TIM 50 – Fall 2011

Midterm Study Guide

ROR Analysis

- Net Present Value (NPV)
  - What is it?
  - What is the formula for it?
    - as a function of interest rate $i$
    - as a function of discount factor $\delta$
- Rate of Return
  - What is it?
  - How do you compute it?

IT History

- How did the business models of computing evolve during the three eras?
- What distinguished the Micro-Era from the Networking Era from a business standpoint?
- Why did Data Processing Managers feel threatened in the Micro-Era?

O'Brien Chapter 2

- Porter's Competitive Forces
- Why is Porter’s Competitive model useful?
- Porter’s Strategies
- Cost Leadership Strategy
- Differentiation Strategy
- Innovation Strategy
- Growth Strategy
- Alliance Strategy
- Lock in customers and suppliers
- Switching Costs
- Barriers to Entry
- Porter’s Value Chain
- Business Function
- Business Process (also in Messerschmitt 3.3.1)
- Business Process Re-engineering
- (Also called Business Transformation in Messerschmitt 3.3.1)
- Knowledge vs. Information
- Knowledge Management

**Messerschmitt 3.1**

- Departmental Applications
- Enterprise Applications
- Commerce Applications
- Customer Care or Customer Relationship Management (CRM)
- Transaction Processing Systems (see lecture slides)
- Batch transaction processing (see lecture slides)
- On-line Transaction Processing (OLTP)
- Workflow/Workflow Applications
- Human Resource Management

**Messerschmitt 3.3**

- Operations
- Business Processes
- Business Transformation
- ERP (Enterprise Resource Planning)
- Decision Support
- Knowledge Management (also in O’Brien Ch2)
- Information Push/Information Pull

**Messerschmitt 3.4**

- Electronic Commerce
- Inter-enterprise Commerce (B2B)
  - Direct Procurement
  - Indirect Procurement
  - Supply chain Management (SCM)
  - Human Resource Management (HRM)
  - Mass Customization
  - Electronic Data Interchange (EDI)
- Consumer Commerce (B2C)
- Interconsumer Commerce (C2C)
- E-Commerce Transaction (4 Steps)
  - Matching Buyers and Sellers
    - Catalog, Advertising, Intermediary Recommendation
  - Negotiating Terms and Conditions
    - Auction, Fix Price, Price Discrimination
✓ Consummation
  ❖ Order, Fulfillment, Payment
✓ Customer Service

• Intermediaries

**Messerschmitt 4**

• Data vs. Information
• Information represented as data
• Is it always possible to recover information from data?
• Regeneration

**Messerschmitt 4.3**

• System Architecture Elements
• Decomposition
• Functionality
• Interaction
• What is the *business* reason for architecting systems in this way?
• Emergence

**Messerschmitt 4.4**

• Software Layering
• What is the *business* benefit of architecting software with layers?
• Database Management System

**Messerschmitt 4.5**

• Internet
• intranet
• Extranet
Case Studies

Cisco ERP

- What are some of the actions that Cisco took that contributed to its successful deployment of ERP?
- What mistakes did Cisco make?
- What are the most important lessons that another company that wants to deploy ERP could learn from Cisco’s experience?

Frito-Lay Case

- What was the HHC?
- What were the main reasons why Frito Lay deployed the HHC?
- What changes in marketing strategy did Frito-Lay believe the HHC data would help enable?
- How might the HHC project change Frito-Lay’s competitive position with its direct competitors, new entrants, and its customers?

Alibris Case

- How did Alibris plan to change Interloc’s revenue model?
- What were the potential benefits and risks of this change? How did Alibris plan to avoid becoming dis-intermediated? What does “dis-intermediated” even mean?
- Why did Alibris abandon Thunderstone software, and why did it choose to switch to Oracle?
- What made Alibris’ IT challenge particularly difficult compared to what other e-commerce companies faced?