

# Chapter 1: Disruptive IT Impacts Companies, Competition, and Careers

## Test Bank

### Multiple Choice

1. In the early stages of a startup like Uber, valuation is based heavily on the company's \_\_\_\_\_.
- a. technology
  - b. present value
  - c. growth potential
  - d. assets

Answer: C

Difficulty: Medium

Section Reference: Chapter Snapshot and Opening Case

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

2. \_\_\_\_\_ are data visualizations that display the current status of key performance indicators in easy-to-understand formats:
- a. Predictions
  - b. Dashboards
  - c. Digital models
  - d. Real-time reports

Answer: B

Difficulty: Easy

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

3. A top concern of well-established corporations, global financial institutions, born-on-the-Web retailers, and government agencies is how to design their digital business models in order to do all of the following, except:

- a. Deliver an incredible customer experience
- b. Improve profitability
- c. Implement cloud computing
- d. Increase market share

Answer: C

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Analytic skills

4. Forrester research repeatedly confirms there is a strong relationship between the quality of a firm's \_\_\_\_\_, which in turn increases revenue.
- a. Mobile apps and business transactions
  - b. IoT capabilities and KPIs
  - c. Business model and marketing efforts
  - d. Customer experience and loyalty

Answer: D

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

5. Market conditions and technological innovations leading to On-Demand services include all the following *except*:
- a. smartphone-connected consumers
  - b. private data centers
  - c. simple and secure purchasing power
  - d. location-based services

Answer: A

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

6. Business models designed to serve today's on-demand economy are based on time, convenience, and \_\_\_\_\_ service.

- a. location-based
- b. website
- c. customer
- d. personalized

Answer: A

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

7. Machine-to-machine (M2M) technology enables sensor-embedded products to share reliable real-time data \_\_\_\_\_.
- a. over short distances
  - b. via radio signals
  - c. using cloud services
  - d. via databases

Answer: B

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

8. An estimated \_\_\_\_\_ % of big data are unstructured.
- a. 25
  - b. 33
  - c. 50
  - d. 80

Answer: D

Difficulty: Medium

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

9. All of the following are examples of the influence of social, mobile, and cloud technologies *except* \_\_\_\_\_.

- a. Connections and feedback via social networks have changed the balance of influence.
- b. Customers expect to use location-aware services, apps, alerts, social networks, and the latest digital capabilities at work and outside work.
- c. Customer loyalty and revenue growth depend on a business' ability to offer unique customer experiences that wow customers more than competitors can.
- d. Consumers are less likely to trust tweets from ordinary people than recommendations made by celebrity endorsements.

Answer: D

Difficulty: Hard

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

10. FitBit was able to gain a competitive advantage over other wearables due to its \_\_\_\_\_.

- a. sleek design
- a. smartphone app
- b. viral marketing campaign
- c. global availability

Answer: B

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

11. Which if the following is not an example of how the Internet of Things is being used by businesses?

- a. A network of ground sensors that allow agricultural operations to adjust the amount of fertilizer and water applied to specific field locations.
- b. Sensors in shoppers' club cards that make it possible for retailers to offer discounts or promotions to consumers at the point of sale.
- c. Sensors in rental cars that allow companies to base rates on the driving behavior of their customers
- d. Sensors on packages of cereal, pasta, soup or other food products made for children that allow companies to determine young consumer's satisfaction with the nutritional value of the product.

Answer: D

Difficulty: Medium

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

12. Examples of \_\_\_\_\_ that can be facilitated by digital technologies are credit approval, opening a new account, order fulfillment, and shipping a product.
- Strategic activities
  - Business processes
  - Planning activities
  - Competitive advantages

Answer: B

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

13. The goal of \_\_\_\_\_ is to eliminate unnecessary non-value added processes, then to simplify and automate the remaining processes to reduce cycle time, labor, and costs.
- Strategic planning
  - Business process reengineering
  - Real-time information systems
  - Business Intelligence

Answer: B

Difficulty: Easy

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

14. All functions and departments in the enterprise have tasks that they need to complete to produce outputs or \_\_\_\_\_ in order to meet their \_\_\_\_\_.
- deliverables; objectives
  - business processes; budgets
  - milestones; deliverables
  - processes; business model

Answer: A

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.  
AACSB: Technology

15. What are the basic components of business processes?

- a. Inputs and outputs
- b. Data, knowledge, and activities
- c. People, technology, and outputs
- d. Inputs, activities, and deliverables

