c2

Student: _____

1. When an organization uses information technology to develop products, services and capabilities in order to gain a strategic advantage over competitive forces in the global marketplace, it is using information systems in a *strategic* role.
True   False

2. Competition is a negative characteristic in business that can require significant resources to overcome.
True   False

3. Most products and services have some sort of substitute available to the consumer.
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4. In the Internet world, a firm's biggest competitor may be one that is not yet in the marketplace but could emerge almost overnight.
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5. The threat of *new entrants* is often at its strongest during periods of rising costs or inflation.
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9. When a firm uses IT to create virtual organizations of business partners, it is pursuing a *growth* strategy.
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10. A given activity can fall into one or more of the categories of competitive strategy.
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11. If an organization offers its online package tracking system in a manner that allows its customers to access shipment information not only via a computer, but via a mobile phone as well, then such an action could fall into both the differentiation and innovation strategy categories.
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12. When a firm makes such radical changes to its business processes for producing products and services that it alters the fundamental structure of an industry, it is pursuing an *innovation* strategy.
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13. Not everything innovative will serve to differentiate one organization from another.
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14. Investments in information technology can allow a business to lock in customers and suppliers, and lock out competitors, by building valuable new relationships with them.
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15. Companies like Wal-Mart began to extend their networks to their customers and suppliers in order to build innovative continuous inventory replenishment systems that would lock in their business.
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16. According to the Timex case, a key to staying competitive today is using information systems to keep track of innovations and making them easier to build into products.
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42. According to the case study on Intec Engineering, it is easy to place a value on knowledge management systems.
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43. A strategic information system can be any kind of information system that uses information technology to help an organization _____.
A. gain a competitive advantage
B. reduce a competitive disadvantage
C. meet strategic enterprise objectives
D. All of the choices are correct.

44. The strategic role of information systems involves using information technology to give a company major advantages over the competitive forces it faces in the global marketplace by developing all the following except:
A. Products
B. Services
C. Global alliances
D. Capabilities

45. Which of the following is *not* a role of a strategic information system?
A. Gain a competitive advantage.
B. Reduce a competitive disadvantage.
C. Meet strategic enterprise objectives.
D. Promote brand recognition of the firm's primary product.

46. The strategic role of IS means using IT to develop _____ that give a company major advantages over the competitive forces it faces in the global marketplace.
A. Products
B. Services
C. Capabilities
D. All of the choices are correct.

47. Which of the following is *not* one of the five competitive forces in Michael Porter's classic model of competition?
A. The threat of new entrants into an industry and its markets.
B. The bargaining power of suppliers.
C. Government intervention into labor issues.
D. The rivalry of competitors within an industry.

48. According to the Real World Case, which of the following is *not* a strategic use of IT?
A. Consistently reliable and excellent IT service, providing good PC support and networking service.
B. Providing innovative solutions to business challenges.
C. Creatively applying technology to produce goods more efficiently and at a lower cost.
D. Creating new products and services and whole new business models.

49. According to the Real World Case, which of the following is true of the strategic use of IT?
A. IT service should be consistently reliable, providing good PC support and networking service.
B. Because technology is embedded in everything a company does, technology strategy and business strategy are one.
C. The primary goal of IT should be automating the business.
D. IT should support the business, not attempt to reinvent it.

50. According to the text, regarding new entrants into the marketplace, all the following are true *except*:
A. Guarding against the threat of new entrants requires few organizational resources.
B. The Internet allows a firm to enter the marketplace at a relatively low cost.
C. The Internet allows a firm to enter the marketplace quickly.
D. All of the choices are correct.

51. According to the text, which of the following is true regarding competitive advantage?
A. Competitive rivalry takes the place of competitive advantage.
B. Competition requires significant resources on the part of a firm.
C. Competition is a negative business characteristic.
D. All of the choices are correct.

52. Which of the following is *not* an example of the threat of substitutes?
A. When airline prices get too high, people drive their cars for their vacations.
B. When the price of steak gets too high, people purchase hamburger of chicken.
C. When hotel prices get too high, people stop taking vacations
D. All of the choices are correct.

53. Wal-Mart demanding lower prices from their vendors is an example of:
A. Customer bargaining power.
B. Supplier bargaining power.
C. Threat of substitutes.
D. None of the choices is correct.

