#### Chapter 02

### Major Business Initiatives: Gaining Competitive Advantage with IT

#### **Multiple Choice Questions**

- The path a product or service follows from the originator of the product or service to the end consumer is called \_\_\_\_\_.
  - A. inventory control
  - B. the market strategy
  - C. the distribution chain
  - D. transaction processing
- 2. Which of the following activities tracks inventory and information among business processes and across companies?
  - A. Supply chain management (SCM)
  - B. Enterprise resource management (ERM)
  - C. Business intelligence (BI)
  - D. Distribution information systems (DIS)

- 3. A supply chain management (SCM) system is an IT system that supports supply chain management activities by:
  - A. helping decision makers compile useful information to identify and solve problems and make decisions.
  - B. automating the tracking of inventory and information among business processes and across companies.
  - C. collecting, storing, modifying, and retrieving the transactions of an organization.
  - D. providing easy access to both internal and external information relevant to meeting the strategic goals of the organization.
- 4. Most large manufacturing companies use \_\_\_\_\_ processes, which ensure that the right parts are available as products in process move down the assembly line.
  - A. ready manufacturing
  - B. just-in-time manufacturing
  - C. hyper manufacturing
  - D. immediate production

- 5. Just-in-time (JIT) is:
  - A. a method for continuously improving the quality of products and processes.
  - B. a method of manufacturing where large inventories need to be maintained.
  - C. a method for producing or delivering a product or service precisely when the customer wants it.
  - D. a method that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful.
- 6. If you were to purchase a car and the assembly of that car was dictated by your requirements before it was manufactured, you would be utilizing which type of manufacturing process?
  - A. Customer-driven manufacturing
  - B. Just-in-time manufacturing
  - C. Customized construction
  - D. Transaction-based production

- 7. Which type of transportation uses multiple channels to transport products from the manufacturing location to the customer destination?
  - A. Hyper
  - B. Divergent
  - C. Inter-modal
  - D. Complex
- 8. Which of the following supply chain activities ensures that the right quantity of parts arrive at the right time for production or sale?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Fulfillment
- 9. Which of the following supply chain activities keeps the cost of transporting materials as low as possible consistent with safe and reliable delivery?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Fulfillment

- 10. Which of the following supply chain activities ensures no sales are lost because shelves are empty?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Revenue and profit
- 11. In relation to SCM, what is an information partnership?
  - A. Sharing production information with potential customers
  - B. Two or more companies cooperating by integrating their IT systems
  - C. Competitive suppliers providing production schedules to the manufacturer
  - D. Functional areas within your business sharing information

- 12. You visit your local florist to order flowers for a party you were preparing for. The florist, however, did not have the type of flower arrangement you hoped for but the florist was able to immediately find, order, and deliver this arrangement directly to your home from their supplier. What kind of relationship does this represent?
  - A. An information partnership
  - B. A collaborative business
  - C. Dynamic communication
  - D. Customer sharing
- 13. Which of the following systems uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better?
  - A. SCM
  - B. TPS
  - C. ERP
  - D. CRM

- 14. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers. What term describes this method of communication?
  - A. Inter-modal communication
  - B. Customer collaborative systems
  - C. Multi-channel service delivery
  - D. Multi-path convergence
- 15. Which of the following is a fundamental goal of CRM systems?
  - A. To produce and deliver a product or service at the time the customer wants it.
  - B. To lower the costs of maintaining inventory systems.
  - C. To manage and track customer interactions.
  - D. To continuously improve the quality of products and processes.

- 16. What is the difference between SCM and CRM?
  - A. CRM records information about products and services; SCM records information about customers.
  - B. CRM stores and processes transactional information; CRM stores and processes business intelligence.
  - C. SCM manages production and delivery information; CRM manages customer information.
  - D. CRM records and processes operational data; SCM records and processes tactical information.
- 17. One of the primary functions of CRM is the sales force automation (SFA) system. What is SFA's purpose?
  - A. To track all the steps in the sales process
  - B. To track the movements of salespeople
  - C. To track products as they move from inventory to the customer
  - D. To track the increase or decrease in sales

- 18. Which of the following CRM functions empower sales representatives with information and business intelligence focused on customer buying patterns and needs?
  - A. Customer service and support
  - **B.** Analytics
  - C. Sales force automation
  - D. Marketing campaign management
- 19. Which of the following steps is included in the sales process?
  - A. Analytics
  - B. Contact management
  - C. Customer service and support
  - D. Marketing campaign management

20. \_\_\_\_\_ are functions that support CRM after the sale.

- A. Customer service and support
- B. Analytics
- C. Sales force automation
- D. Marketing campaign management

- 21. Which of the following systems is the primary interface to customers and sales channels, typically used to support customers or sales?
  - A. Back office systems
  - B. Front office systems
  - C. Decision support systems
  - D. Executive information systems
- 22. Which systems are typically used to fulfill and support customer orders?
  - A. Back office systems
  - B. Front office systems
  - C. Side office systems
  - D. Decision support systems

- 23. What is the difference between front and back office systems?
  - A. Front office systems are external systems; back office systems are internal.
  - B. Front office systems are Web based; back office systems are built on database systems.
  - C. Front office systems process information in the beginning of a customer's transaction; back office systems process information at the end of the customer's transaction.
  - D. Front office systems focus on getting the sale; back office systems focus on follow-up.
- 24. \_\_\_\_\_ is a delivery model for software in which you pay for software on a pay-peruse basis instead of buying the software outright.
  - A. SaaS
  - B. laaS
  - C. PaaS
  - D. DSS

25. \_\_\_\_\_ was one of the first to offer SaaS for CRM software.

A. Oracle

- B. SAP
- C. Salesforce.com
- D. Microsoft

26. An enterprise resource planning (ERP) system is:

- A. a collection of integrated software for every functional area within an organization.
- B. a collaborative document management system that stores and manages documents needed by the entire organization.
- C. a database management system that maintains information on the information resources for the entire enterprise.
- D. a strategic planning methodology that promotes enterprise-wide planning rather than decentralized planning.
- 27. Which of the following is a popular ERP vendor?
  - A. Apple
  - B. SAP
  - C. Symantec
  - D. Samsung

28. MailEx is a logistics company currently in need of an ERP product for managing the firm better. Which of the following ERP vendors would best suit a logistics company like MailEx?

A. Infor

- B. Oracle/PeopleSoft
- C. SAP
- D. Microsoft
- 29. Which of the following ERP vendors is particularly used in financials?
  - A. Oracle
  - B. Infor
  - C. Microsoft
  - D. SAP
- 30. Forca, an aircraft manufacturing firm, needs an ERP product which specializes particularly in module area of manufacturing. Which of the following ERP vendors would best suit Forca?
  - A. Microsoft
  - B. Oracle/PeopleSoft
  - C. SAP
  - D. Infor

31. Allmart is a retail store chain with branches in more than 20 states in the US. They are planning to change their ERP software to a more retail management-specific one. Which of the following ERP vendors would best suit Allmart?