Answer: D

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

16. Routine formal processes are referred to as \_\_\_\_\_.

- a. cross-functional processes
- b. standard operating procedures
- c. business tasks
- d. standardized transactions

Answer: B

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

17. Applying IT to a manual or outdated process will \_\_\_\_\_:

- a. maximize cycle time
- b. not optimize the process
- c. eliminate wasted steps
- d. improve the outputs

Answer: B

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

18. Which of the following is not a goal of business process reengineering?

- a. eliminate unnecessary or non-value-added processes
- b. simplify and automate remaining processes
- c. reduce cycle time, labor, and costs
- d. increase innovation

Answer: D

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

19. BPR is part of the larger discipline of \_\_\_\_\_, which consists of methods, tools, and technology to support and continuously improve business processes.

- a. business process management
- b. cycle time reduction
- c. business model optimization
- d. standard operating procedures

Answer: A

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

20. In order to be successful, BPM requires all of the following *except* \_\_\_\_\_.

- a. buy-in from a broad cross section of the business
- b. software to map processes that are performed manually
- c. the right technology
- d. highly effective change management processes

Answer: B

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Reflective thinking skills

21. \_\_\_\_\_ means being able to respond quickly in order to take advantage of opportunities faster or better than competitors.

- a. agility
- b. flexibility
- c. responsive
- d. IT consumerization

Answer: A

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

22. \_\_\_\_\_ means having the ability to quickly integrate new business functions or to easily reconfigure software or apps.

- a. agility
- b. flexibility
- c. responsive
- d. IT consumerization

Answer: B

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

23. \_\_\_\_\_ means that IT capacity can be easily scaled up or down as needed, which essentially requires cloud computing.

- a. agility
- b. flexibility
- c. responsiveness
- d. IT consumerization

Answer: C

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology



24. \_\_\_\_\_ is the migration of privately-owned mobile devices into enterprise IT environments.

- a. agility
- b. flexibility
- c. responsiveness
- d. IT consumerization

Answer: D

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the role of IT in business process improvement.

AACSB: Technology

25. Influential industry leaders cite \_\_\_\_\_ as their largest business challenge in sustaining a competitive edge.

- a. keeping up with technology
- a. employee performance
- b. economic climate
- c. new competition

Answer: D

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

26. A website or app that is scaled to be viewed from a computer, tablet, or smartphone is said to be\_\_\_\_\_.

- a. responsive
- b. flexible
- c. agile
- d. competitive

Answer: A

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Reflective thinking skills

27. IT agility, flexibility, and mobility are tightly interrelated and primarily dependent on:

- a. An organization's IT infrastructure and architecture
- b. The IT division's strategic hiring and training practices
- c. IT's integration with production and accounting units
- d. Strategic alignment between IT budget and company mission statement

Answer: A

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

28. Matt is using his own tablet for work purposes, which is an example of a trend called \_\_\_\_\_.

- a. Mixed use IT
- b. Employer IT cost shifting
- c. IT consumerization
- d. BYOM

Answer: C

Difficulty: Easy

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

29. Using a combination of mobile and database technology, Pizza House keeps records of the pizza preferences of all its customers. When Sam orders from Pizza House, he only says "send me the usual" when he calls in his order; and hangs up. Accessing the database, the Pizza House worker knows his address, his usual order, and what credit card to bill. The streamlined ordering and fulfillment efficiency give the Pizza House \_\_\_\_\_.

- a. A strategic plan
- b. A strategic model
- c. A competitive advantage
- d. A sustainably business edge

Answer: C

Difficulty: Medium

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

30. iTunes was a significant breakthrough that forever changed the music industry and the first representation of Apple's \_\_\_\_\_.
- a. IT consumerization
  - b. Sustainable competitive advantage
  - c. Incompatibility with Windows
  - d. future outside its traditional computing product line

Answer: D

Difficulty: Hard

Section Reference: IT Innovation and Disruption

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises

AACSB: Analytic

31. How many times a day does the average American check their smartphone?
- a. 24
  - b. 59
  - c. 46
  - d. 99

Answer: C

Difficulty: Easy

Section Reference: IT and You

Learning Objective: Understand the value of being an 'informed user' of IT

AACSB: Technology

32. IT job growth is estimated at \_\_\_\_\_ from 2014 to 2024, according to the U.S. Department of Labor.
- a. 12%
  - b. 5%
  - c. 33%
  - d. Over 50%

