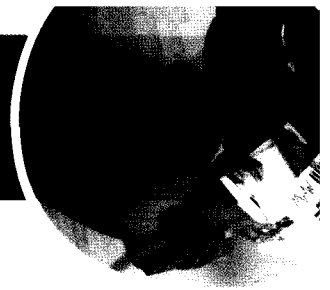


detailed CONTENTS



PART ONE THE INFORMATION AGE 1

Textbook Case: Kimball's Restaurant 1

Chapter 1 Business Information Systems: An Overview 4

Kimball's Restaurant: Business Systems and Information 5

Does Information Technology Matter? 6

The Power of Digital Systems 6

The Purpose of Information Systems 7

Why You Should Be Well-Versed in Information Systems 8

Data, Information, and Information Systems 8

Data vs. Information 8

Data Manipulation 8

Generating Information 9

Information in Context 9

What Is a System? 10

Information and Managers 12

Information Systems in Organizations 13

The Four Stages of Processing 14

Computer Equipment for Information Systems 15

From Recording Transactions to Providing Expertise:

Types of Information Systems 15

Transaction Processing Systems 16

Supply Chain Management Systems 16

Customer Relationship Management Systems 17

Business Intelligence Systems 18

Decision Support and Expert Systems 18

Geographic Information Systems 18

Information Systems in Business Functions 19

Accounting 20

Finance 20

Marketing 20

Human Resources 21

Web-Empowered Enterprises 21

Ethical & Societal Issues: The Downside 22

Careers in Information Systems 23

Systems Analyst 23

Database Administrator 24

Network Administrator 24

System Administrator 25
Mobile Applications Developer 25
Webmaster 25
Chief Security Officer 25
Chief Information Officer and Chief Technology Officer 26

Summary 27

Kimball's Revisited 28

Key Terms 28

Review Questions 29

Discussion Questions 29

Applying Concepts 30

Hands-On Activities 30

Team Activities 30

From Ideas to Application: Real Cases 31

References 33

Chapter 2 **Strategic Uses of Information Systems** 34

Kimball's Restaurant: Using Information Strategically 35

Strategy and Strategic Moves 36

Achieving a Competitive Advantage 38

Initiative #1: Reduce Costs 39

Why You Should Understand the Notion of Strategic Information Systems 40

Initiative #2: Raise Barriers to Market Entrants 40

Initiative #3: Establish High Switching Costs 41

Initiative #4: Create New Products or Services 41

Initiative #5: Differentiate Products or Services 44

Initiative #6: Enhance Products or Services 44

Initiative #7: Establish Alliances 45

Initiative #8: Lock in Suppliers or Buyers 47

Creating and Maintaining Strategic Information Systems 48

Creating an SIS 49

Reengineering and Organizational Change 50

Competitive Advantage as a Moving Target 51

JetBlue: A Success Story 52

Massive Automation 52

Away from Tradition 53

Enhanced Service 53

Late Mover Advantage 54

Ethical & Societal Issues: Size Matters 55

Ford on the Web: A Failure Story 56

The Ideas 56

Hitting the Wall 57

The Retreat 57

The Bleeding Edge 57

Summary 59

Kimball's Revisited 60

Key Terms 60

Review Questions 61
Discussion Questions 61
Applying Concepts 62
Hands-On Activities 63
Team Activities 63
From Ideas to Application: Real Cases 64
References 65

 **Chapter 3 Business Functions and Supply Chains 66**

Kimball's Restaurant: The New Location 67

Effectiveness and Efficiency 67
Accounting 70

Why You Should Know About Business Functions and Supply Chains 71

Finance 71

Cash Management 72

Investment Analysis and Service 72

Engineering 73

Supply Chain Management 75

Material Requirements Planning and Purchasing 76

Manufacturing Resource Planning 77

Monitoring and Control 78

Shipping 78

RFID in SCM 80

Customer Relationship Management 82

Market Research 83

Targeted Marketing 84

Location-Based Services 85

Customer Service 86

Salesforce Automation 87

Human Resource Management 88

Employee Record Management 88

Promotion and Recruitment 89

Training 89

Evaluation 90

Compensation and Benefits Management 90

Ethical & Societal Issues: Consumer Privacy 92

Supply Chain Management Systems 93

The Importance of Trust 94

Continuous Attention to Inventory 95

Collaborative Logistics 96

Enterprise Resource Planning 97

Challenges and Disadvantages of ERP Systems 97

Providing the Missing Reengineering 98

Summary 99

Kimball's Revisited 100

Key Terms 100

Review Questions 101

Discussion Questions 101

| | |
|--|------------|
| Applying Concepts | 102 |
| Hands-On Activity | 102 |
| Team Activities | 103 |
| From Ideas to Application: Real Cases | 104 |
| References | 106 |

