

“How would we do that? Where’s the data?”

“No?”

“No. Nobody ever asks operations before they start negotiating their deal. They think that if they can buy soccer balls for \$14 and sell them for \$30, we’ve made 16 bucks.”

“Haven’t we?”

“Yes and no. I mean we’ve made 16 bucks a ball on the surface, but having to deal with General is twice as expensive for operations as dealing with, say, San Diego Sports.”

“Yeah, they’re great to work with, aren’t they?”

“I’m telling you, any deal with General is not making us the money Kelly thinks it is. Not by the time

you factor in all the operational expenses of dealing with those jerks.”

“I never thought of it like that, but I guess you’re right.”

“You buyers ought to change the way you pick these vendors. Sure, the products and their prices matter, but you should think about our costs, too.”

“How would we do that? Where’s the data?” Addison sounds intrigued, but skeptical.

“I don’t know, and I’ve got to run. I don’t have time to think about this, but somebody should.” ■

Study Questions

- Q1 How does organizational strategy determine information systems structure?
- Q2 What five forces determine industry structure?
- Q3 How does analysis of industry structure determine competitive strategy?
- Q4 How does competitive strategy determine value chain structure?
- Q5 How do business processes generate value?
- Q6 How does competitive strategy determine business processes and the structure of information systems?
- Q7 How do information systems provide competitive advantages?
- Q8 2022?