Answer: A

Difficulty: Easy

Section Reference: IT and You

Learning Objective: Understand the value of being an 'informed user' of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Knowledge

33. \_\_\_\_\_ evaluate the newest and most innovative technologies and determine how they can be applied for competitive advantage. They develop technical standards, deploy technology, and supervise workers who deal with the daily IT issues of the firm.
- Project Managers
  - Chief Technology Officers
  - CEOs
  - CFOs

Answer: B

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

34. \_\_\_\_\_ develop requirements, budgets, and schedules for their firm’s information technology projects. They coordinate such projects from development through implementation, working with their organization’s IT workers, as well as clients, vendors, and consultants.
- Project Managers
  - Chief Technology Officers
  - CEOs
  - CFOs

Answer: A

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

35. The field of \_\_\_\_\_ involves managing and analyzing massive sets of data for purposes such as target marketing, trend analysis, and the creation of individually tailored products and services.
- Data science
  - Cloud computing
  - Machine-to-machine technology
  - Business models

Answer: A

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy.

AACSB: Reflective thinking skills

36. Jonathan analyzes social media clicks to predict the likelihood of specific members connecting with each other. Jonathan is a \_\_\_\_\_.

- a. Project Manager
- b. Application Developer
- c. Data Scientist
- d. Data Base Administrator

Answer: C

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

## True/False

37. Machine-generated data and social media texts are examples of big data.

Answer: True

Difficulty: Easy

Section Reference: Chapter Snapshot and Opening Case

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

38. Data visualization refers to the use of statistics to find meaningful insight in the data, or better understand the data.

Answer: False

Difficulty: Easy

Section Reference: Chapter Snapshot and Opening Case

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

39. Dashboards provide static summary charts, that when clicked, drill down to the detailed data.

Answer: False

Difficulty: Medium

Section Reference: Chapter Snapshot and Opening Case

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

40. Dashboards are data visualizations that display the current status of KPIs in easy-to-understand formats

Answer: True

Difficulty: Medium

Section Reference: Chapter Snapshot and Opening Case

Learning Objective: Describe how the On-Demand economy is changing the way that business is conducted.

AACSB: Technology

41. Customer experience is about building the digital infrastructure that allows customers to do whatever they want to do, through whatever channels they choose to do it.

Answer: True

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

42. Dropbox, Gmail, and Google Drive are examples of the Internet of Things.

Answer: False

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

43. Digital business models refer to a set of capabilities enabled when physical things are connected to the Internet via sensors.

Answer: False

Difficulty: Easy

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

44. Cloud computing eliminates the need to invest in hardware up front, so companies can develop and deploy applications faster.

Answer: True

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

45. Machine-to-machine (M2M) technology enables sensor-embedded products to share reliable real-time data via satellite or optics.

Answer: False

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

46. By adding bar codes to trucks, utility meters, heart monitors, vending machines, and other equipment they sell, companies can track and manage their products remotely.

Answer: False

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

47. IoT combined with big data analytics can help manufacturers improve the efficiency of their machinery and minimize energy consumption, which often is the manufacturing industry's second-biggest expense.

Answer: True

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

48. Big data are what high-volume, mostly text data are called.

Answer: True

Difficulty: Easy

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

49. Big data tend to be unstructured and less time-sensitive than traditional (or small) data.

Answer: False

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

50. Enterprises use real-time data from tweets and sensors to gain insight into their customers' interests and preference.

Answer: True

Difficulty: Easy

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

51. Big data analytics has increased the demand for data scientists.

Answer: True

Difficulty: Easy

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.



AACSB: Reflective thinking skills

52. From an IT perspective, the mobile devices form the core; the cloud forms the endpoints; and social networks create the connections between the cloud and mobiles.

Answer: False

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Dynamics of the global economy

53. At LinkedIn, data analytics lead to a significant increase in the number of connections members created with other members.

Answer: True

Difficulty: Hard

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Reflective thinking skills

54. Cloud computing can often make it difficult to deploy tools that can scale on demand to serve a growing number of users.

