cost leadership strategy
- B. Differentiation strategy
- C. Innovation strategy
- D. Growth strategy

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

53. (p. 48) All of the following are basic competitive strategies discussed in the text *except*:

- A. Cost leadership
- B. Innovation
- C. Product differentiation
- D.** Strategic dominance

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

54. (p. 48) Expanding a company's product offering into global markets is an example of a(n) _____ strategy.

- A. cost leadership
- B. differentiation
- C.** growth
- D. alliance

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1

55. (p. 48) In addition to the five basic competitive strategies, the text describes several key strategies implemented with information technology. Which of the following is *not* one of those strategies?

- A. Locking in customers
- B. Building switching costs
- C. Creating alliances**
- D. Raising barriers to entry

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

56. (p. 48) When a firm develops ways to differentiate their products and services from their competitors', it is pursuing a _____ strategy.

- A. differentiation**
- B. alliance
- C. innovation
- D. marketing

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

57. (p. 49) A sales company such as eBay would be most likely to use information technology to promote _____.

- A. online stock trading
- B. point-of-sale inventory tracking
- C. online auctions**
- D. virtual manufacturing alliances

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

58. (p. 49) When a firm strives to find ways to help its suppliers and customers reduce their costs or to increase the costs of their competitors, it is pursuing a strategy of

- A. innovation
- B. alliance
- C. cost leadership**
- D. growth

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1

59. (p. 50) When customers become dependent on mutually beneficial inter-enterprise information systems, they become reluctant to switch to a company's competitors because they would incur all following costs *except*:

- A. Time
- B. Money
- C. Innovation**
- D. Effort

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

60. (p. 50) Companies like Wal-Mart extend their networks to their customers and suppliers in order to build innovative continuous inventory replenishment systems that would lock in their business. This creates a(n) _____ information system.

- A. leveraged
- B. inter-enterprise**
- C. intra-enterprise
- D. locked-in

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4

61. (p. 51) A serious problem of competitive advantage is that:
- A. It normally doesn't last very long and it isn't sustainable over the long term
 - B. Competitors figure out how it was done and do the same thing
 - C. A competitive advantages can become a competitive necessity
 - D.** All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

62. (p. 53) A customer-focused business can build customer value and loyalty by:
- A. Making a loyal customer feel special with website personalization
 - B. Letting customers place orders directly, or through distribution partners
 - C. Letting customers check order history and delivery status
 - D.** All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2

63. (p. 53) A transaction database allows all of the following activities *except*:
- A. Linking employees and distribution partners to customers
 - B. Letting customers check order history
 - C.** Giving employees a complete view of each customer
 - D. None of these activities are supported by a transaction database.

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3

64. (p. 54) To implement a more effective reservation system, Hilton Hotels integrated all of the following *except*:

- A.** Housekeeping
- B. Workflows
- C. The reservation system
- D. Call centers

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5

65. (p. 55) Which of the following is a primary business process?

- A. Collaborative workflow intranet
- B.** Targeted marketing
- C. Technology development
- D. Procurement of resources

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 3

66. (p. 56) Business process reengineering is best defined as:

- A. A key technology to reduce customer late payments
- B.** A radical redesign of business processes to achieve improvements in cost, quality, speed, or service
- C. A key way to ensure successful improvement in processing
- D. All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3

67. (p. 71) GE invests heavily in information technologies for remote monitoring and diagnostics so it can _____ ahead of a failure.

- A.** deploy a technician or engineer
- B. order replacement parts
- C. notify the customer
- D. make scheduling assumptions

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 2

68. (p. 71) According to the Real World case, all of the following are medical matters related to the use of an MRI scanner *except*:

- A. Preparing the patient for scan
- B. Scanning the patient
- C. Interpreting the scan
- D.** Testing, calibrating, and validating the scanner

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5

69. (p. 60) Once a business process is changed it still needs all of the following *except*:

- A. to be monitored
- B. the results measured
- C. the results evaluated to try to further improve the process
- D.** to be ignored because the process has already been changed

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 3

70. (p. 60) Organizations are changing from a competitive environment in which mass-market products and services were standardized, long-lived, information-poor, and exchanged in one-time transactions to an environment in which companies compete globally with niche-market products and services that are _____.
- A. individualized
 - B. short-lived
 - C. exchanged on an ongoing basis with customers
 - D.** All the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 3

71. (p. 60) An agile company supports _____ by offering individualized products while maintaining high volumes of production.
- A. high growth
 - B.** mass customization
 - C. its suppliers and competitors
 - D. All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 4

72. (p. 61) _____ agility is the ability to accomplish speed, accuracy, and cost economy in the exploitation of innovation opportunities.
- A. Customer
 - B. Partnering
 - C.** Operational
 - D. Technological

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4

73. (p. 63) As a virtual company, Cisco:

- A. Uses IT to link people, organizations, assets, and ideas
- B. Relies on other companies to do product manufacturing
- C. Uses the Internet, intranets, and extranets to support alliances with manufacturers
- D.** All of the choices are correct.