A. SAP

- B. Microsoft
- C. Oracle
- D. Infor
- 32. The early stage of ERP was carried out in the 1970s through a system called \_\_\_\_\_.
  - A. Customer Relationship Management (CRM)
  - B. Database Management System (DBMS)
  - C. Materials Requirement Planning (MRP)
  - D. Decision Support System (DSS)
- 33. Organizations choose and deploy ERP systems for many different benefits and reasons. Which of the following is a way that firms use to calculate such benefits?
  - A. Through CRM and SCM
  - B. Through clients and customers, who get the final benefits
  - C. Through calculation of ROI, weighted against the benefits expected
  - D. Through comparison of costs of using ERP and MRP

- 34. Qriosity Inc., a company of less than 100 seats, is in need of suitable ERP software. The company having had a long, fruitful relationship with Microsoft for more than 10 years, wants to buy a Microsoft ERP product? Which of the following is suitable ERP software for Qriosity Inc.?
  - A. Microsoft Dynamics AX
  - B. Microsoft Dynamics GP
  - C. Microsoft Dynamics SL
  - D. Microsoft Dynamics NAV
- 35. Which of the following ERP software is most suitable for Exacto, a precision instrument manufacturer with 400 seats?
  - A. Infor ERP Solution
  - B. Microsoft Dynamics AX
  - C. SAP Business One
  - D. Intuit QuickBooks Enterprise

- 36. Which of the following ERP software is most suitable for Forca, an aircraft manufacturer with more than 20000 employees?
  - A. SYSPRO
  - B. SAP Business One
  - C. Oracle ERP
  - D. Sage MAS 90 ERP
- 37. \_\_\_\_\_ is a collection of Web-based and mobile technologies that create true interactivity among users, most usually allowing users to be both creators and consumers of content.
  - A. World Wide Web
  - B. ERP
  - C. CRM
  - D. Social media
- 38. Social media is fueled by \_\_\_\_\_.
  - A. Web 2.0 technologies
  - B. CRM technologies
  - C. SCM technologies
  - D. ERP technologies

- A. is a technology that focuses on online collaboration, users as both creators and modifiers of content, dynamic and customized information feeds, and many other engaging Web-based services.
- B. is a computer network consisting of a collection of internet sites that offer text and graphics and sound and animation resources through the hypertext transfer protocol.
- C. is a reference that points to a whole document or to a specific element within a document.
- D. is a computer network consisting of a worldwide network of computer networks that use the TCP/IP network protocols to facilitate data transmission and exchange.
- 40. Which of the following is true of push and pull technologies?
  - A. The early Web was characterized by pushing static information.
  - B. In push technologies, organizations provide users with standardized information.
  - C. In pull technologies, organizations provide users with customized information based on each user's individual profile.
  - D. In pull technologies, users research, find, request, and retrieve the information they want.

- 41. Which of the following is a social networking site?
  - A. Yahoo
  - B. Wikipedia
  - C. MySpace
  - D. IMDB
- 42. \_\_\_\_\_ is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.
  - A. Huddle
  - B. A tweet
  - C. Sparks
  - D. A Circle
- 43. \_\_\_\_\_ is the professional equivalent of Facebook.
  - A. Google+
  - B. Orkut
  - C. LinkedIn
  - D. MySpace

44. Which of the following is a popular social shopping service?

A. Orkut

B. Bartab

- C. Youtube
- D. BBC
- 45. Games where thousands or millions of people play and interact in a robust virtual world are known as \_\_\_\_.
  - A. social networking
  - B. social shopping
  - C. MMORPGs
  - D. multi-player gaming
- 46. Which of the following is a popular MMORPG?
  - A. Youtube
  - B. Google+
  - C. Groupon
  - D. World of Warcraft

- 47. All organizations are seeking ways to build sustainable practices and processes that address the needs of the three Ps. What are the three Ps?
  - A. People, Plant, and Profit
  - B. Price, Promotion, and Place
  - C. Practicality, PR, and company Position
  - D. Promotion, PR, and People
- 48. \_\_\_\_\_ is the use of a mobile device and its location to check into locations such as businesses and entertainment venues, find friends and their locations, and receive rewards and take advantage of "specials" based on location.
  - A. MMORPG
  - B. Social locationing
  - C. Mobile locationing
  - D. Social gaming
- 49. Which of the following Google products is a social locationing system?
  - A. Google Maps
  - B. Google Plus
  - C. Google Latitude
  - D. Google Chat

50. \_\_\_\_\_ is the most popular social locationing system.

- A. Geologi
- B. Facebook Places
- C. Gowalla
- D. Foursquare

### True / False Questions

51. The distribution chain is simply the path followed from the distributor of a product or service to the end consumer.

True False

52. A supply chain management system automates inventory tracking but still requires that information be transferred manually.

True False

53. Too many products on hand means that too much money is tied up in inventory and it increases the risk of obsolescence.

54. Domestic supply chains rarely use inter-modal transportation.

True False

55. Lower costs in the supply chain lead to increase in market share and top-line revenue.

True False

56. Revenue and profit are optimized by a well-designed supply chain management.

True False

57. Information partnership occurs when all functional areas in a company cooperate by integrating their IT systems.

True False

58. Information partnerships require the integration of IT systems from two or more independent companies.

True False

59. A CRM system uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better.

60. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers. This approach is known as multi-channel service delivery.

True False

61. Customer relationship management is simply a collection of software.

True False

62. It is far more expensive to retain an existing customer than it is to acquire a new customer.

True False

63. Customer service and support functions are multi-channel.

True False

64. Analytics are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

True False

65. Both the front office and the back office systems send customer information to the corporate database.

66. Software-as-a-service (SaaS) is a delivery model in which you buy the software outright.

True False

67. All the associated costs of having software in-house represent variable costs.

True False

68. An ERP system includes all technology systems and software in your organization.

True False

69. Financial strength for research and development is considered one of the major vendor qualities for ERP product selection and implementation.

True False

70. CRM was a precursor technology to ERP.

True False

71. An ERP system represents a massive, long-term business investment in a software system with a single focus; such systems are often brittle, slow, and nonextensible.

