CONTENTS

IT in the Organization

Turbulent Business Environments

IT Supports Organizational Performance in

1.2 Information Systems and Information Technology 11

Pressures, Organizational Responses, and IT Support 13

Toyota Scion's Innovative Advertising Strategies 2

1.3 Business Performance Management, Business

1.1 Doing Business in the Digital Economy 4

Part I

IT Support 18				
1.5 Social Computing and Networking and Virtual Worlds 25				
1.6 Why Should You Learn About Information Technology? 29				
1.7 Plan of the Book 30				
1.8 Managerial Issues 31				
Minicase: NHS Hospitals Adopt Wireless 35				
l Information Technologies: Concepts, Types, and IT Support 38				
Mary Kay's IT Systems 39				
2.1 Information Systems: Concepts and Definitions 41				
2.2 Classification and Types of Information Systems 42				
2.3 How IT Supports People 52				
2.4 How IT Supports Supply Chains and BusinessProcesses 56				
2.5 Information Systems Infrastructure, Architecture, and Emerging Computing Environments 58				
2.6 Innovative and Futuristic Information Systems 64				
2.7 Managerial Issues 67				
2.7 Managerial Issues 67				
2.7 Managerial Issues 67Minicase: Airbus Improves Productivity with RFID 72				
-				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89				
Minicase: Airbus Improves Productivity with RFID 72 Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93				
Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93 3.4 Data Warehouses, Data Marts, and Data Centers 96				
Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93 3.4 Data Warehouses, Data Marts, and Data Centers 96 3.5 Enterprise Content Management 103				
Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93 3.4 Data Warehouses, Data Marts, and Data Centers 96 3.5 Enterprise Content Management 103 3.6 Managerial Issues 105				
Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93 3.4 Data Warehouses, Data Marts, and Data Centers 96 3.5 Enterprise Content Management 103 3.6 Managerial Issues 105 Minicase: Pushing Corporate Data to Employees'				
Part 1 Case Building an E-Business at FedEx Corporation 74 Part II Data and IT Infrastructure 3 Managing Data to Improve Business Performance 76 Applebee's International Learns and Earns from Its Data 77 3.1 Data, Master Data, and Document Management 79 3.2 File Management Systems 89 3.3 Databases and Database Management Systems 93 3.4 Data Warehouses, Data Marts, and Data Centers 96 3.5 Enterprise Content Management 103 3.6 Managerial Issues 105				

4 Networks and Collaboration as Business Solutions 112

Networked Devices and a Collaboration Portal Tackle Super Bowl Logistics 113

- **4.1** Enterprise Networks, Connectivity, and Trends 115
- **4.2** Network Management and Collaboration Technology 117
- 4.3 Wireless, Enterprise Mobility, and IP Telephony 126
- 4.4 Discovery, Search, and Customized Delivery 133
- 4.5 Collaboration and Web-based Meetings 138
- 4.6 Social, Legal, and Ethical Issues 143
- **4.7** Managerial Issues 145

Minicase: Wikis, Blogs, and Chats Support Collaboration at DrKW 149

§ Securing the Enterprise and Business Continuity 152

\$55 Million Data Breach at ChoicePoint 153

- **5.1** Data and Enterprise Security Incidents 155
- **5.2** IS Vulnerabilities and Threats 163
- 5.3 Fraud and Computer-Mediated Crimes 167
- 5.4 IT Security Management Practices 171
- 5.5 Network Security 174
- 5.6 Internal Control and Compliance Management 177
- 5.7 Business Continuity and Disaster Recovery Planning 179
- 5.8 Auditing and Risk Management 181
- **5.9** Managerial Issues 183

Minicase: NEC's Weak Internal Controls Contribute to Nasdaq Delisting 188

Part 2 Case Cisco Systems in the Business of Helping Customers Transform Their Businesses 191

