

WHY INFORMATION SYSTEMS?

The Competitive Business Environment and the Emerging Digital Firm

4 Major Systems Defining the Digital Firm

- **Supply chain management systems**
- **Customer relationship management systems**
- **Enterprise systems**
- **Knowledge management systems**

WHY INFORMATION SYSTEMS?

What Is an Information System?

- **Data:** Streams of raw facts representing events such as business transactions
- **Information:** Clusters of facts that are meaningful and useful to human beings in the processes such as making decisions

WHY INFORMATION SYSTEMS?

A Business Perspective on Information Systems

- **Information systems literacy:** Broad-based understanding of information systems that includes behavioral knowledge about organizations and individuals using information systems and technical knowledge about computers.
- **Computer literacy:** Knowledge about information technology, focusing on understanding how computer-based technologies work

TOWARD THE DIGITAL FIRM

The Widening Scope of Information Systems

- **1950s: Technical changes**
- **1960s-70s: Managerial controls**
- **1980s-90s: Institutional core activities**
- **Today: Digital information webs extending beyond the enterprise**

TOWARD THE DIGITAL FIRM

The Widening Scope of Information Systems

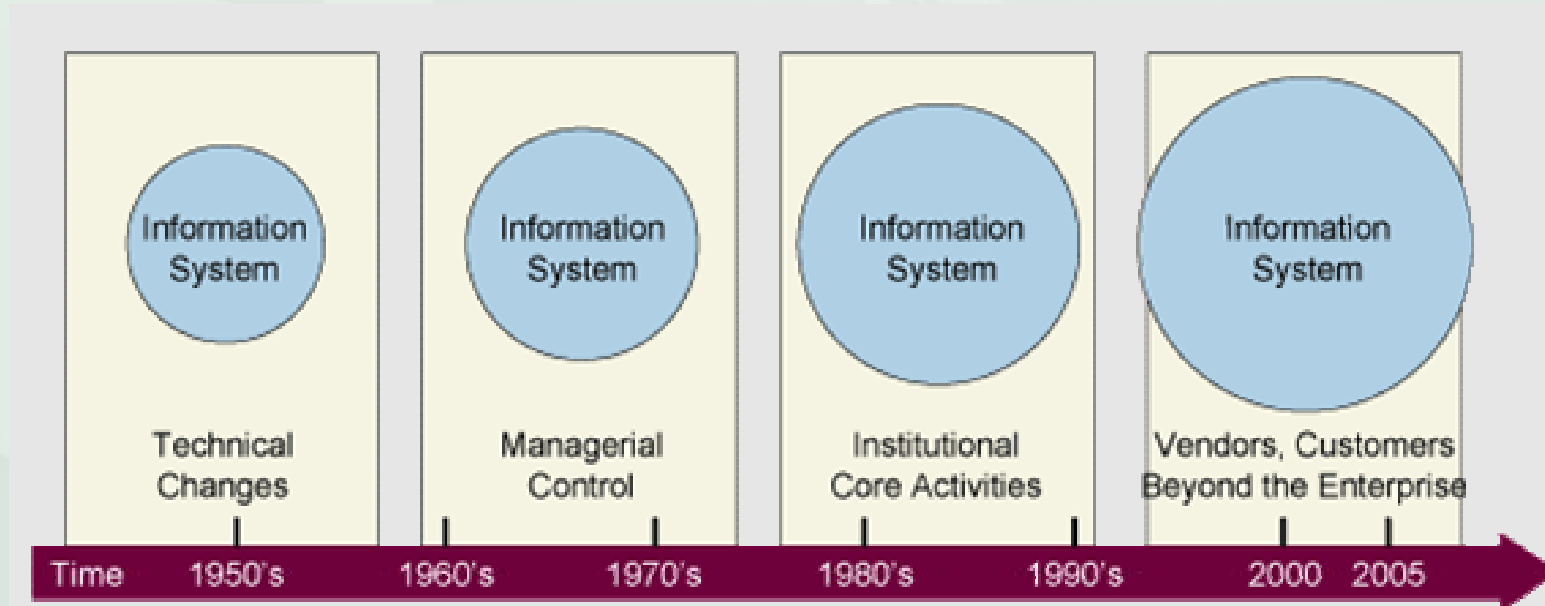


Figure 1-9

TOWARD THE DIGITAL FIRM

The Internet

- **International network of networks**
- **Universal technology platform: Any computer can communicate with any other computer**
- **World Wide Web and Web sites**

TOWARD THE DIGITAL FIRM

What You Can Do on the Internet?

