

Chapter 1

Introduction to MIS

Learning Objectives

Q1. Why is Introduction to MIS the most important class in the business school?

Q2. What is MIS?

Q3. How does MIS relate to organizational strategy?

Q4. What five forces determine industry structure?

Learning Objectives

Q5. What is competitive strategy?

Q6. How does competitive strategy determine value chain structure?

Q7. How do value chains determine business processes and information systems?

Why is Introduction to MIS the Most Important Class in the Business School?

- Moore's Law
 - Cost of data communication and storage essentially zero
- Impact of emerging technologies on business
 - Students need to:
 - Assess, analyze, and apply emerging technologies to business

Why is Introduction to MIS the Most Important Class in the Business School?

- RAND Corporation 2004:
 - 21st Century skills
 - “Shifts in the nature of organizations . . . favor strong non-routine cognitive skills.”

Why is Introduction to MIS the Most Important Class in the Business School?

- Robert Reich (former Secretary of Labor)
- Non-routine Skills
 - Abstract Reasoning
 - Systems Thinking
 - Collaboration
 - Ability to Experiment

Why is Introduction to MIS the Most Important Class in the Business School?

- What does all of this mean for you?
 - MIS is the most important course you'll take
 - Learn to assess, analyze, apply emerging technologies
 - Helps you learn using non-routine skills

What is MIS?

- Management Information Systems
 - Processes, information systems, and information
 - Management and use
 - Achieve organizational strategy

What is MIS?

- Processes, information systems, and information
 - Process is a way of doing something
 - Information systems are a collection of components producing information from data
 - Information is knowledge to help employees do their jobs

What is MIS?

- Management and Use
 - Management (MIS)
 - Creation, monitoring, and adapting of processes, information systems, and information
 - Use
 - Tasks and responsibilities

What is MIS?

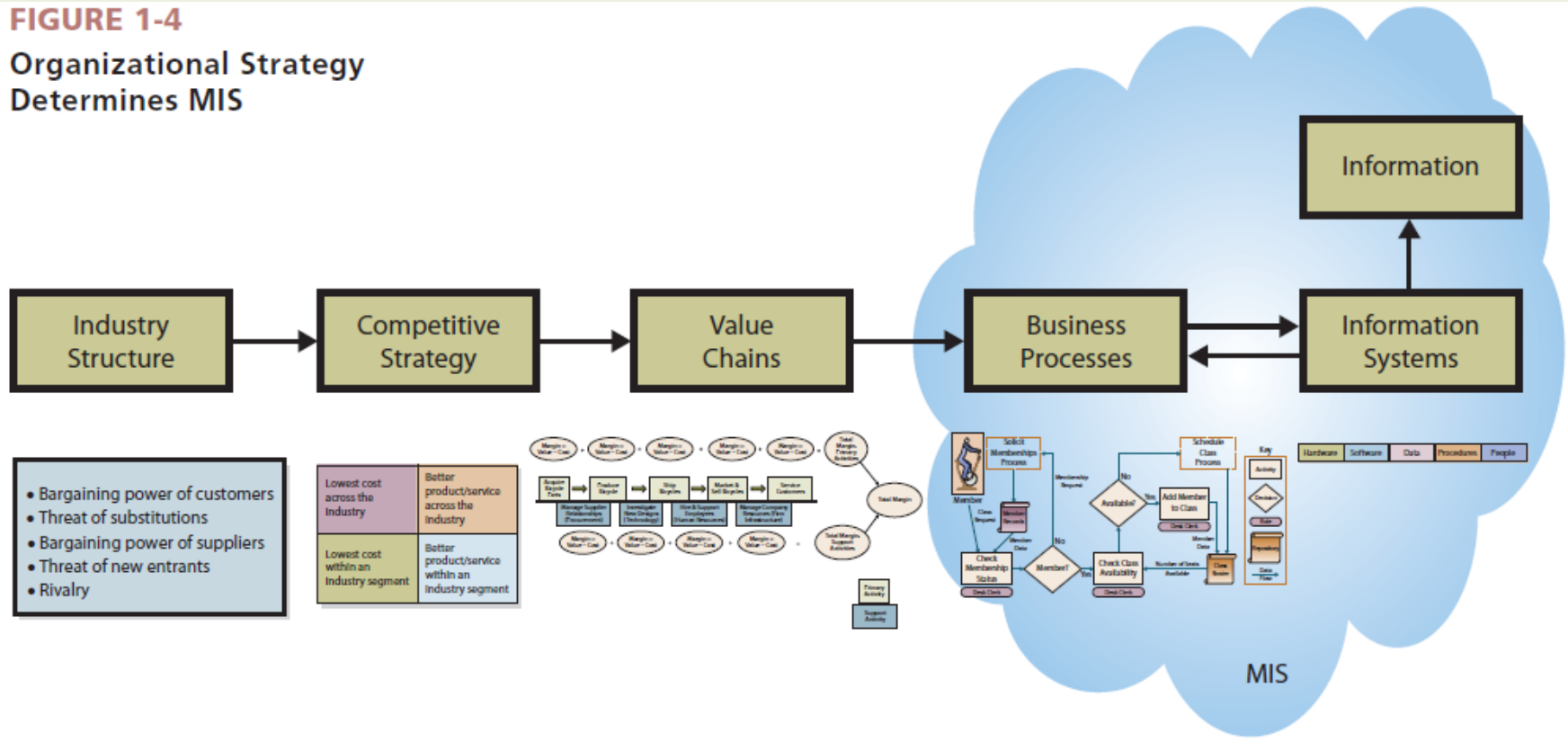
- Achieve Organizational Strategy
 - Processes, systems, and information need to be created for the purpose of achieving the organization's strategy
 - Must meet a business “need”