AACSB: Technology

Bloom: Knowledge

Difficulty: Easy

Learning Objective: 4

74. (p. 63) Which of the following is *not* a strategy of a virtual company?

- A. Share infrastructure and risk with alliance partners
- B. Link complementary core competencies
- C. Migrate from selling products to selling solutions
- D.** Increase concept-to-case time

AACSB: Technology

Bloom: Knowledge

Difficulty: Medium

Learning Objective: 4

75. (p. 63) Explicit knowledge deals with:

- A.** Data, documents, and things written down or stored on computers
- B. "How-to" knowledge, which resides in workers
- C. Using data mining techniques to capture external information.
- D. All of the choices are correct.

AACSB: Technology

Bloom: Knowledge

Difficulty: Easy

Learning Objective: 5

76. (p. 64) Accessing and retrieving documents that have been stored online is a function of

- _____.
- A.** document management
 - B. enterprise intelligence
 - C. information creation, sharing, and management
 - D. All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 5

77. (p. 64) The goal of knowledge management systems (KMS) is to help knowledge workers _____ important business knowledge.

- A. create
- B. organize
- C. distribute
- D.** All of the choices are correct.

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 2

Fill in the Blank Questions

78. (p. 44) A firm can survive and succeed in the long run if it successfully develops strategies to confront the five _____ forces that shape the structure of competition in its industry.

competitive

AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1

79. (p. 48) A _____ strategy is a competitive strategy by which a firm seeks to become a low-cost producer of products and services in the industry.

cost leadership

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

80. (p. 48) When using a(n) _____ strategy, a firm seeks to find new ways of producing or distributing its products and services that are so different from the way business has been conducted that they may alter the fundamental structure of the industry.

innovative

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

81. (p. 50) _____ are the costs in time, money, effort, and inconvenience that it would take a customer or supplier to move its business to a firm's competitors.

Switching costs

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 5*

82. (p. 50) If a company has successfully increased the amount of investment or the complexity of the technology required to compete in an industry or a market segment, it has raised _____ that would discourage or delay other companies from entering the market.

barriers to entry

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

83. (p. 51) Although large investments in technology can create entry barriers for present or prospective players in an industry, the barriers can evaporate over time as competitors employ the new technologies. This is an example of IT becoming a competitive _____.
necessity

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

84. (p. 51) When a strategy or action becomes a(n) _____, it means that instead of creating an advantage, the strategy or action becomes necessary simply to compete and do business in the industry.
competitive necessity

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*

85. (p. 52) A customer-focused business has a strategic focus on customer _____, which recognizes that quality rather than price has become the primary determinant in a customer's perception of value.
value

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 1*

86. (p. 54) In the _____ concept, some business activities are primary processes while others are support processes.
value chain

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 3*

87. (p. 55) According to the value chain concept, _____ processes within the organization would include human resources management and technology development.
support

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 3

88. (p. 56) _____ is defined as the restructuring and transforming of a business process by a fundamental rethinking and radical redesign to achieve improvements in costs, quality, speed, and service.

Reengineering

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 3

89. (p. 56) Many companies have found that organizational _____ approaches are an important enabler of business process re-engineering.

redesign

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 3

90. (p. 60) A(n) _____ company can make a profit in markets with broad product ranges and short model lifetimes, and it can produce orders individually and in arbitrary lot sizes.

Agile

AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 4

91. (p. 62) A _____ company can be defined as an organization that uses telecommunications networks and other information technology to link people, assets, and ideas.

virtual

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 4*

92. (p. 62) Virtual companies develop alliances and extranet links that form _____ information systems with suppliers, customers, subcontractors, and competitors.

inter-enterprise

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 4*

93. (p. 62) People and corporations are forming virtual companies as the best way to implement key business strategies and alliances that promise to ensure success in today's turbulent _____ climate.

business

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 4*

94. (p. 64) The concept of _____-management refers to organizing and sharing the diverse forms of business information created within an organization. This includes managing project and enterprise document libraries, discussion databases, hypermedia web site databases, and other types of knowledge bases.

knowledge

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 1*

95. (p. 63) _____ knowledge deals with "how-to" knowledge, which resides in workers.

Tacit

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

96. (p. 63) _____ knowledge is made up of data, documents, and things written down.

Explicit

*AACSB: Technology
Bloom: Knowledge
Difficulty: Medium
Learning Objective: 1*

97. (p. 69) According to the Real World case, the main point of the article, "IT Doesn't matter" is that information technology is _____.

nothing more than the infrastructure of modern business.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*

98. (p. 69) According to the Real World case, the author of "IT Doesn't Matter" thinks today's main risk is not under using IT, but _____.

overspending on IT.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*

99. (p. 71) According to the Real World case, GE has created significant customer dependency for its services which allows GE to tie its pricing to _____ rather than _____.

the business benefits it provides; the products themselves

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*

Short Answer Questions

100. (p. 71) According to the Real World case, what is the analogy drawn between GE's scanner and automobiles?

instead of buying or leasing your car, you pay for its use by the mile.

*AACSB: Technology
Bloom: Knowledge
Difficulty: Hard
Learning Objective: 2*