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
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

Customer

Sales

Finance

Inventory Control

Warehousing

Order

Take Order

Enter Order

Credit Check

Check Stock

Print Invoice

Print Packing list

Find Goods

Ship

Tell Mfg. to make order
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...
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
Customer

Sales

Finance

Inventory Control

Warehousing

Business Functions

Order

Take Order

Enter Order

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Find Goods

Ship

Tell Mfg. to make order
A Streamlined Business Process

Customer

Sales

Finance

Inventory Control

Warehousing

Order

Take Order

Credit Check

Enter Order

Check Stock

Print Packing list

Find Goods

Ship

Tell Mfg. to make order

Automatic Credit Check
A Reengineered Business Process

Business Functions
- Customer
- Sales
- Finance
- Inventory Control
- Warehousing

Order
On web

Automatic Credit Check
Automatic Checking of Stock

Inform Mfg. to replenish stock

Print
Packing list
And invoice

Find
Goods
Ship
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
- Intra-Industry Rivalry
- Strategic Business Unit
- Bargaining Power of Suppliers
- Bargaining Power of Buyers
- Substitute Products and Services
Porter Competitive Model
Education Industry – Universities

**Potential New Entrants**

- Foreign Universities
- Shift in Strategy by Universities or Companies

**Intra-Industry Rivalry**

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

**Bargaining Power of Suppliers**

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

**Bargaining Power of Buyers**

- Students
- Parents
- Businesses
- Employers
- Legislators

**Substitute Products and Services**

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