Information Systems, Organization, and Strategy: iPad and Apple (Chap. 3)

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Chap. 3
Information Systems, Organization, and Strategy: iPad and Apple
Case Study: iPad and Apple (Chap. 3) (pp.133-134)

Is the iPAD a Disruptive Technology?

1. Evaluate the impact of the iPad using Porter’s competitive forces model.

2. What makes the iPad a disruptive technology?
   Who are likely to be the winners and losers if the iPad becomes a hit?
   Why?

3. Describe the effects that the iPad is likely to have on the business models of Apple, content creators, and distributors.

Overview of Fundamental MIS Concepts

THE TWO-WAY RELATIONSHIP BETWEEN ORGANIZATIONS AND INFORMATION TECHNOLOGY

Mediating Factors
Environment
Culture
Structure
Business Processes
Politics
Management Decisions

Definition of Organization

• What is an organization?
  – Technical definition:
    • Stable, formal social structure that takes resources from environment and processes them to produce outputs
    • A formal legal entity with internal rules and procedures, as well as a social structure
  – Behavioral definition:
    • A collection of rights, privileges, obligations, and responsibilities that is delicately balanced over a period of time through conflict and conflict resolution

THE TECHNICAL MICROECONOMIC DEFINITION OF THE ORGANIZATION

THE BEHAVIORAL VIEW OF ORGANIZATIONS

FORMAL ORGANIZATION

- Structure
  - Hierarchy
  - Division of labor
  - Rules, procedures
  - Business processes
  - Culture
- Process
  - Rights/obligations
  - Privileges/responsibilities
  - Values
  - Norms
  - People

Environmental resources → FORMAL ORGANIZATION → Environmental outputs

ROUTINES, BUSINESS PROCESSES, AND FIRMS

ENVIRONMENTS AND ORGANIZATIONS HAVE A RECIPROCAL RELATIONSHIP
5 Basic Kinds of Organizational Structure

- Entrepreneurial:
  - Small start-up business
- Machine bureaucracy:
  - Midsize manufacturing firm
- Divisionalized bureaucracy:
  - Fortune 500 firms
- Professional bureaucracy:
  - Law firms, school systems, hospitals
- Adhocracy:
  - Consulting firms

THE TRANSACTION COST THEORY OF THE IMPACT OF INFORMATION TECHNOLOGY ON THE ORGANIZATION

![Graph showing the relationship between firm size and transaction costs.](image)

THE AGENCY THEORY OF THE IMPACT OF INFORMATION TECHNOLOGY ON THE ORGANIZATION

FLATTENING ORGANIZATIONS

A traditional hierarchical organization with many levels of management

An organization that has been "flattened" by removing layers of management

ORGANIZATIONAL RESISTANCE AND THE MUTUALLY ADJUSTING RELATIONSHIP BETWEEN TECHNOLOGY AND THE ORGANIZATION

PORTER’S COMPETITIVE FORCES MODEL

New market entrants

The Firm

Competitors

Substitute products

Suppliers

Customers

Information System Strategies for Dealing with Competitive Forces

• Low-cost leadership
• Product differentiation
• Focus on market niche
• Strengthen customer and supplier intimacy

Information System Strategies for Dealing with Competitive Forces

• Low-cost leadership
  – Produce products and services at a lower price than competitors while enhancing quality and level of service
  – Examples: Wal-Mart

Information System Strategies for Dealing with Competitive Forces

• Product differentiation
  – Enable new products or services, greatly change customer convenience and experience
  – Examples: Google, Nike, Apple

Information System Strategies for Dealing with Competitive Forces

• Focus on market niche
  – Use information systems to enable a focused strategy on a single market niche; specialize
  – Example: Hilton Hotels

Information System Strategies for Dealing with Competitive Forces

• Strengthen customer and supplier intimacy
  – Use information systems to develop strong ties and loyalty with customers and suppliers; increase switching costs
  – Example: Netflix, Amazon

The Internet’s impact on competitive advantage

• Transformation, destruction, threat to some industries
  – E.g. travel agency, printed encyclopedia, newspaper
• Competitive forces still at work, but rivalry more intense
• Universal standards allow new rivals, entrants to market
• New opportunities for building brands and loyal customer bases

THE VALUE CHAIN MODEL

Administration and Management:
Electronic scheduling and messaging systems

Human Resources:
Workforce planning systems

Technology:
Computer-aided design systems

Procurement:
Computerized ordering systems

Inbound Logistics
Automated warehousing systems

Operations
Computer-controlled machining systems

Sales and Marketing
Computerized ordering systems

Service
Equipment maintenance systems

Outbound Logistics
Automated shipment scheduling systems

Support Activities

Primary Activities

Sourcing and Procurement Systems

Customer Relationship Management Systems

Suppliers' Suppliers
Suppliers
Firm
Distributors
Customers

Industry Value Chain

THE VALUE WEB

- Strategic Alliance and Partner Firms
- Suppliers
- Suppliers’ Suppliers
- ERP Systems
- Core Transaction Systems
- Industry Firms
- Customers
- Customers’ Customers
- Supply Chain Management Systems
- Supplier Extranets
- Net Marketplaces
- Indirect Suppliers
- Customer Relationship Management Systems

AN ECOSYSTEM STRATEGIC MODEL

Using Information Systems for Competitive Advantage: Management Issues

- **Sustaining competitive advantage**
  - Because competitors can retaliate and copy strategic systems, competitive advantage is not always sustainable; systems may become tools for survival

- **Performing strategic systems analysis**
  - What is structure of industry?
  - What are value chains for this firm?

- **Managing strategic transitions**
  - Adopting strategic systems requires changes in business goals, relationships with customers and suppliers, and business processes

Salesforce. Com: Cloud Services Go Mainstream

1. How does Salesforce.com use cloud computing?
2. What are some of the challenges facing Salesforce as it continues its growth? How well will it be able to meet those challenges?
3. What kinds of businesses could benefit from switching to Salesforce and why?
4. What factors would you take into account in deciding whether to use Salesforce.com for your business?

資訊管理個案
(Case Study for Information Management)

1. 請同學於資訊管理個案討論前
   應詳細研讀個案，並思考個案研究問題。

2. 請同學於上課前複習相關資訊管理相關
   理論，以作為個案分析及擬定管理對策的
   依據。

3. 請同學於上課前
   先繳交個案研究問題書面報告。
References


- 周宣光 譯 (2011)，資訊管理系統—管理數位化公司，第12版，東華書局