72. An ERP system is required to have a decentralized database that organizes and manages information.

True False

73. ERP systems can improve organizations' functionalities in a single day.

True False

74. ERP systems are expected to improve both back-office and front-office functions simultaneously.

True False

75. Social media is fueled by Web 1.0 technologies.

True False

76. In pull technologies, users research, find, request, and retrieve the information they want.

True False

77. You can post information about yourself on Facebook.

78. Google+ is Google's answer to Facebook.

True False

79. Facebook is used to share your professional life and LinkedIn is used to share your personal life.

True False

80. World of Warcraft and Second Life are two well-known examples of MMORPGs.

True False

81. Second Life is a game in which you can live a virtual life.

True False

82. Zynga is a social network game developer.

True False

83. Promotion, PR, and People are considered to be the three pillars of sustainability.

84. Social locationing is the use of a mobile device and its location to check into locations.

True False

85. Google Latitude is the most popular location-based service.

True False

86. You can use social media to gather information on potential colleges and universities to attend.

True False

### Fill in the Blank Questions

87. A(n) \_\_\_\_\_ is simply the path a product or service follows from the originator of the product or service to the end consumer.

<sup>88.</sup> \_\_\_\_\_ tracks inventory and information among business processes and across companies.

- 89. A supply chain management system automates the tracking of \_\_\_\_\_ and information among business processes and across companies.
- 90. \_\_\_\_\_ is a method for producing or delivering a product or service at the time the customer wants it.
- 91. \_\_\_\_\_ is the use of multiple channels of transportation used to move products from their source to the customer.
- 92. \_\_\_\_\_ refers to ensuring that the right quantity of parts for production or products for sale arrive at the right time.
- 93. \_\_\_\_\_ refers to keeping the costs of transportation as low as possible and consistent with safe and reliable delivery.

94. \_\_\_\_\_ and \_\_\_\_\_ refer to ensuring that no sales are lost because sales are empty.

95. \_\_\_\_\_ and \_\_\_\_\_ refer to keeping the cost of purchased parts and products at acceptable levels.

96. \_\_\_\_\_ occurs when two or more companies cooperate by integrating their IT systems.

97. \_\_\_\_\_ is a total business objective which encompasses many different aspects of a business including software, hardware, services, support, and strategic business goals.

98. \_\_\_\_\_ is the term that describes a company's offering multiple ways in which customers can interact with it.

99. A fundamental goal of a CRM system is the management and tracking of all \_\_\_\_\_.

100.A(n) \_\_\_\_\_ system automatically tracks all the steps in the sales process.

101.In the automotive retail industry, it is far more \_\_\_\_\_ to acquire a new customer than it is to retain an existing customer.

102.Customer service and support functions are definitely \_\_\_\_\_, attempting to meet the service needs of customers by phone, e-mail, Web, text message, Facebook presence, etc.

103.\_\_\_\_ are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

104.A(n) \_\_\_\_\_ system serves as the primary interface for customers and the sales process.

105.A(n) \_\_\_\_\_ system is used to fulfill and support customer orders.

106.\_\_\_\_\_ is a delivery model for software in which you pay for software on a pay-peruse basis instead of buying the software outright.

107.All the associated costs of having software in-house represent \_\_\_\_\_ costs.

108.A(n) \_\_\_\_\_ system is a collection of integrated software for business management, accounting, finance, human resources management, project management, inventory management, service and maintenance, transportation, e-business, supply chain management, customer relationship management, and e-collaboration.

109.Each vendor, for historical reasons, has a specialty in one particular module area such as SAP in \_\_\_\_\_.

110. The early stage of ERP was carried out in the 1970s through a system called \_\_\_\_\_.

- 111. \_\_\_\_\_ systems crossed the boundaries of the production functionality and started serving as decision support systems (DSS) as well as executive information systems (EIS).
- 112.A(n) \_\_\_\_\_ represents a massive, long-term business investment in a software system with a single focus.

113.An ERP system is required to have a \_\_\_\_\_ database that organizes and manages information.

114.\_\_\_\_\_ is a collection of Web-based and mobile technologies that create true interactivity among users.

115.Social media is fueled by \_\_\_\_\_ technologies.

- 116.A \_\_\_\_\_ is a site on which you post information about yourself, create a network of friends, read about other people, share content such as photos and videos, and communicate with people.
- 117.A(n) \_\_\_\_\_ is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.

118.\_\_\_\_\_ is the professional equivalent of Facebook.

119.\_\_\_\_ are games in which thousands to millions of people play and interact in a robust virtual world.

120.All organizations seek ways to build sustainable practices and processes that address the needs of the three Ps: \_\_\_\_, \_\_\_, and \_\_\_\_.

121.\_\_\_\_\_ is the use of a mobile device and its location, as determined by GPS, to check into locations.

# Chapter 02 Major Business Initiatives: Gaining Competitive Advantage with IT Answer Key

## **Multiple Choice Questions**

- The path a product or service follows from the originator of the product or service to the end consumer is called \_\_\_\_.
  - A. inventory control
  - B. the market strategy
  - $\underline{\textbf{C.}}$  the distribution chain
  - D. transaction processing

A distribution chain is simply the path a product or service follows from the originator of the product or service to the end consumer.

AACSB: Analytic Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

- 2. Which of the following activities tracks inventory and information among business processes and across companies?
  - A. Supply chain management (SCM)
  - B. Enterprise resource management (ERM)
  - C. Business intelligence (BI)
  - D. Distribution information systems (DIS)

Supply chain management (SCM) tracks inventory and information among business processes and across companies.

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- 3. A supply chain management (SCM) system is an IT system that supports supply chain management activities by:
  - A. helping decision makers compile useful information to identify and solve problems and make decisions.
  - <u>B.</u> automating the tracking of inventory and information among business processes and across companies.
  - C. collecting, storing, modifying, and retrieving the transactions of an organization.
  - D. providing easy access to both internal and external information relevant to meeting the strategic goals of the organization.

A supply chain management (SCM) system is an IT system that supports supply chain management activities by automating the tracking of inventory and information among business processes and across companies.

- 4. Most large manufacturing companies use \_\_\_\_\_ processes, which ensure that the right parts are available as products in process move down the assembly line.
  - A. ready manufacturing
  - **B.** just-in-time manufacturing
  - C. hyper manufacturing
  - D. immediate production

Most large manufacturing companies use just-in-time manufacturing processes, which ensure that the right parts are available as products in process move down the assembly line.

## 5. Just-in-time (JIT) is:

- A. a method for continuously improving the quality of products and processes.
- B. a method of manufacturing where large inventories need to be maintained.
- <u>C.</u> a method for producing or delivering a product or service precisely when the customer wants it.
- D. a method that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful.

Just-in-time (JIT) is a method for producing or delivering a product or service just at the time the customer wants it.

- 6. If you were to purchase a car and the assembly of that car was dictated by your requirements before it was manufactured, you would be utilizing which type of manufacturing process?
  - A. Customer-driven manufacturing
  - B. Just-in-time manufacturing
  - C. Customized construction
  - D. Transaction-based production

Most large manufacturing companies use just-in-time manufacturing processes, which ensure that the right parts are available as products in process move down the assembly line. Just-in-time (JIT) is a method for producing or delivering a product or service just at the time the customer wants it.