54. All of the following can be used to counter competitive forces in the marketplace *except*:
A. Alliance
B. Growth
C. Innovation
D. Bargaining

55. Hiring a well known musical artist to represent your product in the soft drink market is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

56. In developing the SABRE System, American Airlines became the first airline to use an electronic reservation and ticketing system. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

57. By buying stock in bulk, Wal-Mart is able to sell to their customers at a more competitive price. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

58. Wal-Mart has expanded from a few simple retail outlets to nationwide Super Wal-Mart stores with pharmacies and grocery departments. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

59. Becoming a low-cost producer of products and services in an industry is an example of a(n):
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

60. All of the following are basic competitive strategies discussed in the text *except*:
A. Cost leadership
B. Innovation
C. Product differentiation
D. Strategic dominance

61. Expanding a company's product offering into global markets is an example of a(n) _____
strategy.
A. cost leadership
B. differentiation
C. growth
D. alliance

62. In addition to the five basic competitive strategies, the text describes several key strategies implemented
with information technology. Which of the following is *not* one of those strategies?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

63. When a supply firm sells a patented product that no other firm may sell and for which there is no substitute,
it is following which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

64. If a supply firm offers an inventory management system to its customers along with the products it sells, and
the customers cannot afford give up the inventory system to use other suppliers, the first firm is following
which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

65. If a firm develops a new product and applies for a patent to protect themselves from others building the same product, the firm is following which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

66. When a firm develops ways to differentiate their products and services from their competitors', it is pursuing a _____ strategy.
A. differentiation
B. alliance
C. innovation
D. marketing

67. A sales company such as eBay would be most likely to use information technology to promote _____.
A. online stock trading
B. point-of-sale inventory tracking
C. online auctions
D. virtual manufacturing alliances

68. When a firm strives to find ways to help its suppliers and customers reduce their costs or to increase the costs of their competitors, it is pursuing a strategy of _____.
A. innovation
B. alliance
C. cost leadership
D. growth

69. When customers become dependent on mutually beneficial inter-enterprise information systems, they become reluctant to switch to a company's competitors because they would incur all following costs *except*:
A. Time
B. Money
C. Innovation
D. Effort

70. According to the Timex case, Timex has discovered that with consumer demand for new features in their watches, _____ is key to the watch industry.
A. Locking-in customers
B. Creating switching costs
C. Raising barriers to entry
D. Innovation

71. An example of a firm using a strategy where they _____ would be developing corporate intranets and extranets, while drawing on their experience and previous investments in PCs, servers, and networks.
A. Leverage investment in IT
B. Creating switching costs
C. Raising barriers to entry
D. Innovation

72. A serious problem of competitive advantage is that:
A. It normally doesn't last very long and it isn't sustainable over the long term
B. Competitors figure out how it was done and do the same thing
C. A competitive advantages can become a competitive necessity
D. All of the choices are correct.

73. The term *competitive advantage* suggests a single condition where:
A. The firm is the leader in its industry.
B. The firm is making more profits than it did one year previously.
C. A firm sustains profits that exceed the average for its industry.
D. None of the choices is correct.

74. The real problem with competitive advantage is that:
A. It lasts too long.
B. It is sustainable over the long term.
C. Usually it does not last very long.
D. All of the choices are correct.

75. A customer-focused business can build customer value and loyalty by:
A. Making a loyal customer feel special with website personalization.
B. Letting customers place orders directly, or through distribution partners.
C. Letting customers check order history and delivery status.
D. All of the choices are correct.

76. A firm that focuses on customer value:
A. Recognizes that price, rather than quality, has become the primary determinant in a customer's perception of value.
B. Anticipates future customer needs and responds to customer concerns.
C. Provides better-than-average customer service.
D. None of the choices is correct.

77. A transaction database allows all of the following activities *except*:
A. Linking employees and distribution partners to customers
B. Letting customers check order history
C. Giving employees a complete view of each customer
D. None of these activities are supported by a transaction database.

78. A customer database allows all the following activities *except*:
A. Building a customer database.
B. Giving all customers a complete view of each employee.
C. Giving all employees a complete view of each customer.
D. Make loyal customers feel special with Web site personalization.

79. According to the Universal Orlando case, which of the following is *not* a way to contribute to informed decision making?
A. Thinking like their customers.
B. Focusing on the company's markets.
C. Hosting a Guitar Hero competition.
D. All of the choices are correct.