Part III The Web Revolution

B E-Business and E-Commerce 196

Dell Is Using E-Commerce for Success 197

- **6.1** Overview of E-Business and E-Commerce 199
- **6.2** Major EC Mechanisms 207
- **6.3** Business-to-Consumer Applications 210
- 6.4 Business-to-Business Applications 216
- **6.5** Major Models of E-Business: From
- E-Government to C2C 219
- **6.6** E-Commerce Support Services: Payment and Order Fulfillment 221
- 6.7 Ethical and Legal Issues in E-Business 231
- 6.8 Managerial Issues 233

Minicase: Stormhoek Vineyards Excels with Web 2.0 Tools 238

Mobile Commerce 241
Food Lion Excels with Wireless Innovations 242
7.1 Overview of Mobile Computing and Commerce 244
7.2 Mobile Applications in Financial Services 251
7.3 Mobile Shopping, Advertising, and
Content-Providing 253
7.4 Mobile Enterprise and Interbusiness
Applications 256
7.5 Mobile Consumer Services and Entertainment 261
7.6 Location-Based Services and Commerce 265
7.7 Pervasive Computing, Content Awareness, and RFID 270
7.8 Managerial Issues 278
Minicase: Hertz Goes Wireless 284
A THE COST VITE COST VITE COST TO THE COST
Social Networks in the Web 2.0
Environment 287
Wikipedia and Its Problems of Content Quality and Privacy
Protection 288
8.1 The Web 2.0 Revolution, Social Media, and
Industry Disruptors 290
8.2 Virtual Communities and Virtual Worlds 294
8.3 Online Social Networking: Basics and Examples 298
8.4 Major Social Network Services: From
Facebook to Flickr 301
8.5 Business (Enterprise) Social Networks 305
8.6 Commercial Aspects of Web 2.0 Applications and Social Networks 309
8.7 The Future: Web 3.0 315
8.8 Managerial Issues 317
Minicase: Web 2.0 Applications at Eastern Mountain Sports 321
Part 3 Case Google Is Changing Everything 325
Part IV Organizational Applications
Transaction Processing, Functional Applications,
and Integration 328
Wireless Inventory Management System at Dartmouth-
Hitchcock Medical Center 329
9.1 Functional Information Systems and Transaction
Processing Systems 331
9.2 Managing Production/Operations and
Logistics 338
9.3 Managing Marketing and Sales Systems 341
9.4 Managing Accounting and Finance Systems 346
9.5 Managing Human Resources Systems 352
9.6 Integrating Functional Information Systems 357
9.7 Managerial Issues 359
Minicase: Dollar General Uses Integrated Software 363

Enterprise Systems: Supply Chains, ERP, CRM,

ChevronTexaco Modernized Its Supply Chain with IT 367

10.1 Essentials of Enterprise Systems and

and KM 366

Supply Chains 369

10.4 Customer Relationship Management (CRM) 383 10.5 Knowledge Management and IT 392 10.6 Managerial Issues 399 Minicase: ERP Helps Productivity at Northern Digital Inc. 403 II Interorganizational, Large-Scale, and Global Information Systems 407 Boeing's Global Supply Chain for the Dreamliner 787 408 11.1 Interorganizational Activities and Order Fulfillment 410 11.2 Interorganizational Information Systems and Large-Scale Information Systems 414 11.3 Global Information Systems 416 11.4 Facilitating IOS and Global Systems: From Demand-Driven Networks to RFID 423 11.5 Interorganizational Information Integration and Connectivity 428 11.6 Partner Relationship Management and Collaborative Commerce 431 11.7 Managerial Issues 434 Minicase: How Volkswagen Runs Its Supply Chain in Brazil 438 Part 4 Case How Wal-Mart Is Driven by IT 441 **Decision Making and Strategy** Business Intelligence and Decision Support Systems 445 BudNet: Anheuser-Busch's Intelligence Tool 446 **12.1** The Need for Business Intelligence (BI) 448 12.2 BI Architecture, Reporting, and Performance Management 456 12.3 Data, Text, and Web Mining and BI Search 461 12.4 Managers and Decision-Making Processes 466 12.5 Decision Support Systems 471 12.6 Automated Decision Support (ADS) 475 12.7 Managerial Issues 477 Minicase: Lexmark International Improves Operations with BI 482 13 IT Strategy and Planning 485 IT Strategic Alignment at Kimberly-Clark: The Innovation Design Studio 486 13.1 Alignment of Business and IT Strategies 488 13.2 IT Strategy Initiation 493 13.3 IT Strategic Planning 498 13.4 Outsourcing, Offshore Outsourcing, and IT as a Subsidy 506 **13.5** Managerial Issues 512 Minicase: The Second Life Strategy of American Apparel 515

