Announcements

- Read Frito Lay case for Thursday.
- Homework assignment 2 is posted on web (due on October 15th)
- posted on website:
  - Group/Company Assignments
  - Presentation/News Folio Assignments
- My office hours: Tu 2:30-4:30

Student Presentations

Business Processes

What is a business process?
- A designed succession of actions to the accomplish of some result in a business.
- Example
  - Order Fulfillment

A Business Process

So where do Information Systems Fit into this Story??
- Coordinates flow of information between functional departments carrying out a business process.
  - Increase Speed
  - Reduce Errors
- May reduce number of steps in a business process.
- May even allow new processes that would not have been feasible before...
Information System Roles

A few Information System Categories...

Transaction Processing Systems
- Record and Process data resulting from business transactions
- Example: Credit card trans. processing
- 2 types
  - Real-time
  - Batch-Processing

An example: Process Control Systems
- Monitor and control physical processes
- Example:

An example decision support systems

What is Business Process Reengineering?
- A fundamental rethinking and redesign of business processes
- Minor improvement to a business process is often called streamlining the business process
**Business Process Example**

Customer → Order → Sales → Take Order → Finance → Credit Check → Inventory Control → Check Stock → Warehousing → Print Packing list → Find Goods → Ship → Tell Mfg. to make order

**A Streamlined Business Process**

Customer → Order → Sales → Take Order → Finance → Credit Check → Inventory Control → Check Stock → Warehouse → Print Packing list → Find Goods → Ship → Tell Mfg. to make order

**A Reengineered Business Process**

Customer → Order On web → Sales → Automatic Credit Check → Finance → Automatic Checking of Stock → Inventory Control → Print Packing list And invoice → Find Goods → Ship → Inform Mfg. to replenish stock

**Role of Information Systems in Business Process Reengineering?**

- IS often enables complicated business processes be made more simple.
- IS doesn’t always drive business process reengineering though...

**Porter Competitive Model?**

- What is it?
  - A model to help understand the competitive environment in which a company operates.

- What are the "5 forces"?
  - Intra-Industry Competition
  - Bargaining power of Suppliers
  - Bargaining power of Customers
  - Substitutes
  - Threat of New Entrants.

**Porter Competitive Model**

(Identify the Industry and the Specific Market Being Evaluated)

- Potential New Entrants
- Bargaining Power of Suppliers
- Intra-Industry Rivalry
- Bargaining Power of Buyers
- Substitute Products and Services
Intra-Industry Rivalry
SBU: UCSC
Rivals: UC campuses, CSU, Private universities, Community Colleges

Bargaining Power of Buyers
• Students
• Parents
• Businesses
• Employers
• Legislators

Bargaining Power of Suppliers
• Faculty
• Staff
• Equipment and Service Suppliers
• Alumni
• Foundations
• Governments
• IT Vendors

Substitute Products and Services
• Internet Distance Learning
• Books and Videotapes
• Computer-Based Training
• Company Education Programs

Potential New Entrants
• Foreign Universities
• Shift in Strategy by Universities or Companies

Porter Competitive Model
Education Industry - Universities

• Faculty
• Staff
• Equipment and Service Suppliers
• Alumni
• Foundations
• Governments
• IT Vendors

• Students
• Parents
• Businesses
• Employers
• Legislators

• Internet Distance Learning
• Books and Videotapes
• Computer-Based Training
• Company Education Programs

• Foreign Universities
• Shift in Strategy by Universities or Companies

Potential New Entrants

Intra-Industry Rivalry
SBU: UCSC
Rivals: UC campuses, CSU, Private universities, Community Colleges

Bargaining Power of Buyers
• Students
• Parents
• Businesses
• Employers
• Legislators

Bargaining Power of Suppliers
• Faculty
• Staff
• Equipment and Service Suppliers
• Alumni
• Foundations
• Governments
• IT Vendors

Substitute Products and Services
• Internet Distance Learning
• Books and Videotapes
• Computer-Based Training
• Company Education Programs

Potential New Entrants
• Foreign Universities
• Shift in Strategy by Universities or Companies

Porter Competitive Model
Education Industry - Universities