80. According to the Universal Orlando case, which of the following is *not* a way for a CIO to become market savvy?
A. Study trends relating to customers.
B. Be a smart (and inquisitive) businessperson.
C. Look for patterns.
D. Focus only on technology.

81. Which of the following is a primary business process?
A. Collaborative workflow intranet
B. Targeted marketing
C. Technology development
D. Procurement of resources

82. Business process reengineering is best defined as:
A. A key technology to reduce customer late payments
B. A radical redesign of business processes to achieve improvements in cost, quality, speed, or service
C. A key way to ensure successful improvement in processing
D. All of the choices are correct.

83. According to the Real World Case, which of the following are goals of The Magellan Program?
A. Extend CPS's networking infrastructure and build its own Wi-Fi network.
B. Stop the use of smartphones for CPS business.
C. Remove security from the CPS Wi-Fi networks.
D. None of these activities is a goal of the Magellan Program.

84. According to the Real World case, all of the following are innovative ways that CPS employees utilize their smartphones, *except*:
A. As emergency notification receivers.
B. As digital cameras at worksites.
C. As GPS tracking mechanisms.
D. As inter-office communication devices.

85. Utilization of smartphones at CPS has lead to:
A. Resolving more customer issues with fewer processes.
B. Increased time to resolve most service calls.
C. Happier suppliers.
D. The lowest score in the J.D. Power and Associates 2007 Customer Satisfaction Survey.

86. According to the textbook case, workflow:
A. is primarily a cost-saving measure.
B. is a way to make people, information, and computers work together to produce the results the business needs.
C. largely leads to things getting lost in the shuffle.
D. increases customer satisfaction at the cost of slower results.

87. Organizations are changing from a competitive environment in which mass-market products and services were standardized, long-lived, information-poor, and exchanged in one-time transactions to an environment in which companies compete globally with niche-market products and services that are _____.
A. individualized
B. short-lived
C. exchanged on an ongoing basis with customers
D. All the choices are correct.

88. An agile company supports _____ by offering individualized products while maintaining high volumes of production.
A. high growth
B. mass customization
C. its suppliers and competitors
D. All of the choices are correct.

89. _____ agility is the ability to accomplish speed, accuracy, and cost economy in the exploitation of innovation opportunities.
A. Customer
B. Partnering
C. Operational
D. Technological

90. A virtual company:
A. Uses IT to link people, organizations, assets, and ideas.
B. Creates virtual workgroups and alliances to exploit fast-changing business opportunities.
C. Uses the Internet, intranets, and extranets to support alliances with manufacturers.
D. All of the choices are correct.

91. Which of the following is *not* a strategy of a virtual company?
A. Share infrastructure and risk with alliance partners
B. Link complementary core competencies
C. Migrate from selling products to selling solutions
D. Increase concept-to-case time

92. Explicit knowledge deals with:
A. Data, documents, and things written down or stored on computers.
B. "How-to" knowledge, which resides in workers.
C. Using data mining techniques to capture external information.
D. All of the choices are correct.

93. Accessing and retrieving documents that have been stored online is a function of _____.
A. document management
B. enterprise intelligence
C. information creation, sharing, and management
D. All of the choices are correct.

94. The goal of knowledge management systems (KMS) is to help knowledge workers _____ important business knowledge.
A. create
B. organize
C. distribute
D. All of the choices are correct.

95. A firm can survive and succeed in the long run if it successfully develops strategies to confront the five _____ forces that shape the structure of competition in its industry.

_____

96. A _____ strategy is a competitive strategy by which a firm seeks to become a low-cost producer of products and services in the industry.

_____

97. When using a(n) _____ strategy, a firm seeks to find new ways of producing or distributing its products and services that are so different from the way business has been conducted that they may alter the fundamental structure of the industry.

_____

98. _____ are the costs in time, money, effort, and inconvenience that it would take a customer or supplier to move its business to a firm's competitors.

_____

99. If a company has successfully increased the amount of investment or the complexity of the technology required to compete in an industry or a market segment, it has raised _____ that would discourage or delay other companies from entering the market.

_____

100. Although large investments in technology can create entry barriers for present or prospective players in an industry, the barriers can evaporate over time as competitors employ the new technologies. This is an example of IT becoming a competitive _____.

_____

101. When a strategy or action becomes a(n) _____, it means that instead of creating an advantage, the strategy or action becomes necessary simply to compete and do business in the industry.

