TIM 50 - Business Information Systems

Lecture 3

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April 8, 2014
Announcements

• Read
  ■ Otis Case
    ■ Assignment about reading due Thursday.
    ■ (On ecommons)
  ■ Begin Laudon & Laudon Ch 8 (83-97 until end of section 2, can skip case on 93)
Collaboration technologies can be classified in terms of whether they support interactions at the same or different time or place, and whether these interactions are remote or colocated.

**Figure 2-12**

**The Time/Space Collaboration Tool Matrix**

- **same time synchronous**
  - Face to face interactions: decision rooms, single display groupware, shared table, wall displays, roomware, ...
- **different time asynchronous**
  - Continuous task: team rooms, large public display, shift work groupware, project management, ...

- **same place colocated**
  - Remote interactions: video conferencing, instance messaging, charts/MUDs/virtual worlds, shared screens, multi-user editors, ...
- **different place remote**
  - Communication + coordination: email, bulletin boards, blogs, asynchronous conferencing, group calendars, workflow, version control, wikis, ...
The Information Systems Department

- Programmers
- Systems analysts
  - Principle liaisons to rest of firm
- Information systems managers
  - Leaders of teams of programmers and analysts, project managers, physical facility managers, telecommunications managers, database specialists, managers of computer operations, and data entry staff
- Senior managers: CIO, CSO, CKO
- End users
- External specialists
Information Systems Services

- Services provided by the information systems department include:
  - Computing and telecommunications services
  - Data management services
  - Application software services
  - Physical facilities management services
  - IT management services
  - IT standards services
  - IT educational services
  - IT research and development services
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
- Bargaining Power of Suppliers
- Strategic Business Unit
- Bargaining Power of Buyers
- Substitute Products and Services
**Porter Competitive Model**  
**US Mobile Telephony Industry**

- **Potential New Entrants**
  - Foreign Telcos  
  - Change of strategy from player in another industry

- **Intra-Industry Rivalry**
  - SBU: AT&T  
  - Rivals: Verizon, Sprint-Nextel, T-Mobile

- **Bargaining Power of Suppliers**
  - Handset makers  
  - Equipment Manufacturers  
  - Employees

- **Bargaining Power of Buyers**
  - Retail Customers  
  - Corporate Customers

- **Substitute Products and Services**
  - VoIP services; VoIP over wifi  
  - Messaging, social-networks over wifi
Porter Model in Business Paper

- You must include a Porter Model in your Business Paper
  - Figure
    - Make it look nice!
  - Narrative analysis of the five forces
    - Identify the industry.
    - Identify the major buyers, suppliers, potential new entrants, substitutes, and inta-industry rivals.
    - Discuss if and why these players put strong or weak competitive pressures on your business.
Example: Usefulness of Porter Model

- Bob wants to start a dentist office
  - However, Bob did not go to dental school
  - Bob will hire the dentist and other staff
  - Is this a good model?

No! Dentist has too much bargaining power, she could always go into business for herself.
Example: Usefulness of Porter Model

- Suppose Alice, who is a dentist, opens an office

**New Entrants**
- Dental School Graduates
- Dentists moving in from other regions

**Suppliers**
- Staff
- Hygienists

**Intra-industry rivals**
- SBU: Alice’s Dentist Office
- Other local dentist offices

**Substitutes**
- Alternative Medicine?

**Buyers**
- Public in general
- Insurance companies
- Those wanting cosmetic dentistry
“Primary” Porter Strategies

- In economics you will learn a market where
  - Product is a commodity
  - Firms all have the same production costs
  - New firms can enter market at no cost (“free entry”)

  profits are driven to zero.

- Consequently Firms need to
  - **Differentiate** and/or
  - **Achieve Cost leadership**
“Primary” Porter Strategies

**Differentiation**—customer values the differences that you provide in products, services or capabilities.

**Cost**—become the lowest cost provider. If this is the only primary strategy in the industry, over time there will only one ultimate winner.