AACSB: Reflective Thinking AACSB: Technology Blooms: Apply Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 3 Haro Topic: Supply Chain Management

- 7. Which type of transportation uses multiple channels to transport products from the manufacturing location to the customer destination?
  - A. Hyper
  - B. Divergent
  - <u>C.</u> Inter-modal
  - D. Complex

Inter-modal transportation is the use of multiple channels of transportation railway, truck, boat, and so on—to move products from origin to destination.

- 8. Which of the following supply chain activities ensures that the right quantity of parts arrive at the right time for production or sale?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Fulfillment

Fulfillment ensures that the right quantity of parts for production or products for sale, arrive at the right time.

- 9. Which of the following supply chain activities keeps the cost of transporting materials as low as possible consistent with safe and reliable delivery?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Fulfillment

Logistics keeps the cost of transporting materials as low as possible consistent with safe and reliable delivery.

- 10. Which of the following supply chain activities ensures no sales are lost because shelves are empty?
  - A. Logistics
  - B. Production
  - C. Cost and Price
  - D. Revenue and profit

Revenue and profit ensures no sales are lost because shelves are empty.

- 11. In relation to SCM, what is an information partnership?
  - A. Sharing production information with potential customers
  - **<u>B.</u>** Two or more companies cooperating by integrating their IT systems
  - C. Competitive suppliers providing production schedules to the manufacturer
  - D. Functional areas within your business sharing information

Information partnership refers to two or more companies cooperating by integrating their IT systems, thereby providing customers with the best of what each can offer.

- 12. You visit your local florist to order flowers for a party you were preparing for. The florist, however, did not have the type of flower arrangement you hoped for but the florist was able to immediately find, order, and deliver this arrangement directly to your home from their supplier. What kind of relationship does this represent?
  - A. An information partnership
  - B. A collaborative business
  - C. Dynamic communication
  - D. Customer sharing

Information partnership refers to two or more companies cooperating by integrating their IT systems, thereby providing customers with the best of what each can offer.

- 13. Which of the following systems uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better?
  - A. SCM
  - B. TPS
  - C. ERP
  - <u>D.</u> CRM

A customer relationship management (CRM) system uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better.

- 14. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers. What term describes this method of communication?
  - A. Inter-modal communication
  - B. Customer collaborative systems
  - C. Multi-channel service delivery
  - D. Multi-path convergence

Multi-channel service delivery is the term that describes a company's offering multiple ways in which customers can interact with it. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers.

- 15. Which of the following is a fundamental goal of CRM systems?
  - A. To produce and deliver a product or service at the time the customer wants it.
  - B. To lower the costs of maintaining inventory systems.
  - <u>C.</u> To manage and track customer interactions.
  - D. To continuously improve the quality of products and processes.

A fundamental goal of a CRM system is the management and tracking of all customer interactions. The communications within the various channels must be organized and carefully recorded for each customer.

- 16. What is the difference between SCM and CRM?
  - A. CRM records information about products and services; SCM records information about customers.
  - B. CRM stores and processes transactional information; CRM stores and processes business intelligence.
  - <u>C.</u> SCM manages production and delivery information; CRM manages customer information.
  - D. CRM records and processes operational data; SCM records and processes tactical information.

A supply chain management (SCM) system is an IT system that supports supply chain management activities by automating the tracking of inventory and information among business processes and across companies. A customer relationship management (CRM) system uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better.

AACSB: Technology Blooms: Create Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 3 Haro Topic: Customer Relationship Management

- 17. One of the primary functions of CRM is the sales force automation (SFA) system.What is SFA's purpose?
  - A. To track all the steps in the sales process
  - B. To track the movements of salespeople
  - C. To track products as they move from inventory to the customer
  - D. To track the increase or decrease in sales

Sales force automation (SFA) systems automatically track all the steps in the sales process.

- 18. Which of the following CRM functions empower sales representatives with information and business intelligence focused on customer buying patterns and needs?
  - A. Customer service and support
  - B. Analytics
  - C. Sales force automation
  - D. Marketing campaign management

SFA systems empower sales representatives with information and business intelligence focused on customer buying patterns and needs. They help people at all levels of the organization to forecast future sales.

- 19. Which of the following steps is included in the sales process?
  - A. Analytics
  - B. Contact management
  - C. Customer service and support
  - D. Marketing campaign management

Sales force automation (SFA) systems automatically track all the steps in the sales process. The sales process contains many steps, including contact management, sales lead tracking, sales forecasting and order management, and product knowledge.

- 20. \_\_\_\_\_ are functions that support CRM after the sale.
  - A. Customer service and support
  - B. Analytics
  - C. Sales force automation
  - D. Marketing campaign management

Customer service and support are functions that support CRM after the sale. These vitally important subsystems of a CRM system enable businesses to provide prompt and effective customer service and accurate and timely product support. Customer service and support functions are definitely multi-channel, attempting to meet the service needs of customers by phone, e-mail, Web, text message, Facebook presence, and so on.

- 21. Which of the following systems is the primary interface to customers and sales channels, typically used to support customers or sales?
  - A. Back office systems
  - **<u>B.</u>** Front office systems
  - C. Decision support systems
  - D. Executive information systems

The front office systems are the primary interface to customers and sales channels; they send all the customer information they collect to the database.

- 22. Which systems are typically used to fulfill and support customer orders?
  - A. Back office systems
  - B. Front office systems
  - C. Side office systems
  - D. Decision support systems

The back office systems are used to fulfill and support customer orders and they also send all their customer information to the database.

- 23. What is the difference between front and back office systems?
  - A. Front office systems are external systems; back office systems are internal.
  - B. Front office systems are Web based; back office systems are built on database systems.
  - <u>C.</u> Front office systems process information in the beginning of a customer's transaction; back office systems process information at the end of the customer's transaction.
  - D. Front office systems focus on getting the sale; back office systems focus on follow-up.

The front office systems are the primary interface to customers and sales channels; they send all the customer information they collect to the database. The back office systems are used to fulfill and support customer orders and they also send all their customer information to the database. The CRM system analyzes and distributes the customer information and provides the organization with a complete view of each customer's experience with the business.

24. \_\_\_\_\_ is a delivery model for software in which you pay for software on a payper-use basis instead of buying the software outright.

<u>A.</u> SaaS

- B. laaS
- C. PaaS
- D. DSS

Software-as-a-service (SaaS) is a delivery model for software in which you pay for software on a pay-per-use basis instead of buying the software outright.

- 25. \_\_\_\_\_ was one of the first to offer SaaS for CRM software.
  - A. Oracle
  - B. SAP
  - <u>C.</u> Salesforce.com
  - D. Microsoft

Salesforce.com was one of the first to offer such a model as SaaS for CRM software, as was NetSuite.