_____

102. A customer-focused business has a strategic focus on customer _____, which recognizes that quality rather than price has become the primary determinant in a customer's perception of value.

_____

103. In the _____ concept, some business activities are primary processes while others are support processes.

_____

104. According to the value chain concept, _____ processes within the organization would include human resources management and technology development.

_____

105. _____ is defined as the restructuring and transforming of a business process by a fundamental rethinking and radical redesign to achieve improvements in costs, quality, speed, and service.

_____

106. Many companies have found that organizational _____ approaches are an important enabler of business process re-engineering.

_____

107. A(n) _____ company can make a profit in markets with broad product ranges and short model lifetimes, and it can produce orders individually and in arbitrary lot sizes.

_____

108. A _____ company can be defined as an organization that uses telecommunications networks and other information technology to link people, assets, and ideas.

_____

109. Virtual companies develop alliances and extranet links that form _____ information systems with suppliers, customers, subcontractors, and competitors.

_____

110. People and corporations are forming virtual companies as the best way to implement key business strategies and alliances that promise to ensure success in today's turbulent _____ climate.

_____

111. The concept of _____-management refers to organizing and sharing the diverse forms of business information created within an organization. This includes managing project and enterprise document libraries, discussion databases, hypermedia web site databases, and other types of knowledge bases.

_____

112. _____ knowledge deals with "how-to" knowledge, which resides in workers.

_____

113. _____ knowledge is made up of data, documents, and things written down.

_____

c2 Key

1. *(p. 44)* When an organization uses information technology to develop products, services and capabilities in order to gain a strategic advantage over competitive forces in the global marketplace, it is using information systems in a *strategic* role.
TRUE

AACSB: Technology
Bloom: Knowledge
Difficulty: Easy
Learning Objective: 1
OBrien - Chapter 02 #1

2. *(p. 47)* Competition is a negative characteristic in business that can require significant resources to overcome.
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Although competition can require significant resources, it is a positive characteristic in business that is natural and healthy.

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Difficulty: Medium
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OBrien - Chapter 02 #2

3. *(p. 47)* Most products and services have some sort of substitute available to the consumer.
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Learning Objective: 5
OBrien - Chapter 02 #3

4. *(p. 47)* In the Internet world, a firm's biggest competitor may be one that is not yet in the marketplace but could emerge almost overnight.
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OBrien - Chapter 02 #4

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The threat of **substitutes** is often at its strongest during periods of rising costs or inflation.

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FALSE

Companies that consistently offer the best value from the customer's perspective (a) keep track of their customers' individual preferences, (b) keep up with market trends, (c) supply products, services, and information anytime, anywhere, and (d) provide customer services tailored to individual needs.

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TRUE

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Human resource management is a **support process**, not a primary process.

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Managers should try focus on the basic processes that add the most value to a company's products or services.

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A cross-functional team includes employees from several different departments or specialties.

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The basic strategies of virtual companies include (a) share information and risk with alliance partners, (b) link complementary core competencies, (c) reduce concept-to-cash time, (d) increase facilities and market coverage, (e) gain access to new markets and share market or customer loyalty, and (f) migrate from selling products to selling solutions.

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39. *(p. 63-64)* Explicit knowledge involves the "how-to" knowledge that resides in workers.
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C. Capabilities
D. All of the choices are correct.

47. *(p. 44)* Which of the following is *not* one of the five competitive forces in Michael Porter's classic model of competition?
A. The threat of new entrants into an industry and its markets.
B. The bargaining power of suppliers.
C. Government intervention into labor issues.
D. The rivalry of competitors within an industry.

48. *(p. 45)* According to the Real World Case, which of the following is *not* a strategic use of IT?
A. Consistently reliable and excellent IT service, providing good PC support and networking service.
B. Providing innovative solutions to business challenges.
C. Creatively applying technology to produce goods more efficiently and at a lower cost.
D. Creating new products and services and whole new business models.

49. *(p. 45)* According to the Real World Case, which of the following is true of the strategic use of IT?
A. IT service should be consistently reliable, providing good PC support and networking service.
B. Because technology is embedded in everything a company does, technology strategy and business strategy are one.
C. The primary goal of IT should be automating the business.
D. IT should support the business, not attempt to reinvent it.