10.2 Supply Chain Management and Its

10.3 Enterprise Resource Planning (ERP) Systems

Business Value 372

7	Mobile	Commerce	241
	IVIODILE	COMMETCE	271

Food Lion Excels with Wireless Innovations 242

- **7.1** Overview of Mobile Computing and Commerce
- 7.2 Mobile Applications in Financial Services 251
- 7.3 Mobile Shopping, Advertising, and Content-Providing 253
- 7.4 Mobile Enterprise and Interbusiness Applications 256
- 7.5 Mobile Consumer Services and Entertainment 261
- 7.6 Location-Based Services and Commerce 265
- 7.7 Pervasive Computing, Content Awareness, and RFID 270

7.8 Managerial Issues 278 Minicase: Hertz Goes Wireless 284

Social Networks in the Web 2.0 **Environment 287**

Wikipedia and Its Problems of Content Quality and Privacy Protection 288

- 8.1 The Web 2.0 Revolution, Social Media, and Industry Disruptors 290
- 8.2 Virtual Communities and Virtual Worlds 294
- 8.3 Online Social Networking: Basics and Examples 298
- 8.4 Major Social Network Services: From Facebook to Flickr 301
- 8.5 Business (Enterprise) Social Networks 305
- 8.6 Commercial Aspects of Web 2.0 Applications and Social Networks 309
- 8.7 The Future: Web 3.0 315

8.8 Managerial Issues 317

Minicase: Web 2.0 Applications at Eastern Mountain Sports 321

Part 3 Case Google Is Changing Everything 325

Part IV Organizational Applications

y Transaction Processing, Functional Applications, and Integration 328

Wireless Inventory Management System at Dartmouth-Hitchcock Medical Center 329

- 9.1 Functional Information Systems and Transaction Processing Systems 331
- 9.2 Managing Production/Operations and Logistics 338
- 9.3 Managing Marketing and Sales Systems 341
- 9.4 Managing Accounting and Finance Systems 346
- 9.5 Managing Human Resources Systems 352
- 9.6 Integrating Functional Information Systems 357
- 9.7 Managerial Issues 359

Minicase: Dollar General Uses Integrated Software 363

Enterprise Systems: Supply Chains, ERP, CRM, and KM 366

ChevronTexaco Modernized Its Supply Chain with IT 367

10.1 Essentials of Enterprise Systems and Supply Chains 369

- 10.2 Supply Chain Management and Its Business Value 372
- 10.3 Enterprise Resource Planning (ERP) Systems 379
- 10.4 Customer Relationship Management (CRM) 383
- 10.5 Knowledge Management and IT 392
- 10.6 Managerial Issues 399

Minicase: ERP Helps Productivity at Northern Digital Inc. 403

Il Interorganizational, Large-Scale, and Global Information Systems 407

Boeing's Global Supply Chain for the Dreamliner 787 408

- 11.1 Interorganizational Activities and Order Fulfillment 410
- 11.2 Interorganizational Information Systems and Large-Scale Information Systems 414
- 11.3 Global Information Systems 416
- 11.4 Facilitating IOS and Global Systems: From Demand-Driven Networks to RFID 423
- 11.5 Interorganizational Information Integration and Connectivity 428
- 11.6 Partner Relationship Management and Collaborative Commerce 431
- 11.7 Managerial Issues 434

