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- 9 A firm, its suppliers, and its customers collectively form which of the following?
- |                 |               |
|-----------------|---------------|
| a. supply chain | c. ERP system |
| b. value chain  | d. AIS        |
- 10 A company that focuses its marketing efforts on a specific subset of the population (e.g., college students) is probably pursuing which type of strategic position?
- |                  |                 |
|------------------|-----------------|
| a. variety-based | c. access-based |
| b. needs-based   | d. low-cost     |

## DISCUSSION QUESTIONS

1.1 Apply the value chain concept to S&S, Inc. Explain how it performs the various primary and support activities.

1.2 The value of information equals the difference between the benefits realized from using that information and the costs of producing it. Would you, or any organization, ever produce information if its expected costs exceeded its benefits? If so, provide some examples. If not, why not?

1.3 One function of the AIS is to provide adequate controls to ensure the safety of organizational assets, including data. Many people, however, often view control procedures as "red tape." Discuss how controls can improve overall efficiency and effectiveness.

1.4 One interesting property of digital assets is that they can be reproduced and distributed via the Internet at very little cost. What are some of the implications of having a product with a marginal cost close to zero?

1.5 Figure 1-2 shows that organizational culture and the design of an AIS influence one another. What does this imply about the degree to which an innovative system developed by one company can be transferred to another company?

1.6 Figure 1-2 shows that developments in IT affect both an organization's strategy and the design of its AIS. How can a company determine whether it is spending too much, too little, or just enough on IT?

1.7 To what extent can all the characteristics of useful information listed in Table 1-1 be simultaneously met?

1.8 Information technology enables organizations to easily collect large amounts of information about employees. Discuss the following issues:

- To what extent should management monitor employees' e-mail?
- To what extent should management monitor which Web sites employees visit?
- To what extent should management monitor employee performance by, for example, using software to track keystrokes per hour or some other unit of time? If such information is collected, how should it be used?
- Should companies use software to electronically "shred" all traces of e-mail?
- Under what circumstances and to whom is it appropriate for a company to distribute information it collects about the people who visit its Web site?