50. *(p. 47)* According to the text, regarding new entrants into the marketplace, all the following are true *except*:
A. Guarding against the threat of new entrants requires few organizational resources.
B. The Internet allows a firm to enter the marketplace at a relatively low cost.
C. The Internet allows a firm to enter the marketplace quickly.
D. All of the choices are correct.

51. *(p. 47)* According to the text, which of the following is true regarding competitive advantage?
A. Competitive rivalry takes the place of competitive advantage.
B. Competition requires significant resources on the part of a firm.
C. Competition is a negative business characteristic.
D. All of the choices are correct.

52. *(p. 47)* Which of the following is *not* an example of the threat of substitutes?
A. When airline prices get too high, people drive their cars for their vacations.
B. When the price of steak gets too high, people purchase hamburger of chicken.
C. When hotel prices get too high, people stop taking vacations
D. All of the choices are correct.

53. *(p. 47)* Wal-Mart demanding lower prices from their vendors is an example of:
A. Customer bargaining power.
B. Supplier bargaining power.
C. Threat of substitutes.
D. None of the choices is correct.

54. *(p. 48)* All of the following can be used to counter competitive forces in the marketplace *except*:
A. Alliance
B. Growth
C. Innovation
D. Bargaining

55. *(p. 48)* Hiring a well known musical artist to represent your product in the soft drink market is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

56. *(p. 48)* In developing the SABRE System, American Airlines became the first airline to use an electronic reservation and ticketing system. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

57. *(p. 48)* By buying stock in bulk, Wal-Mart is able to sell to their customers at a more competitive price. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

58. *(p. 48)* Wal-Mart has expanded from a few simple retail outlets to nationwide Super Wal-Mart stores with pharmacies and grocery departments. This is an example of which strategy?
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

59. *(p. 48)* Becoming a low-cost producer of products and services in an industry is an example of a(n):
A. Cost leadership strategy
B. Differentiation strategy
C. Innovation strategy
D. Growth strategy

60. *(p. 48)* All of the following are basic competitive strategies discussed in the text *except*:
A. Cost leadership
B. Innovation
C. Product differentiation
D. Strategic dominance

61. *(p. 48)* Expanding a company's product offering into global markets is an example of a(n) _____ strategy.
A. cost leadership
B. differentiation
C. growth
D. alliance

62. *(p. 50)* In addition to the five basic competitive strategies, the text describes several key strategies implemented with information technology. Which of the following is *not* one of those strategies?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

63. *(p. 50)* When a supply firm sells a patented product that no other firm may sell and for which there is no substitute, it is following which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

64. *(p. 50)* If a supply firm offers an inventory management system to its customers along with the products it sells, and the customers cannot afford give up the inventory system to use other suppliers, the first firm is following which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

65. *(p. 50)* If a firm develops a new product and applies for a patent to protect themselves from others building the same product, the firm is following which strategy?
A. Locking in customers
B. Building switching costs
C. Creating alliances
D. Raising barriers to entry

66. *(p. 48)* When a firm develops ways to differentiate their products and services from their competitors', it is pursuing a _____ strategy.
A. differentiation
B. alliance
C. innovation
D. marketing

67. *(p. 49)* A sales company such as eBay would be most likely to use information technology to promote
_____.
A. online stock trading
B. point-of-sale inventory tracking
C. online auctions
D. virtual manufacturing alliances

68. *(p. 48-49)* When a firm strives to find ways to help its suppliers and customers reduce their costs or to increase the costs of their competitors, it is pursuing a strategy of _____.
A. innovation
B. alliance
C. cost leadership
D. growth

69. *(p. 50)* When customers become dependent on mutually beneficial inter-enterprise information systems, they become reluctant to switch to a company's competitors because they would incur all following costs *except*:
A. Time
B. Money
C. Innovation
D. Effort

70. *(p. 50)* According to the Timex case, Timex has discovered that with consumer demand for new features in their watches, _____ is key to the watch industry.
A. Locking-in customers
B. Creating switching costs
C. Raising barriers to entry
D. Innovation

71. *(p. 50)* An example of a firm using a strategy where they _____ would be developing corporate intranets and extranets, while drawing on their experience and previous investments in PCs, servers, and networks.
A. Leverage investment in IT
B. Creating switching costs
C. Raising barriers to entry
D. Innovation

72. *(p. 51)* A serious problem of competitive advantage is that:
A. It normally doesn't last very long and it isn't sustainable over the long term
B. Competitors figure out how it was done and do the same thing
C. A competitive advantages can become a competitive necessity
D. All of the choices are correct.