Minicase: How Volkswagen Runs Its Supply Chain in Brazil 438

Part 4 Case How Wal-Mart Is Driven by IT 441

Decision Making and Strategy

Business Intelligence and Decision Support Systems 445

BudNet: Anheuser-Busch's Intelligence Tool 446

- 12.1 The Need for Business Intelligence (BI) 448
- 12.2 BI Architecture, Reporting, and Performance Management 456
- **12.3** Data, Text, and Web Mining and BI Search 461
- **12.4** Managers and Decision-Making Processes 466
- 12.5 Decision Support Systems 471
- 12.6 Automated Decision Support (ADS) 475
- 12.7 Managerial Issues 477

Minicase: Lexmark International Improves

Operations with BI 482

13 IT Strategy and Planning 485

IT Strategic Alignment at Kimberly-Clark: The Innovation Design Studio 486

- 13.1 Alignment of Business and IT Strategies 488
- 13.2 IT Strategy Initiation 493
- 13.3 IT Strategic Planning 498
- 13.4 Outsourcing, Offshore Outsourcing, and IT as a Subsidy 506

13.5 Managerial Issues 512 Minicase: The Second Life Strategy of

American Apparel 515

A Managing IT Projects, Process Improvement, and Organizational Change 520

Con-way, Inc. Implements Innovative Technology and Wins Nationwide Recognition 521

- **14.1** Adopting IT Projects 523
- **14.2** Implementing IT Projects 532
- 14.3 Business Process Management 538
- **14.4** Change Management and Organizational Transformation 548
- 14.5 Managerial Issues 552

Minicase: Raising Awareness and Recruiting Early Adopters for Dspace at MIT 557

Is Impact of IT on Enterprises, Users, and the Environment 560

High-Performance Green Computing at Nanoscale Center 561

- **15.1** New and Accelerating Trends in IT 563
- **15.2** Current Perspectives on the Enterprise Web 2.0 569
- **15.3** Operating Greener Businesses and Eco-Friendly Data Centers 571
- **15.4** Impacts of Too Much Information and Connectivity 574
- 15.5 Managerial Issues 578

Minicase: Wireless Mesh Networking Adds Real-time

Monitoring to the Plant Floor 583

Part 5 Case Toyota's Commitment to Innovation and Improvement Pays Off 586

Online Part VI Implementing and Managing IT*

Acquiring and Developing Business Applications and Infrastructure 589

Flickr's Application Development 2.0 Model 590

16.1 The Framework of IT Application Acquisition 592

- **16.2** Identifying, Justifying, and Planning IT Systems Applications (Step 1) 595
- **16.3** Acquiring IT Applications: Available Options (Step 3) 597
- **16.4** Selecting an Acquisition Approach and Other Implementation Issues 600
- **16.5** Connecting to Databases, Enterprise Systems, and Business Partners: Integration (Step 4) 603
- 16.6 Business Process Redesign 604
- **16.7** Managerial Issues 606

Minicase: Web Services Give Merrill's Legacy Systems New Life in the Web World 610

Information Technology Economics 612 Justifying Investment in IT and EC at California State Automobile Association 613

- **17.1** Technology and Economic Trends and the Productivity Paradox 615
- **17.2** Evaluating IT Investments: Needs, Benefits, Issues, and Traditional Methods 617
- **17.3** Advanced Methods for Justifying IT Investment and Using IT Metrics 626
- 17.4 Examples of IT Project Justification 632
- **17.5** Economic Aspects of IT and Web-Based Systems 637
- 17.6 Managerial Issues 641

Minicase: Justifying IT Investment in the State of Iowa 645

Glossary G-1

Company Index C-1

Name Index N-1

Subject Index s-1

^{*}Part VI, the Technology Guides, and the Tutorials can be accessed online at www.wiley.com/go/global/turban.