- 26. An enterprise resource planning (ERP) system is:
  - <u>A.</u> a collection of integrated software for every functional area within an organization.
  - B. a collaborative document management system that stores and manages documents needed by the entire organization.
  - C. a database management system that maintains information on the information resources for the entire enterprise.
  - D. a strategic planning methodology that promotes enterprise-wide planning rather than decentralized planning.

An enterprise resource planning (ERP) system is a collection of integrated software for business management, accounting, finance, human resources management, project management, inventory management, service and maintenance, transportation, e-business, supply chain management, customer relationship management, and e-collaboration.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

- 27. Which of the following is a popular ERP vendor?
  - A. Apple
  - B. SAP
  - C. Symantec
  - D. Samsung

The dominating ERP software suppliers are SAP, Oracle/PeopleSoft, Infor, and Microsoft.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

- 28. MailEx is a logistics company currently in need of an ERP product for managing the firm better. Which of the following ERP vendors would best suit a logistics company like MailEx?
  - A. Infor
  - B. Oracle/PeopleSoft
  - <u>C.</u> SAP
  - D. Microsoft

Each vendor has a specialty in one particular module area such as SAP has in logistics.

AACSB: Reflective Thinking AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together 29. Which of the following ERP vendors is particularly used in financials?

A. Oracle

- B. Infor
- ${\sf C}. \ {\sf Microsoft}$
- D. SAP

Each vendor has a specialty in one particular module area such as Oracle/PeopleSoft in financials.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

- 30. Forca, an aircraft manufacturing firm, needs an ERP product which specializes particularly in module area of manufacturing. Which of the following ERP vendors would best suit Forca?
  - A. Microsoft
  - B. Oracle/PeopleSoft
  - C. SAP
  - <u>D.</u> Infor

Each vendor has a specialty in one particular module area such as Infor in manufacturing.

AACSB: Reflective Thinking AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 31. Allmart is a retail store chain with branches in more than 20 states in the US. They are planning to change their ERP software to a more retail managementspecific one. Which of the following ERP vendors would best suit Allmart?
  - A. SAP
  - **<u>B.</u>** Microsoft
  - C. Oracle
  - D. Infor

Each vendor has a specialty in one particular module area such as SAP in logistics, Oracle/PeopleSoft in financials, Infor in manufacturing, and Microsoft in retail management.

AACSB: Reflective Thinking AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 32. The early stage of ERP was carried out in the 1970s through a system called
  - A. Customer Relationship Management (CRM)
  - B. Database Management System (DBMS)
  - C. Materials Requirement Planning (MRP)
  - D. Decision Support System (DSS)

The early stage of ERP was carried out in the 1970s through a system called Materials Requirement Planning (MRP). The focus of the MRP software was on internal production planning, calculating time requirements components, procurement, and materials planning.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

- 33. Organizations choose and deploy ERP systems for many different benefits and reasons. Which of the following is a way that firms use to calculate such benefits?
  - A. Through CRM and SCM
  - B. Through clients and customers, who get the final benefits
  - C. Through calculation of ROI, weighted against the benefits expected
  - D. Through comparison of costs of using ERP and MRP

Organizations choose and deploy ERP systems for many different benefits and reasons. In many cases the calculation of return on investment (ROI) is weighted against the many benefits expected.

AACSB: Technology Blooms: Understana Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 34. Qriosity Inc., a company of less than 100 seats, is in need of suitable ERP software. The company having had a long, fruitful relationship with Microsoft for more than 10 years, wants to buy a Microsoft ERP product? Which of the following is suitable ERP software for Qriosity Inc.?
  - A. Microsoft Dynamics AX
  - B. Microsoft Dynamics GP
  - C. Microsoft Dynamics SL
  - D. Microsoft Dynamics NAV

Suitable ERP software for small businesses (with less than 100 seats) are: Microsoft Dynamics SL, SAP Business One, Sage ERP X3, Exact Software EXACT ONLINE Solution, and Intuit QuickBooks Enterprise.

AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 35. Which of the following ERP software is most suitable for Exacto, a precision instrument manufacturer with 400 seats?
  - A. Infor ERP Solution
  - B. Microsoft Dynamics AX
  - C. SAP Business One
  - D. Intuit QuickBooks Enterprise

Suitable ERP software for medium businesses (with 100-500 seats) are Microsoft Dynamics GP or NAV, SAP Business All-In-One, Infor ERP Solution, Epicor ERP Solution for Mid-Sized Businesses, SYSPRO, and Sage MAS 90 ERP, MAS 200 ERP, or Accpac Extended Enterprise Suite.

AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 36. Which of the following ERP software is most suitable for Forca, an aircraft manufacturer with more than 20000 employees?
  - A. SYSPRO
  - B. SAP Business One
  - C. Oracle ERP
  - D. Sage MAS 90 ERP

Microsoft Dynamics AX, Oracle, SAP, and Agresso Business World ERP Solution are some of the most suitable ERP products for large businesses with more than 500 seats.

AACSB: Technology Blooms: Apply Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

- 37. \_\_\_\_\_ is a collection of Web-based and mobile technologies that create true interactivity among users, most usually allowing users to be both creators and consumers of content.
  - A. World Wide Web
  - B. ERP
  - C. CRM
  - D. Social media

Social media is a collection of Web-based and mobile technologies that create true interactivity among users, most usually allowing users to be both creators and consumers of content.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

- 38. Social media is fueled by \_\_\_\_.
  - A. Web 2.0 technologies
  - B. CRM technologies
  - C. SCM technologies
  - D. ERP technologies

Social media is fueled by Web 2.0 technologies.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

- <u>A.</u> is a technology that focuses on online collaboration, users as both creators and modifiers of content, dynamic and customized information feeds, and many other engaging Web-based services.
- B. is a computer network consisting of a collection of internet sites that offer text and graphics and sound and animation resources through the hypertext transfer protocol.
- C. is a reference that points to a whole document or to a specific element within a document.
- D. is a computer network consisting of a worldwide network of computer networks that use the TCP/IP network protocols to facilitate data transmission and exchange.

Social media is fueled by Web 2.0 technologies. The Web 2.0 is the so-called second generation of the Web and focuses on online collaboration, users as both creators and modifiers of content, dynamic and customized information feeds, and many other engaging Web-based services.

- 40. Which of the following is true of push and pull technologies?
  - A. The early Web was characterized by pushing static information.
  - B. In push technologies, organizations provide users with standardized information.
  - C. In pull technologies, organizations provide users with customized information based on each user's individual profile.
  - <u>D.</u> In pull technologies, users research, find, request, and retrieve the information they want.

Pull technology users research, find, request, and retrieve the information they want. In push technology, organizations provide users with customized, personalized, and timely information based on each user's individual profile.

- 41. Which of the following is a social networking site?
  - A. Yahoo
  - B. Wikipedia
  - C. MySpace
  - D. IMDB

A social networking site is a site on which you post information about yourself, create a network of friends, read about other people, share content such as photos and videos, and communicate with people. (Example: Facebook, LinkedIn, MySpace, etc.)