73. *(p. 51)* The term *competitive advantage* suggests a single condition where:
A. The firm is the leader in its industry.
B. The firm is making more profits than it did one year previously.
C. A firm sustains profits that exceed the average for its industry.
D. None of the choices is correct.

74. *(p. 51)* The real problem with competitive advantage is that:
A. It lasts too long.
B. It is sustainable over the long term.
C. Usually it does not last very long.
D. All of the choices are correct.

75. *(p. 53)* A customer-focused business can build customer value and loyalty by:
A. Making a loyal customer feel special with website personalization.
B. Letting customers place orders directly, or through distribution partners.
C. Letting customers check order history and delivery status.
D. All of the choices are correct.

76. *(p. 53)* A firm that focuses on customer value:
A. Recognizes that price, rather than quality, has become the primary determinant in a customer's perception of value.
B. Anticipates future customer needs and responds to customer concerns.
C. Provides better-than-average customer service.
D. None of the choices is correct.

77. *(p. 53)* A transaction database allows all of the following activities *except*:
A. Linking employees and distribution partners to customers
B. Letting customers check order history
C. Giving employees a complete view of each customer
D. None of these activities are supported by a transaction database.

78. *(p. 53)* A customer database allows all the following activities *except*:
A. Building a customer database.
B. Giving all customers a complete view of each employee.
C. Giving all employees a complete view of each customer.
D. Make loyal customers feel special with Web site personalization.

79. *(p. 54)* According to the Universal Orlando case, which of the following is *not* a way to contribute to informed decision making?
A. Thinking like their customers.
B. Focusing on the company's markets.
C. Hosting a Guitar Hero competition.
D. All of the choices are correct.

80. *(p. 54)* According to the Universal Orlando case, which of the following is *not* a way for a CIO to become market savvy?
A. Study trends relating to customers.
B. Be a smart (and inquisitive) businessperson.
C. Look for patterns.
D. Focus only on technology.

81. *(p. 55)* Which of the following is a primary business process?
A. Collaborative workflow intranet
B. Targeted marketing
C. Technology development
D. Procurement of resources

82. *(p. 56)* Business process reengineering is best defined as:
A. A key technology to reduce customer late payments
B. A radical redesign of business processes to achieve improvements in cost, quality, speed, or service
C. A key way to ensure successful improvement in processing
D. All of the choices are correct.

83. *(p. 57)* According to the Real World Case, which of the following are goals of The Magellan Program?
A. Extend CPS's networking infrastructure and build its own Wi-Fi network.
B. Stop the use of smartphones for CPS business.
C. Remove security from the CPS Wi-Fi networks.
D. None of these activities is a goal of the Magellan Program.

84. *(p. 57)* According to the Real World case, all of the following are innovative ways that CPS employees utilize their smartphones, *except*:
A. As emergency notification receivers.
B. As digital cameras at worksites.
C. As GPS tracking mechanisms.
D. As inter-office communication devices.

85. *(p. 57)* Utilization of smartphones at CPS has lead to:
A. Resolving more customer issues with fewer processes.
B. Increased time to resolve most service calls.
C. Happier suppliers.
D. The lowest score in the J.D. Power and Associates 2007 Customer Satisfaction Survey.

86. *(p. 60)* According to the textbook case, workflow:
A. is primarily a cost-saving measure.
B. is a way to make people, information, and computers work together to produce the results the business needs.
C. largely leads to things getting lost in the shuffle.
D. increases customer satisfaction at the cost of slower results.

87. *(p. 60)* Organizations are changing from a competitive environment in which mass-market products and services were standardized, long-lived, information-poor, and exchanged in one-time transactions to an environment in which companies compete globally with niche-market products and services that are

_____.
A. individualized
B. short-lived
C. exchanged on an ongoing basis with customers
D. All the choices are correct.

88. *(p. 61)* An agile company supports _____ by offering individualized products while maintaining high volumes of production.
A. high growth
B. mass customization
C. its suppliers and competitors
D. All of the choices are correct.

89. *(p. 61)* _____ agility is the ability to accomplish speed, accuracy, and cost economy in the exploitation of innovation opportunities.
A. Customer
B. Partnering
C. Operational
D. Technological

90. *(p. 62)* A virtual company:
A. Uses IT to link people, organizations, assets, and ideas.
B. Creates virtual workgroups and alliances to exploit fast-changing business opportunities.
C. Uses the Internet, intranets, and extranets to support alliances with manufacturers.
D. All of the choices are correct.

