

Liz compiled, they estimated the weekly sales for the restaurant for the first year. The entire spreadsheet calculated the variable costs (labor, food) based on the number of meals served. The list of fixed overhead costs (like utilities, taxes, and rent) then helped to generate the monthly cash flow and profit estimates. The spreadsheet calculated three scenarios: aggressive, reasonable, and conservative. The most conservative estimate resulted in a small loss for most months. They felt comfortable with the range of projections they had compiled. Tom believed that Liz and Michael could present these forecasts and a business plan to a bank for a loan for the startup costs.

■ Launching the Dream

Kimball's Restaurant opened in the strip mall location. As with any new business, the restaurant started out slowly with sales closer to the conservative estimates. However, as their reputation for quality, reasonably priced meals developed, Liz and Michael knew their dream had become a reality.

Three years later, Kimball's was operating successfully and profitably. Their dining room was often at capacity with both new and returning customers. They often had a small waiting line on weekend nights. Liz and Michael were very satisfied with their dream. What would be next?

BUSINESS CHALLENGES

In the next three chapters, you will learn what Michael and Liz need to get started in harnessing the power of information systems to help build and grow their restaurant. They will need to understand how information systems can help with a restaurant's short-term (operational) needs as well as plan for long-term initiatives (strategic) to expand the business.

- In Chapter 1, "Business Information Systems: An Overview," you learn the various types of information systems businesses use and why familiarity with information technology is important for your career. You also are introduced to some of the major ethical and societal concerns about acquiring, storing, and reporting potentially sensitive information.
- In Chapter 2, "Strategic Uses of Information Systems," you learn how to use information strategically, and how to harness information technology for competitive advantage.
- In Chapter 3, "Business Functions and Supply Chains," you learn how you might best use information technology to help manage a business, whether you need to order inventory and track sales, generate financial statements, or automate payroll systems. You also learn how supply chain management systems serve whole enterprises.