- 42. \_\_\_\_\_ is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.
  - A. Huddle
  - <u>B.</u> A tweet
  - C. Sparks
  - D. A Circle

A "tweet" is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.

- 43. \_\_\_\_\_ is the professional equivalent of Facebook.
  - A. Google+
  - B. Orkut
  - <u>C.</u> LinkedIn
  - D. MySpace

LinkedIn is the professional equivalent of Facebook.

AACSB: Technology Blooms: Understana Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

44. Which of the following is a popular social shopping service?

- A. Orkut
- **B.** Bartab
- C. Youtube
- D. BBC

Bartab, an initiative of Webtab, offers a service for purchasing an alcoholic drink for a person at a bar or restaurant. *Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 2 Medium Topic: Social Media* 

- 45. Games where thousands or millions of people play and interact in a robust virtual world are known as \_\_\_\_.
  - A. social networking
  - B. social shopping
  - C. MMORPGs
  - D. multi-player gaming

MMORPGs, or massively multiplayer online role-playing games are games in which thousands or perhaps millions of people play and interact in a robust virtual world.

- 46. Which of the following is a popular MMORPG?
  - A. Youtube
  - B. Google+
  - C. Groupon
  - D. World of Warcraft

World of Warcraft and Second Life are two well-known examples of MMORPGs.

- 47. All organizations are seeking ways to build sustainable practices and processes that address the needs of the three Ps. What are the three Ps?
  - A. People, Plant, and Profit
  - B. Price, Promotion, and Place
  - C. Practicality, PR, and company Position
  - D. Promotion, PR, and People

All organizations are seeking ways to build sustainable practices and processes that address the needs of the three Ps: People, Plant, and Profit. These are the "triple" in triple-bottom-line and considered to be the three pillars of sustainability.

- 48. \_\_\_\_\_ is the use of a mobile device and its location to check into locations such as businesses and entertainment venues, find friends and their locations, and receive rewards and take advantage of "specials" based on location.
  - A. MMORPG
  - B. Social locationing
  - C. Mobile locationing
  - D. Social gaming

Also called location-based services, social locationing is the use of a mobile device and its location (as determined by GPS) to check into locations such as businesses and entertainment venues, find friends and their locations, and receive rewards and take advantage of "specials" based on location.

- 49. Which of the following Google products is a social locationing system?
  - A. Google Maps
  - B. Google Plus
  - <u>C.</u> Google Latitude
  - D. Google Chat

Popular social locationing systems include Geoloqi, Facebook Places, SCVNGR, Google Latitude, Foursquare, and Gowalla.

AACSB: Technology Blooms: Understana Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 2 Medium Topic: Social Media

50. \_\_\_\_\_ is the most popular social locationing system.

- A. Geologi
- B. Facebook Places
- C. Gowalla
- <u>D.</u> Foursquare

Foursquare is the most popular social locationing system.

AACSB: Technology Blooms: Remember *Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media* 

# True / False Questions

51. The distribution chain is simply the path followed from the distributor of a product or service to the end consumer.

# FALSE

A distribution chain is simply the path a product or service follows from the originator of the product or service to the end consumer.

52. A supply chain management system automates inventory tracking but still requires that information be transferred manually.

### FALSE

A supply chain management (SCM) system is an IT system that supports supply chain management activities by automating the tracking of inventory and information among business processes and across companies.

AACSB: Technology Blooms: Understana Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 2 Medium Topic: Supply Chain Management

53. Too many products on hand means that too much money is tied up in inventory and it increases the risk of obsolescence.

### TRUE

Too many products on hand means that too much money is tied up in inventory and also increases the risk of obsolescence.

54. Domestic supply chains rarely use inter-modal transportation.

### FALSE

Even purely domestic supply chains often employ inter-modal transportation such as railway lines and carrier trucks.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

55. Lower costs in the supply chain lead to increase in market share and top-line revenue.

### TRUE

Lower costs in the supply chain lead to lower prices for consumers, which in turn increase market share and top-line revenue.

56. Revenue and profit are optimized by a well-designed supply chain management.

#### TRUE

A well-designed supply chain management optimizes revenue and profit by ensuring no sales are lost because shelves are empty.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

57. Information partnership occurs when all functional areas in a company cooperate by integrating their IT systems.

#### FALSE

Information partnership occurs when two or more companies cooperate by integrating their IT systems, thereby providing customers with the best of what each can offer.

58. Information partnerships require the integration of IT systems from two or more independent companies.

### <u>TRUE</u>

Information partnership occurs when two or more companies cooperate by integrating their IT systems, thereby providing customers with the best of what each can offer. Such an arrangement is enabled through IT.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

59. A CRM system uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better.

### TRUE

A customer relationship management (CRM) system uses information about customers to gain insights into their needs, wants, and behaviors in order to serve them better.

60. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers. This approach is known as multi-channel service delivery.

## TRUE

Multi-channel service delivery is the term that describes a company's offering multiple ways in which customers can interact with it. E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

61. Customer relationship management is simply a collection of software.

### FALSE

CRM is not just software. It is a total business objective which encompasses many different aspects of a business including software, hardware, services, support, and strategic business goals.

62. It is far more expensive to retain an existing customer than it is to acquire a new customer.

### FALSE

It is far more expensive to acquire a new customer than it is to retain an existing customer, especially in the automotive retail industry.

AACSB: Analytic Blooms: Understana Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 2 Medium Topic: Customer Relationship Management

63. Customer service and support functions are multi-channel.

### TRUE

Customer service and support functions are definitely multi-channel, attempting to meet the service needs of customers by phone, e-mail, Web, text message, Facebook presence, and so on.

64. Analytics are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

#### TRUE

Analytics are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

65. Both the front office and the back office systems send customer information to the corporate database.

### <u>TRUE</u>

The front office systems are the primary interface to customers and sales channels; they send all the customer information they collect to the database. The back office systems are used to fulfill and support customer orders and they also send all their customer information to the database.

66. Software-as-a-service (SaaS) is a delivery model in which you buy the software outright.

### FALSE

Software-as-a-service (SaaS) is a delivery model for software in which you pay for software on a pay-per-use basis instead of buying the software outright.

AACSB: Technology Blooms: Understana Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 2 Medium Topic: Customer Relationship Management

67. All the associated costs of having software in-house represent variable costs.

#### FALSE

All the associated costs of having software in-house—hardware infrastructure, training, maintenance, security, tech support, and the like—represent fixed costs.

68. An ERP system includes all technology systems and software in your organization.

#### TRUE

An enterprise resource planning (ERP) system is a collection of integrated software for all business functions. Hence, an ERP system includes all technology systems and software in your organization.