Answer: False

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

55. In the simplest terms, a process consists of activities that convert inputs into outputs by doing work.

Answer: True

Difficulty: Easy

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Dynamics of the global economy

56. Designing an effective process can be complex because you need a deep understanding of the inputs and outputs, how things can go wrong, and how to prevent things from going wrong.

Answer: True

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Dynamics of the global economy

57. Elapsed time is the time required to complete a given process.

Answer: False

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

58. Informal processes are needed for the situations involving safety, security, or compliance.

Answer: False

Difficulty: Hard

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

59. An effective informal business process documents who will perform the tasks; what materials to use; and where, how, and when the tasks are to be performed.

Answer: False

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

60. Because a company's success depends on the efficiency of its business processes, even small improvements in key processes can have a significant payoff.

Answer: True

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

61. Methods and efforts to simply automate existing processes are referred to a business process reengineering, or BPR.

Answer: False

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

62. Having a competitive edge means possessing an advantage over your competition.

Answer: True

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

63. Mass migration to mobile devices from PCs has expanded the scope of IT beyond traditional organizational boundaries—making location practically irrelevant.

Answer: True

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

64. Computers, databases, and network services are examples of commodities that do not provide a competitive edge.

Answer: True

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

65. Looking at Apple's history, you see innovative products and services that shaped the future.

Answer: True

Difficulty: Easy

Section Reference: IT Innovation and Disruption

Learning Objective: Describe IT Innovation and Disruption and explain how they influence strategy and operations.

AACSB: Technology

66. Data stored on mobiles are at reduced risk compared to desktops.

Answer: False

Difficulty: Easy

Section Reference: IT Innovation and Disruption

Learning Objective: Describe IT Innovation and Disruption and explain how they influence strategy and operations.

AACSB: Technology

67. Privacy regulations may prohibit financial institutions from posting or responding to customers' comments through social media sites.

Answer: True

Difficulty: Hard

Section Reference: IT Innovation and Disruption

Learning Objective: Describe IT Innovation and Disruption and explain how they influence strategy and operations.

AACSB: Technology

68. Most recently, tech innovations are seldom triggering opportunities and threats to business models and strategies.

Answer: False

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an 'informed user' of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

69. With rare exceptions, every business initiative depends on the mix of IT, knowledge of its potential, the requirements for success, and, equally important, its limitations.

Answer: True

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an 'informed user' of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

70. What companies can do depends on what their information technology and data management systems can do.

Answer: True

Difficulty: Easy

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

71. Understanding IT trends that affect the ways business is done and getting in front of those trends give you a career edge.

Answer: True

Difficulty: Medium

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

72. Workers with specialized technical knowledge and strong communications and business skills, as well as those with an MBA with a concentration in an IT area, will have the best prospects.

Answer: True

Difficulty: Easy

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Reflective thinking skills

## Short Answer

73. Forrester research repeatedly confirms there is a strong relationship between the quality of a firm's customer experience and customer \_\_\_\_\_.

Answer: loyalty

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

74. \_\_\_\_\_ are specialized software, capabilities, and components all geared toward exploring huge volumes of data to provide greater insight.

Answer: Data analytics

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

75. Dropbox, Gmail, and Google Drive are services accessible via the Internet and examples of \_\_\_\_\_

Answer: cloud computing

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

76. \_\_\_\_\_ refers to a set of capabilities enabled when physical things are connected to the Internet via sensors.

Answer: Internet of Things (IoT)

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

77. Machine-to-machine technology uses \_\_\_\_\_ embedded in products to share reliable real-time data via radio signals.

Answer: sensors

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

78. \_\_\_\_\_ involves managing and analyzing massive sets of data for purposes such as target marketing, trend analysis, and the creation of individually tailored products and services.

Answer: data science

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

79. \_\_\_\_\_ technology builds computing, connectivity, and sensor capabilities into materials.

Answer: Wearable

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

80. \_\_\_\_\_ are the outputs or tangible things that are produced by a business process.

Answer: Deliverables

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

81. \_\_\_\_\_ is the time required to complete a given process.

Answer: Cycle time

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

82. The three components of a \_\_\_\_\_ are inputs, activities, and deliverables.

Answer: business process

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

83. With a \_\_\_\_\_ arrangement, companies pay for their software usage based on a subscription fee or on a per usage basis.