PART TWO INFORMATION TECHNOLOGY 107

Chapter 4 Business Hardware 108

Kimball's Restaurant: Hardware for the Appetite 109

Computer Hardware Components 109

Why You Should Understand Information Systems Hardware 111

Classification of Computers 111

Supercomputers 111

Mainframe Computers 112

Servers 113

Personal Computers 113

Computers on the Go: Notebooks, Tablets, and Smartphones 113

Converging Technologies 114

A Peek Inside the Computer 115

The Central Processing Unit 115

Computer Power 117

Input Devices 118

Keyboard 118

Mouse, Trackball, and Trackpad 118

Touch Screen 119

Source Data Input Devices 120

Imaging 122

Speech Recognition 123

Output Devices 124

Monitors 124

Printers 125

Storage 126

Modes of Access 126

Magnetic Tapes 127

Magnetic Disks 127

Optical Discs 128

Solid-State Storage 129

DAS, NAS, and SAN 130

Cloud Storage 131

Ethical & Societal Issues: Computers May Be Hazardous to Your Health 132

Business Considerations in Evaluating Storage Media 132

Considerations in Purchasing Hardware 135

Scalability and Updating Hardware 138

Summary 139

Kimball's Revisited 140

Key Terms 140

Review Questions 141

Discussion Questions 141

Applying Concepts 142

Hands-On Activities 143

Team Activities 144

From Ideas to Application: Real Cases 145

References 147

Chapter 5 Business Software 148

Kimball's Restaurant: Software Added to the Bill 149

Software: Instructions to the Hardware 149

Programming Languages and Software Development Tools 150

Why You Should Be Software Savvy 152

Visual Programming 153

Object-Oriented Programming 154

Language Translation: Compilers and Interpreters 156

Application Software 157

Office Productivity Applications 158

Hypermedia and Multimedia 160

Website Design Tools 162

Groupware 163

3-D Geographic Software 163

System Software 164

Operating Systems 165

Other System Software 169

Open Source Software 169

Software Licensing 171

Software Licensing Models 171

Software as a Service 172

Ethical & Societal Issues: Software Piracy 173

Considerations for Packaged Software 173

Summary 175

Kimball's Revisited 176

Key Terms 176

Review Questions 177

Discussion Questions 177

Applying Concepts 178

Hands-On Activities 178

Team Activities 179

From Ideas to Application: Real Cases 180

References 182

Chapter 6 Business Networks and Telecommunications 183

Kimball's Restaurant: A New Look at Customer Service and Technology 184

Telecommunications in Business 185

| | |
|--|------------|
| Telecommunications in Daily Use | 186 |
| <i>Cellular Phones</i> | 186 |
| <i>Videoconferencing</i> | 187 |
| <i>Wireless Payments and Warehousing</i> | 187 |
| Why You Should Understand Telecommunications | 188 |
| <i>Peer-to-Peer File Sharing</i> | 188 |
| <i>Web-Empowered Commerce</i> | 188 |
| Bandwidth and Media | 189 |
| <i>Bandwidth</i> | 189 |
| <i>Media</i> | 189 |
| Networks | 192 |
| <i>Types of Networks</i> | 193 |
| <i>PANs</i> | 194 |
| <i>Networking Hardware</i> | 195 |
| <i>Virtual Private Networks</i> | 195 |
| Protocols | 196 |
| <i>TCP/IP</i> | 196 |
| <i>Ethernet</i> | 197 |
| <i>Wireless Protocols</i> | 197 |
| <i>Generations in Mobile Communications</i> | 201 |
| Internet Networking Services | 201 |
| <i>Cable</i> | 202 |
| <i>Digital Subscriber Line (DSL)</i> | 203 |
| <i>T1 and T3 Lines</i> | 203 |
| <i>Satellite</i> | 204 |
| <i>Fixed Wireless</i> | 204 |
| <i>Fiber to the Premises</i> | 204 |
| <i>Optical Carrier</i> | 204 |
| Ethical & Societal Issues: Telecommuting: Pros and Cons | 205 |
| <i>Broadband Over Power Lines (BPL)</i> | 206 |
| The Impact of Networking Technologies | 206 |
| <i>Broadband Telephony</i> | 206 |
| <i>Radio Frequency Identification</i> | 208 |
| <i>Converging Technologies</i> | 210 |
| Summary | 212 |
| Kimball's Revisited | 213 |
| Key Terms | 214 |
| Review Questions | 214 |
| Discussion Questions | 215 |
| Applying Concepts | 215 |
| Hands-On Activities | 216 |
| Team Activities | 216 |
| From Ideas to Application: Real Cases | 217 |
| References | 219 |
| Chapter 7 Databases and Data Warehouses | 220 |
| Kimball's Restaurant: An Appetite for Data | 221 |
| Managing Digital Data | 221 |