What is MIS?

- Management Information Systems
 - Processes, information systems, and information
 - Management and use
 - Achieve Organizational strategy

How does MIS relate to organizational strategy?

FIGURE 1-4
Organizational Strategy
Determines MIS



What Five Forces Determine Industry Structure?

- Competitive Forces
 - Three competitive forces
- Bargaining Power Forces
 - Two bargaining power forces

What Five Forces Determine Industry Structure?

- Competitive Forces
 1. Competition from vendors or substitutes
 2. Competition from new competitors
 3. Competition from existing rivals

What Five Forces Determine Industry Structure?

- Bargaining Power Forces
 4. Bargaining power of suppliers
 5. Bargaining power of buyers

What Five Forces Determine Industry Structure?

- Porter's Five Forces Model
 - Helps define the characteristics of an industry
 - Helps define the potential for profitability in an industry and sustainability
 - Helps shape competitive strategies to combat forces

What Is Competitive Strategy?

	Cost	Differentiation
Industry-wide	Lowest cost across the industry	Better product/service across the industry
Focus	Lowest cost within an industry segment	Better product/service within an industry segment

FIGURE 1-6 Porter's Four Competitive Strategies

What Is Competitive Strategy?

- Competitive Strategy
 - Response to industry structure
 - Helps define value chain structure

How Does Competitive Strategy Determine Value Chain Structure?

- Value
- Margin
- Value Chain
 - Primary activities
 - Support activities

How Does Competitive Strategy Determine Value Chain Structure?

- Primary Activities

Primary Activity	Description
Inbound Logistics	Receiving, storing, and disseminating inputs to products
Operations/manufacturing	Transforming inputs into final products
Outbound logistics	Collecting, storing, and physically distributing products to buyers
Sales and marketing	Inducing buyers to purchase products and providing a means for them to do so
Customer service	Assisting customer's use of product and thus maintaining and enhancing the products' value

FIGURE 1-7 Primary Activities in the Value Chain

How Does Competitive Strategy Determine Value Chain Structure?

- Support Activities
 - Procurement
 - Technology
 - Human Resources
 - Firm Infrastructure

How Does Competitive Strategy Determine Value Chain Structure?

- Value Chain Linkages
 - Interactions across value chain activities

How Does Competitive Strategy Determine Value Chain Structure?

- Value Chain
 - Driven by competitive strategy

How Do Value Chains Determine Business Processes and Information Systems?

- Value Chain Activities
 - Support business processes

Ethics Guide

- Yikes! Bikes
 - Changing competitive strategies
 - Legal/Ethical

Conclusion

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