AACSB: Technology Blooms: Understana Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

69. Financial strength for research and development is considered one of the major vendor qualities for ERP product selection and implementation.

#### TRUE

Long-term vision, commitment to service and support, specialty features, experience, and financial strength for research and development are considered the major vendor qualities for product selection and implementation.

AACSB: Technology Blooms: Understana Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together 70. CRM was a precursor technology to ERP.

## FALSE

The early stage of ERP was carried out in the 1970s through a system called Materials Requirement Planning (MRP).

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

71. An ERP system represents a massive, long-term business investment in a software system with a single focus; such systems are often brittle, slow, and nonextensible.

### FALSE

A legacy information system (LIS) represents a massive, long-term business investment in a software system with a single focus; such systems are often brittle, slow, and nonextensible.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together 72. An ERP system is required to have a decentralized database that organizes and manages information.

# FALSE

An ERP system is required to have a centralized database that organizes and manages information.

AACSB: Technology Blooms: Understana Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together

73. ERP systems can improve organizations' functionalities in a single day.

# <u>FALSE</u>

ERP systems cannot improve organizations' functionalities overnight. The high expectation of achieving cost savings (below-the-line initiative) and service improvements (leading to above-the-line revenue increases) is very much dependent on how good the chosen ERP system fits the organizational functionalities and how well the tailoring and configuration process of the system matches with the business culture, the IT culture, the strategy, and the structure of the organization. Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

74. ERP systems are expected to improve both back-office and front-office functions simultaneously.

# TRUE

The high expectation of achieving cost savings (below-the-line initiative) and service improvements (leading to above-the-line revenue increases) is very much dependent on how good the chosen ERP system fits the organizational functionalities and how well the tailoring and configuration process of the system matches with the business culture, the IT culture, the strategy, and the structure of the organization. Overall, an ERP system is expected to improve both back-office and front-office functions simultaneously.

AACSB: Technology Blooms: Understana Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 2 Medium Topic: Enterprise Resource Planning-Bringing IT All Together 75. Social media is fueled by Web 1.0 technologies.

#### FALSE

Social media is fueled by Web 2.0 technologies.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

76. In pull technologies, users research, find, request, and retrieve the information they want.

### TRUE

In pull technologies, users research, find, request, and retrieve the information they want.

77. You can post information about yourself on Facebook.

#### TRUE

A social networking site is a site on which you post information about yourself, create a network of friends, read about other people, share content such as photos and videos, and communicate with people.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

78. Google+ is Google's answer to Facebook.

#### TRUE

Google announced its rival to the popular social networking site, Facebook, called Google+.

79. Facebook is used to share your professional life and LinkedIn is used to share your personal life.

### FALSE

The only real legitimate competitor to Facebook is LinkedIn. LinkedIn is the professional equivalent of Facebook. While you use Facebook to share your personal life, you would use LinkedIn to share your professional life.

AACSB: Technology Blooms: Understana Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

80. World of Warcraft and Second Life are two well-known examples of MMORPGs.

### <u>TRUE</u>

MMORPGs or massively multiplayer online role-playing games are games in which thousands or perhaps millions of people play and interact in a robust virtual world. World of Warcraft and Second Life are two well-known examples.

81. Second Life is a game in which you can live a virtual life.

### <u>FALSE</u>

Second Life isn't a game but rather a virtual world in which you can live a virtual life. You have an avatar. You can buy and sell property, both residential and commercial. You can open a business to sell products and services.

AACSB: Technology Blooms: Understana Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 2 Medium Topic: Social Media

82. Zynga is a social network game developer.

### TRUE

Like World of Warcraft, Second Life, and most other social gaming environments, each of Zynga's games offers a virtual world, complete with an economy for buying, selling, and trading virtual goods.

83. Promotion, PR, and People are considered to be the three pillars of sustainability.

#### FALSE

All organizations are seeking ways to build sustainable practices and processes that address the needs of the three Ps: People, Plant, and Profit. These are the "triple" in triple-bottom-line and considered to be the three pillars of sustainability.

AACSB: Technology Blooms: Understana Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 2 Medium Topic: Social Media

84. Social locationing is the use of a mobile device and its location to check into locations.

### TRUE

Also called location-based services, social locationing is the use of a mobile device and its location (as determined by GPS) to check into locations such as businesses and entertainment venues, find friends and their locations, and receive rewards and take advantage of "specials" based on location.

software systems. Level of Difficulty: 1 Easy Topic: Social Media

85. Google Latitude is the most popular location-based service.

#### FALSE

Foursquare is the most popular location-based service.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

86. You can use social media to gather information on potential colleges and universities to attend.

### TRUE

One can use social media to gather information on potential colleges and universities to attend.

# Fill in the Blank Questions

87. A(n) \_\_\_\_\_ is simply the path a product or service follows from the originator of the product or service to the end consumer.

## distribution chain

A distribution chain is simply the path a product or service follows from the originator of the product or service to the end consumer.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

tracks inventory and information among business processes and across companies.

# Supply chain management

Supply chain management (SCM) tracks inventory and information among business processes and across companies.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. 89. A supply chain management system automates the tracking of \_\_\_\_\_ and information among business processes and across companies.

#### inventory

A supply chain management (SCM) system is an IT system that supports supply chain management activities by automating the tracking of inventory and information among business processes and across companies.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

90. \_\_\_\_\_ is a method for producing or delivering a product or service at the time the customer wants it.

### Just-in-time

Just-in-time (JIT) is a method for producing or delivering a product or service just at the time the customer wants it.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. 91. \_\_\_\_\_ is the use of multiple channels of transportation used to move products from their source to the customer.

#### Inter-modal transportation

Inter-modal transportation is the use of multiple channels of transportation railway, truck, boat, and so on—to move products from origin to destination.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

92. \_\_\_\_\_ refers to ensuring that the right quantity of parts for production or products for sale arrive at the right time.

#### Fulfillment

Fulfillment ensures that the right quantity of parts for production or products for sale arrive at the right time.

93. \_\_\_\_\_ refers to keeping the costs of transportation as low as possible and consistent with safe and reliable delivery.

#### Logistics

Logistics keeps the cost of transporting materials as low as possible consistent with safe and reliable delivery.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

94. \_\_\_\_\_ and \_\_\_\_\_ refer to ensuring that no sales are lost because sales are empty.

#### Revenue; profit

Revenue and profit ensure that no sales are lost because shelves are empty.

95. \_\_\_\_\_ and \_\_\_\_\_ refer to keeping the cost of purchased parts and products at acceptable levels.

#### Cost; price

Cost and price keep the cost of purchased parts and prices of products at acceptable levels.

AACSB: Technology Blooms: Remember Learning Objective: 02-01 Define supply chain management (SCM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Supply Chain Management

96. \_\_\_\_\_ occurs when two or more companies cooperate by integrating their IT systems.