Why You Should Know About Databases 222

The Traditional File Approach 223

The Database Approach 223

Database Models 228

The Relational Model 228

The Object-Oriented Model 231

Relational Operations 232

Structured Query Language 233

The Schema and Metadata 233

Data Modeling 235

Databases on the Web 236

Data Warehousing 238

From Database to Data Warehouse 238

Ethical & Societal Issues: Every Move You Make 239

Phases in Data Warehousing 242

Data Warehousing and Big Data 243

Summary 244

Kimball's Revisited 245

Key Terms 245

Review Questions 246

Discussion Questions 246

Applying Concepts 247

Hands-On Activities 247

Team Activities 248

From Ideas to Application: Real Cases 249

References 252

PART THREE WEB-ENABLED COMMERCE 253

Chapter 8 The Web-Enabled Enterprise 254

Kimball's Restaurant: Using the Internet 255

Web Business: Growing and Changing 255

Web Technologies: A Review 256

HTTP 256

Why You Should Know More About Web-Enabled Business 257

HTML and XML 257

File Transfer 258

Blogs 258

Wikis 259

Podcasting 260

Interactive Communication Technology 261

Cookies 262

Proprietary Technologies 263

Web-Enabled Business 264

B2B Trading 264

B2C Trading 269

Ethical & Societal Issues: Online Annoyances and Worse 276

Social Media on the Web 279

Supply Chains on the Web 280

Options in Establishing a Website 282

Owning and Maintaining a Server 282

Using a Hosting Service 283

Considerations in Selecting a Web Host 285

More than Meets the Eye 287

Rules for Successful Web-Based Business 287

Target the Right Customers 287

Capture the Customer's Total Experience 288

Personalize the Service 288

Shorten the Business Cycle 288

Let Customers Help Themselves 288

Be Proactive and De-Commoditize 289

E-Commerce Is Every Commerce 289

Summary 290

Kimball's Revisited 291

Key Terms 291

Review Questions 292

Discussion Questions 292

Applying Concepts 293

Hands-On Activities 294

Team Activities 294

From Ideas to Application: Real Cases 295

References 297

Chapter 9 Challenges of Global Information Systems 298

Kimball's Restaurant: Long Distance Recipes 299

Multinational Organizations 299

The Web and International Commerce 300

Think Globally, Act Locally 303

Why You Should Learn About Challenges of Global ISs 303

Challenges of Global Information Systems 303

Technological Challenges 304

Regulations and Tariffs 305

Differences in Payment Mechanisms 306

Language Differences 307

Cultural Differences 308

Conflicting Economic, Scientific, and Security Interests 308

Political Challenges 309

Different Standards 310

Ethical & Societal Issues: Legal Jurisdictions in Cyberspace 311

Legal Barriers 312

Different Time Zones 313

Summary 315

Kimball's Revisited 315

Key Terms 315

Review Questions 316
Discussion Questions 316
Applying Concepts 317
Hands-On Activities 317
Team Activities 318
From Ideas to Application: Real Cases 319
References 321

PART FOUR DECISION SUPPORT AND BUSINESS INTELLIGENCE 323

Chapter 10 Decision Support and Expert Systems 324

Kimball's Restaurant: Preparing to Serve 325

Decision Support 325
The Decision-Making Process 326
Structured and Unstructured Problems 327

Why You Should Be Familiar with Decision Aids 329

Decision Support Systems 329
The Data Management Module 330
The Model Management Module 331
The Dialog Module 333
Sensitivity Analysis 334
Decision Support Systems in Action 335

Ethical & Societal Issues: Decisions by Machines 339

Expert Systems 340
Expert Systems in Action 343
Group Decision Support Systems 346
Geographic Information Systems 347
Summary 350

