



THE INFORMATION AGE

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Textbook Case: KIMBALL'S RESTAURANT

Liz and Michael Kimball dreamed about opening their own restaurant. They believed that they could use their talents and experience to operate a successful restaurant. Liz was a great cook and had accumulated many family recipes for appetizers, entrees, and bakery desserts. Michael had a degree in business and several years of experience in business management. They believed that it was the right time to think about new careers and realize their dream.

Michael began his career in the human resources department of a local manufacturing business. Over the course of his 20 years in human resources, he was responsible for recruiting, compensation evaluation, and employee orientation. He also managed employees' performance evaluations for the production departments. While he has some accounting and budgeting experience, it was specific only to human resources, not for an entire business organization.

Liz started work as a customer service rep for a financial services company right after high school. Her 15 years of customer service experience has given her some ability to manage people. She does not have a formal culinary education, but she has an excellent sense of food preparation, ingredient selection, and meal planning. These skills should provide a foundation for the menu development and food preparation that a restaurant will require. However, her lack of a formal culinary education and experience

in commercial kitchen operations might require some additional training.

The Kimballs live in Lakeside Heights, a suburb of a metropolitan city. Their community and the adjacent towns consist of primarily middle-income households. Many of the adults in the community are college-educated and have professional jobs in business and manufacturing. The population of the town and surrounding communities is approximately 40,000 people. The city, about 12 miles from Lakeside Heights, has a population of 110,000.

Michael and Liz believe that a restaurant serving Liz's specialties of "home style" American, Italian, and seafood dishes would be a good choice for their location. They are excited about the possibility of providing quality food at a reasonable cost. The same family and friends that enjoy Liz's cooking would match their expected customers. They want to offer a quiet, relaxed dining environment offering mid-priced meals.

■ Researching the Business

As they talked about the details, their dream gathered momentum. However, they both knew that they couldn't build their business on dreams alone. They would need additional business advice and perspective to ensure that their business concept was realistic. First, they checked out the numbers.