#### Information partnership

Information partnership occurs when two or more companies cooperate by integrating their IT systems, thereby providing customers with the best of what each can offer.

97. \_\_\_\_\_ is a total business objective which encompasses many different aspects of a business including software, hardware, services, support, and strategic business goals.

### Customer relationship management (CRM)

It's important to note that CRM is not just the software. It is a total business objective which encompasses many different aspects of a business including software, hardware, services, support, and strategic business goals.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

98. \_\_\_\_\_ is the term that describes a company's offering multiple ways in which customers can interact with it.

### Multi-channel service delivery

Multi-channel service delivery is the term that describes a company's offering multiple ways in which customers can interact with it.

99. A fundamental goal of a CRM system is the management and tracking of all \_\_\_\_\_.

## customer interactions

E-mail, fax, phone, and the Web are all ways in which most companies interact with their customers. A fundamental goal of a CRM system, then, is the management and tracking of all these interactions.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

100. A(n) \_\_\_\_\_ system automatically tracks all the steps in the sales process.

#### sales force automation (SFA)

Sales force automation (SFA) systems automatically track all the steps in the sales process.

101. In the automotive retail industry, it is far more \_\_\_\_\_ to acquire a new customer than it is to retain an existing customer.

#### expensive

It is far more expensive to acquire a new customer than it is to retain an existing customer, especially in the automotive retail industry.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

102. Customer service and support functions are definitely \_\_\_\_\_, attempting to meet the service needs of customers by phone, e-mail, Web, text message, Facebook presence, etc.

### multi-channel

Customer service and support functions are definitely multi-channel, attempting to meet the service needs of customers by phone, e-mail, Web, text message, Facebook presence, and so on.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management 103. \_\_\_\_\_ are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

### Analytics

Analytics are hard-core, numerical data that allow people to analyze operations and processes and make better decisions.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

104. A(n) \_\_\_\_\_ system serves as the primary interface for customers and the sales process.

## front office

The front office systems are the primary interface to customers and sales channels; they send all the customer information they collect to the database.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management 105. A(n) \_\_\_\_\_ system is used to fulfill and support customer orders.

### back office

The back office systems are used to fulfill and support customer orders and they also send all their customer information to the database.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

106. \_\_\_\_\_ is a delivery model for software in which you pay for software on a payper-use basis instead of buying the software outright.

### Software-as-a-service (SaaS)

Software-as-a-service (SaaS) is a delivery model for software in which you pay for software on a pay-per-use basis instead of buying the software outright.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management 107. All the associated costs of having software in-house represent \_\_\_\_\_ costs.

### fixed

All the associated costs of having software in-house—hardware infrastructure, training, maintenance, security, tech support, and the like—represent fixed costs.

AACSB: Technology Blooms: Remember Learning Objective: 02-02 Define customer relationship management (CRM) systems and describe their strategic and competitive opportunities. Level of Difficulty: 1 Easy Topic: Customer Relationship Management

108. A(n) \_\_\_\_\_ system is a collection of integrated software for business management, accounting, finance, human resources management, project management, inventory management, service and maintenance, transportation, e-business, supply chain management, customer relationship management, and e-collaboration.

### enterprise resource planning (ERP)

An enterprise resource planning (ERP) system is a collection of integrated software for business management, accounting, finance, human resources management, project management, inventory management, service and maintenance, transportation, e-business, supply chain management, customer relationship management, and e-collaboration.

AACSB: Technology

Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

109. Each vendor, for historical reasons, has a specialty in one particular module area such as SAP in \_\_\_\_.

## logistics

Each vendor, for historical reasons, has a specialty in one particular module area such as SAP in logistics.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

110. The early stage of ERP was carried out in the 1970s through a system called

# Materials Requirement Planning (MRP)

The early stage of ERP was carried out in the 1970s through a system called Materials Requirement Planning (MRP).

111. \_\_\_\_\_ systems crossed the boundaries of the production functionality and started serving as decision support systems (DSS) as well as executive information systems (EIS).

## MRPII

MRPII systems crossed the boundaries of the production functionality and started serving as decision support systems (DSS) as well as executive information systems (EIS).

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together 112. A(n) \_\_\_\_\_ represents a massive, long-term business investment in a software system with a single focus.

# legacy information system (LIS)

A legacy information system (LIS) represents a massive, long-term business investment in a software system with a single focus; such systems are often brittle, slow, and nonextensible.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together

113. An ERP system is required to have a \_\_\_\_\_ database that organizes and manages information.

### centralized

An ERP system is required to have a centralized database that organizes and manages information.

AACSB: Technology Blooms: Remember Learning Objective: 02-04 Define social media and describe a few of its many dimensions that make it important in the business world. Level of Difficulty: 1 Easy Topic: Enterprise Resource Planning-Bringing IT All Together 114. \_\_\_\_\_ is a collection of Web-based and mobile technologies that create true interactivity among users.

## Social media

Social media is a collection of Web-based and mobile technologies that create true interactivity among users, most usually allowing users to be both creators and consumers of content.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

115. Social media is fueled by \_\_\_\_\_ technologies.

## Web 2.0

Social media is fueled by Web 2.0 technologies.

116. A \_\_\_\_\_ is a site on which you post information about yourself, create a network of friends, read about other people, share content such as photos and videos, and communicate with people.

## social networking site

A social networking site is a site on which you post information about yourself, create a network of friends, read about other people, share content such as photos and videos, and communicate with people.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

117. A(n) \_\_\_\_\_ is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.

#### tweet

A "tweet" is a form of a microblog and allows you to send and receive text messages of roughly 140 characters or fewer.

118. \_\_\_\_\_ is the professional equivalent of Facebook.

### LinkedIn

The only real legitimate competitor to Facebook is LinkedIn. LinkedIn is the professional equivalent of Facebook.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

119. \_\_\_\_\_ are games in which thousands to millions of people play and interact in a robust virtual world.

## MMORPGs, or massively multiplayer online role-playing games

MMORPGs, or massively multiplayer online role-playing games, are games in which thousands or perhaps millions of people play and interact in a robust virtual world.

120. All organizations seek ways to build sustainable practices and processes that address the needs of the three Ps: \_\_\_\_, and \_\_\_\_.

## People; Plant; Profit

All organizations are seeking ways to build sustainable practices and processes that address the needs of the three Ps: People, Plant, and Profit.

AACSB: Technology Blooms: Remember Learning Objective: 02-03 Explain the significance of enterprise resource planning (ERP) software as the integration of functional software systems. Level of Difficulty: 1 Easy Topic: Social Media

121. \_\_\_\_\_ is the use of a mobile device and its location, as determined by GPS, to check into locations.

## Social locationing

Also called location-based services, social locationing is the use of a mobile device and its location (as determined by GPS) to check into locations such as businesses and entertainment venues, find friends and their locations, and receive rewards and take advantage of "specials" based on location.

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