Kimball's Revisited 351

Key Terms 351
Review Questions 352
Discussion Questions 352
Applying Concepts 353
Hands-On Activities 353
Team Activities 354
From Ideas to Application: Real Cases 355
References 357

Chapter 11 Business Intelligence and Knowledge Management 358

Kimball's Restaurant: Building and Developing Loyalty 359

Data Mining and Online Analysis 359
Data Mining 360

Why You Should Learn About BI and KM Tools 361

Online Analytical Processing 364
More Customer Intelligence 369
Dashboards 371

| | |
|---|------------|
| Knowledge Management | 372 |
| <i>Capturing and Sorting Organizational Knowledge</i> | 373 |
| <i>Employee Knowledge Networks</i> | 373 |
| Ethical & Societal Issues: Knowledge and Globalization | 375 |
| <i>Knowledge from the Web</i> | 375 |
| <i>Autocategorization</i> | 377 |
| Summary | 378 |
| Kimball's Revisited | 378 |
| Key Terms | 379 |
| Review Questions | 379 |
| Discussion Questions | 379 |
| Applying Concepts | 380 |
| Hands-On Activities | 380 |
| Team Activities | 381 |
| From Ideas to Application: Real Cases | 382 |
| References | 384 |

PART FIVE **PLANNING, ACQUISITION, AND CONTROLS** 385

Chapter 12 **Systems Planning and Development** 386

Kimball's Restaurant: Planning Loyalty 387

Planning Information Systems 387

Steps in Planning Information Systems 387

Why You Should Understand the Principles of Systems Development 390

The Benefits of Standardization in Planning 390

From Planning to Development 391

The Systems Development Life Cycle 391

Analysis 392

Design 397

Implementation 400

Support 402

Agile Methods 403

When to Use Agile Methods 405

When Not to Use Agile Methods 405

Outsourcing 406

Project Planning and Management Tools 407

Systems Integration 408

Ethical & Societal Issues: Should IS Professionals Be Certified? 410

Summary 412

Kimball's Revisited 413

Key Terms 413

Review Questions 414

Discussion Questions 414

Applying Concepts 415

Hands-On Activities 415

Team Activities 416

From Ideas to Application: Real Cases 417

References 419

Chapter 13 Choices in Systems Acquisition 420

Kimball's Restaurant: Technology for Customer Loyalty 421

Options and Priorities 421

Outsourcing 422

Outsourcing Custom-Designed Applications 423

**Why You Should Understand Alternative Avenues
for the Acquisition of Information Systems 423**

Outsourcing IT Services 425

Advantages of Outsourcing IT Services 428

Risks of Outsourcing IT Services 429

Considering Outsourcing IT Services 430

Licensing Applications 431

Software Licensing Benefits 432

Software Licensing Risks 433

Steps in Licensing Ready-Made Software 433

Software as a Service 435

Caveat Emptor: Buyer Beware 437

User Application Development 438

Managing User-Developed Applications 439

Advantages and Risks 439

**Ethical & Societal Issues: Computer Use Policies
for Employees 441**

Summary 442

Kimball's Revisited 443

Key Terms 443

Review Questions 444

Discussion Questions 444

Applying Concepts 445

Hands-On Activities 445

Team Activities 446

From Ideas to Application: Real Cases 447

References 449

Chapter 14 Risks, Security, and Disaster Recovery 450

Kimball's Restaurant: Plating the Opening 451

Goals of Information Security 451

**Why You Should Understand Risks, Security, and Disaster
Recovery Planning 452**

Risks to Information Systems 452

Risks to Hardware 453

Risks to Data and Applications 454

Risks to Online Operations 459

Denial of Service 459

Computer Hijacking 460

Controls 461

Application Reliability and Data Entry Controls 461

Backup 461

Access Controls 462

Atomic Transactions 464

Audit Trail 465

Security Measures 466

Firewalls and Proxy Servers 466

Authentication and Encryption 468

The Downside of Security Measures 475

Recovery Measures 475

Ethical & Societal Issues: Terrorism and PATRIOTism 476

The Business Recovery Plan 476

Recovery Planning and Hot Site Providers 478

The Economics of Information Security 479

How Much Security Is Enough Security? 479

Calculating Downtime 480

Summary 482

Kimball's Revisited 483

Key Terms 483

Review Questions 484

Discussion Questions 484

Applying Concepts 485

Hands-On Activities 486

Team Activities 486

From Ideas to Application: Real Cases 487

References 489

Glossary 490

Subject Index 504

Name & Company Index 524