

## Using MIS Inclass 5 A Group Exercise

### How Much Is a Database Worth?



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and, maybe equally important, they don't receive solicitations for those they don't care about. Clearly, the FlexTime database has value and, if it wanted to, FlexTime could sell that data.

In this exercise, you and a group of your fellow students will be asked to consider the value of a database to organizations other than FlexTime.

1. Many small business owners have found it financially advantageous to purchase their own building. As one owner remarked upon his retirement, "We did well with the business, but we made our real money by buying the building." Explain why this might be so.

2. To what extent does the dynamic you identified in your answer to item 1 pertain to databases? Do you think it likely that, in 2050, some small businesspeople will retire and make statements like, "We did well with the business, but we made our real money from the database we generated?" Why or why not? In what ways is real estate different from database data? Are these differences significant to your answer?

3. Suppose you had a national database of student data. Assume your database includes the name, email address, university, grade level, and major for each student. Name five companies that would find that data valuable, and explain how they might use it. (For example, Pizza Hut could solicit orders from students during finals week.)

4. Describe a product or service that you could develop that would induce students to provide the data in item 3.

5. Considering your answers to items 1 through 4, identify two organizations in your community that could generate a database that would potentially be more valuable than the organization itself. Consider businesses, but also think about social organizations and government offices.

For each organization, describe the content of the database and how you could entice customers or clients to provide that data. Also, explain why the data would be valuable and who might use it.

6. Prepare a 1-minute statement of what you have learned from this exercise that you could use in a job interview to illustrate your ability to innovate the use of technology in business.

7. Present your answers to items 1-6 to the rest of the class.

FlexTime, a workout studio, realizes over 15,000 person-visits, an average of 500 visits per day. Neil, one of the two business partners, believes that the database is FlexTime's single most important asset. According to Neil:

Take away anything else—the building, the equipment, the inventory—anything else, and we'd be back in business 6 months or less. Take away our customer database, however, and we'd have to start all over. It would take us another 8 years to get back where we are.

Why is the database so crucial? It records everything the company's customers do.

If FlexTime decides to offer an early morning kickboxing class featuring a particular trainer, it can use its database to offer that class to everyone who ever took an early morning class, a kickboxing class, or a class by that trainer. Customers receive targeted solicitations for offerings they care about