Answer: Software as a Service (SaaS)

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

84. Routine formal business processes are referred to as \_\_\_\_\_.

Answer: standard operating procedures, or SOPs

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

85. The goal of \_\_\_\_\_ is to eliminate the unnecessary non-value-added processes, then to simplify and automate the remaining processes to significantly reduce cycle time, labor, and costs.

Answer: BPR or business process reengineering

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Technology

86. To maintain competitiveness, companies need IT \_\_\_\_\_ in order to be able to respond quickly.

Answer: Agility

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

87. To maintain competitiveness, companies need IT \_\_\_\_\_ in order to easily scale up or down IT capacity as needed.



Answer: Responsiveness

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

88. To maintain a competitive advantage, company IT operations needs to be \_\_\_\_\_ meaning having the ability to quickly integrate new business functions or to easily reconfigure software or apps.

Answer: Flexible

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

89. IT \_\_\_\_\_ is the migration of consumer technology into enterprise computing environments because personally-owned IT is as capable and cost-effective as its enterprise equivalents.

Answer: consumerization

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

90. Computers, databases, and network services are examples of IT \_\_\_\_\_.

Answer: Commodities

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Understand the concepts of business process reengineering and competitive advantage.

AACSB: Technology

91. \_\_\_\_\_ evaluate the newest and most innovative technologies and determine how they can be applied for competitive advantage. They develop technical standards, deploy technology, and supervise workers who deal with the daily IT issues of the firm.

Answer: Chief Technology Officers

Difficulty: Hard

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

92. \_\_\_\_\_ develop requirements, budgets, and schedules for their firm’s information technology projects. They coordinate such projects from development through implementation, working with their organization’s IT workers, as well as clients, vendors, and consultants.

Answer: IT Project managers

Difficulty: Hard

Section Reference: IT and You

Learning Objective: Understand the value of being an ‘informed user’ of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology

## Essay Questions

93. Discuss the market conditions and technological innovations that have contributed to the development of the on-demand business model.

Answer:

Several factors have contributed to the growth of the on-demand model. Smartphone-connected consumers require quick access to information and services. The newest generation is not likely to pick up a phone and call to make a request, rather, they are looking to tap an app and make their purchase. Simple and secure purchase flows guarantee the reliability of the apps used, assuring consumer confidence in the safety of their credit information. Location-based services guarantee that the information available is personalized to the user, to further save time and personalize the customer experience.

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

94. Explain the characteristics of big data. Describe two sources of big data collected by enterprises.

Answer:

Big data are high-volume, high variety, and mostly unstructured or text data. Enterprises collect big data from multiple channels and sources, including:

- mobile devices and sensors embedded in products and physical things
- social content from texts, tweets, posts, blogs.
- clickstream data from the Web and Internet searches.
- videos and photos from retail and user-generated content.
- financial, medical, research, and customer transactions.

Difficulty: Medium

Section Reference: Doing Business in the On-Demand Economy

Learning Objective: Describe innovating technologies and explain how they are disrupting enterprises.

AACSB: Technology

95. What is the goal of business process reengineering (BPR)? Explain why simply applying IT to manual or outdated processes -- instead of reengineering those processes -- will not optimize them.

Answer:

Methods and efforts to eliminate wasted steps within a process are referred to a business process reengineering (BPR). The goal of BPR is to eliminate the unnecessary non-value-added processes, then to simplify and automate the remaining processes to significantly reduce cycle time, labor, and costs. After unnecessary processes are identified and eliminated, the remaining ones are redesigned (or reengineered) in order to automate or streamline them. Simplifying processes naturally reduces the time needed to complete the process, which also cuts down on errors.

Applying IT to a manual or outdated process will not optimize it because improving processes starts with determining whether or not they are still necessary.

Difficulty: Medium

Section Reference: Business Process Improvement and Competitive Advantage

Learning Objective: Explain the role of IT in business process improvement.

AACSB: Reflective thinking skills

96. Explain why this statement is true: What companies can do depends on what their information technology and data management systems can do.

Answer:

For over a decade, powerful new digital approaches to doing business—and getting through your day—have emerged. And there is sufficient proof to expect even more rapid and dramatic

changes due to IT breakthroughs and advances. Understanding trends that affect the ways business is done and getting in front of those trends give you a career edge.

Difficulty: Hard

Section Reference: IT and You

Learning Objective: Understand the value of being an 'informed user' of IT and the ways in which IT can add value to your career path and performance in the On-Demand economy

AACSB: Technology