

Using MIS InClass 3 A Group Exercise

Industry Structure → Competitive Strategy → Value Chains → Business Processes → Information Systems



As shown in Figure 3-1, information systems are a logical consequence of an organization's analysis of industry structure via the chain of models shown in the title of this feature. Consequently, you should be able to combine your knowledge of an organization's market, together with observations of the structure and content of its Web storefront, to infer the organization's competitive strategy and possibly make inferences about its value chains and business processes. The process you use here can be useful in preparing for job interviews, as well.

Form a three-person team (or as directed by your professor) and perform the following exercises. Divide work as appropriate, but create common answers for the team.

- The following pairs of Web storefronts have market segments that overlap in some way. Briefly visit each site of each pair:
 - www.sportsauthority.com vs. www.soccer.com
 - www.target.com vs. www.sephora.com
 - www.woot.com vs. www.amazon.com
 - www.petco.com vs. www.healthyfoodforpets.com
 - www.llbean.com vs. www.rei.com
- Select two pairs from the list. For each pair of companies, answer the following questions:
 - How do the companies' market segments differ?
 - How do their competitive pressures differ?
 - How do their competitive strategies differ?
 - How is the "feel" of the content of their Web sites different?
 - How is the "feel" of the user interface of their Web sites different?
 - How could either company change its Web site to better accomplish its competitive strategy?
 - Would the change you recommended in item f necessitate a change in one or more of the company's value chains? Explain.
- Use your answers in step 2 to explain the following statement: "The structure of an organization's information system (here a Web storefront) is determined by its competitive strategy." Structure your answer so that you could use it in a job interview to demonstrate your overall knowledge of business planning.
- Present your team's answers to the rest of the class.

creation of a new discipline called *business process design*. The central idea is that organizations should not automate or improve existing functional systems. Rather, they should create new, more efficient business processes that integrate the activities of all departments involved in a value chain. You will see an example of a linkage in the next section.

Value chain analysis has a direct application to manufacturing businesses like the bicycle manufacturer. However, value chains also exist in service-oriented companies like medical clinics. The difference is that most of the value in a service company is generated by the operations, marketing and sales, and service activities. Inbound and outbound logistics are not typically as important. You will have a chance to reflect on