- **Communicate and collaborate**
- **Access information**
- **Participate in discussions**
- **Supply information**
- **Find entertainment**
- **Exchange business transactions**

TOWARD THE DIGITAL FIRM

New Options for Organizational Design

- **Flattening organizations**
- **Separating work from location**
- **Reorganizing work-flows**
- **Increasing flexibility**
- **Redefining organizational boundaries**

TOWARD THE DIGITAL FIRM

Flattening Organizations & Information Systems

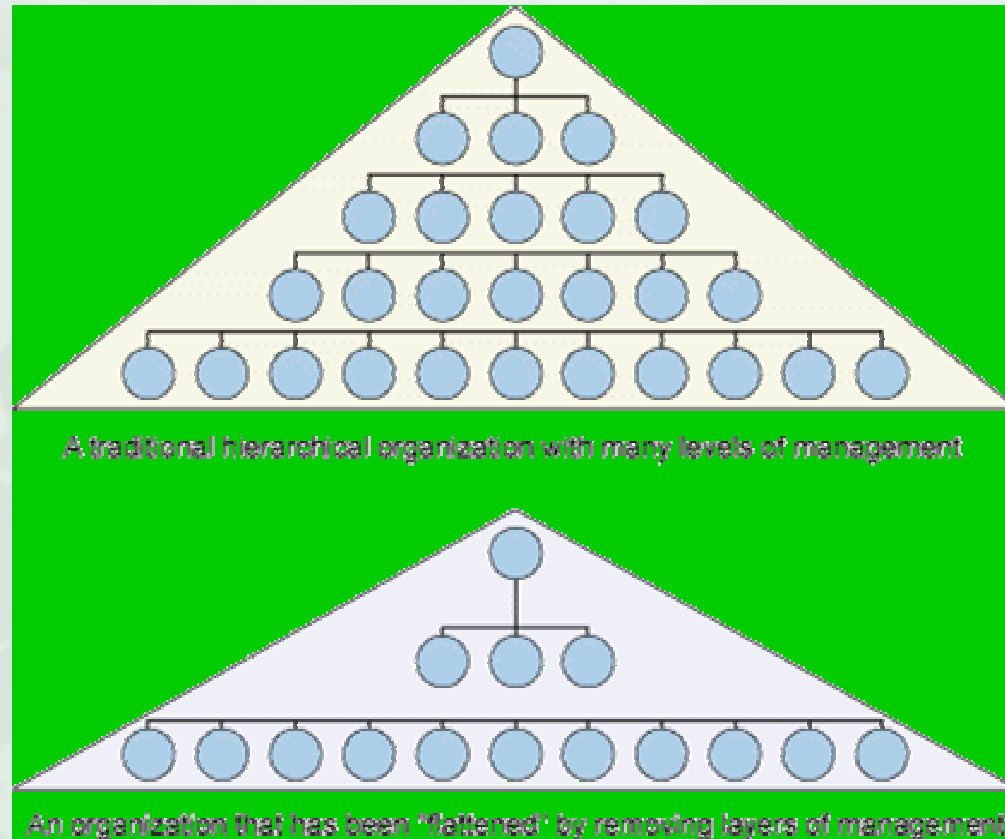


Figure 1-10

TOWARD THE DIGITAL FIRM

Redesigned Work Flow For Insurance Underwriting

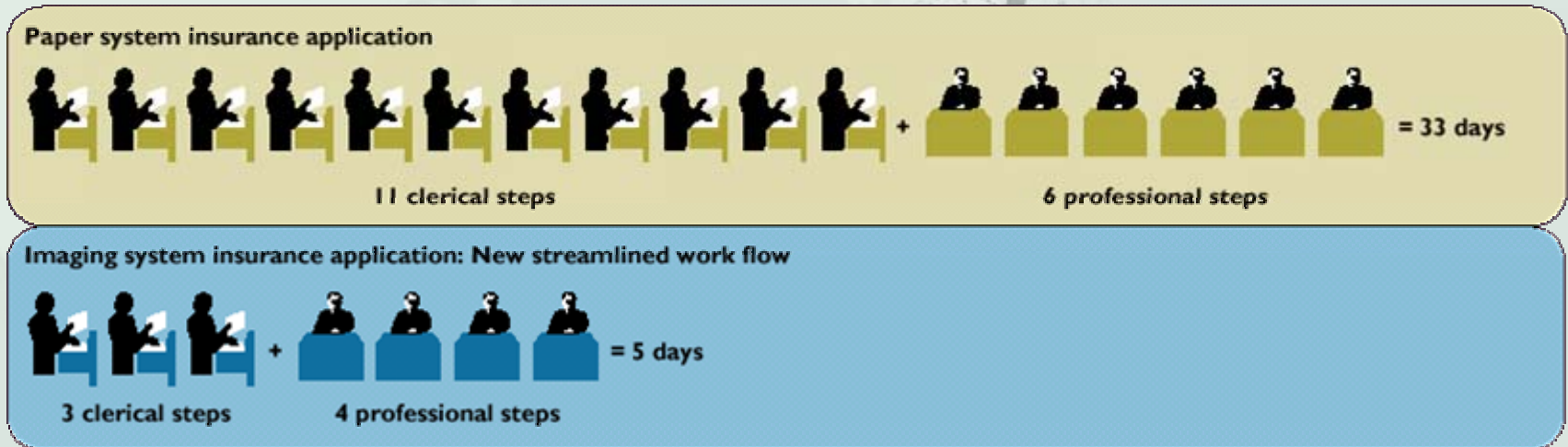


Figure 1-11