91. *(p. 63)* Which of the following is *not* a strategy of a virtual company?
A. Share infrastructure and risk with alliance partners
B. Link complementary core competencies
C. Migrate from selling products to selling solutions
D. Increase concept-to-case time

92. *(p. 64)* Explicit knowledge deals with:
A. Data, documents, and things written down or stored on computers.
B. "How-to" knowledge, which resides in workers.
C. Using data mining techniques to capture external information.
D. All of the choices are correct.

93. *(p. 64)* Accessing and retrieving documents that have been stored online is a function of _____.
A. document management
B. enterprise intelligence
C. information creation, sharing, and management
D. All of the choices are correct.

94. *(p. 65)* The goal of knowledge management systems (KMS) is to help knowledge workers _____ important business knowledge.
A. create
B. organize
C. distribute
D. All of the choices are correct.

95. *(p. 44)* A firm can survive and succeed in the long run if it successfully develops strategies to confront the five _____ forces that shape the structure of competition in its industry.
competitive

96. *(p. 48)* A _____ strategy is a competitive strategy by which a firm seeks to become a low-cost producer of products and services in the industry.
cost leadership

97. *(p. 48)* When using a(n) _____ strategy, a firm seeks to find new ways of producing or distributing its products and services that are so different from the way business has been conducted that they may alter the fundamental structure of the industry.
innovative

98. *(p. 50)* _____ are the costs in time, money, effort, and inconvenience that it would take a customer or supplier to move its business to a firm's competitors.
Switching costs

99. *(p. 50)* If a company has successfully increased the amount of investment or the complexity of the technology required to compete in an industry or a market segment, it has raised _____ that would discourage or delay other companies from entering the market.
barriers to entry

100. *(p. 51)* Although large investments in technology can create entry barriers for present or prospective players in an industry, the barriers can evaporate over time as competitors employ the new technologies. This is an example of IT becoming a competitive _____.
necessity

101. *(p. 51)* When a strategy or action becomes a(n) _____, it means that instead of creating an advantage, the strategy or action becomes necessary simply to compete and do business in the industry.
competitive necessity

102. *(p. 52)* A customer-focused business has a strategic focus on customer _____, which recognizes that quality rather than price has become the primary determinant in a customer's perception of value.
value

103. *(p. 54)* In the _____ concept, some business activities are primary processes while others are support processes.
value chain

104. *(p. 55)* According to the value chain concept, _____ processes within the organization would include human resources management and technology development.

support

105. *(p. 56)* _____ is defined as the restructuring and transforming of a business process by a fundamental rethinking and radical redesign to achieve improvements in costs, quality, speed, and service.

Reengineering

106. *(p. 56)* Many companies have found that organizational _____ approaches are an important enabler of business process re-engineering.

redesign

107. *(p. 60-61)* A(n) _____ company can make a profit in markets with broad product ranges and short model lifetimes, and it can produce orders individually and in arbitrary lot sizes.

Agile

108. *(p. 62)* A _____ company can be defined as an organization that uses telecommunications networks and other information technology to link people, assets, and ideas.
virtual

109. *(p. 62)* Virtual companies develop alliances and extranet links that form _____ information systems with suppliers, customers, subcontractors, and competitors.
interenterprise

110. *(p. 62)* People and corporations are forming virtual companies as the best way to implement key business strategies and alliances that promise to ensure success in today's turbulent _____ climate.
business

111. *(p. 64)* The concept of _____-management refers to organizing and sharing the diverse forms of business information created within an organization. This includes managing project and enterprise document libraries, discussion databases, hypermedia web site databases, and other types of knowledge bases.
knowledge

112. *(p. 64)* _____ knowledge deals with "how-to" knowledge, which resides in workers.
Tacit

113. *(p. 64)* _____ knowledge is made up of data, documents, and things written down.
Explicit

c2 Summary

Category	# of Questions
AACSB: Technology	113
Bloom: Knowledge	113
Difficulty: Easy	23
Difficulty: Hard	23
Difficulty: Medium	67
Learning Objective: 1	42
Learning Objective: 2	24
Learning Objective: 3	19
Learning Objective: 4	20
Learning Objective: 5	8
OBrien - Chapter 02	113