

# CONTENTS

## PREFACE V

## 1 INTRODUCTION TO INFORMATION SYSTEMS 1

- 1.1 Why Should I Study Information Systems? 6
  - The Informed User—You! 8
  - IT Offers Career Opportunities 9
  - Managing Information Resources 10
- 1.2 Overview of Computer-Based Information Systems 10
  - Types of Computer-Based Information Systems 14
- 1.3 How Does IT Impact Organizations? 17
  - IT Reduces the Number of Middle Managers 17
  - IT Changes the Manager's Job 18
  - Will IT Eliminate Jobs? 18
  - IT Impacts Employees at Work 18
- 1.4 Importance of Information Systems to Society 19
  - IT Affects Our Quality of Life 19
  - The Robot Revolution Is Here Now 19
  - Improvements in Healthcare 20

## 2 ORGANIZATIONAL STRATEGY, COMPETITIVE ADVANTAGE, AND INFORMATION SYSTEMS 24

- 2.1 Business Processes 27
  - Cross-Functional Processes 28
  - Information Systems and Business Processes 31
- 2.2 Business Process Improvement, Business Process Reengineering, and Business Process Management 33
- 2.3 Business Pressures, Organizational Responses, and Information Technology Support 38
  - Business Pressures 38
  - Organizational Responses 44
- 2.4 Competitive Advantage and Strategic Information Systems 45
  - Porter's Competitive Forces Model 46
  - Porter's Value Chain Model 48
  - Strategies for Competitive Advantage 50
- 2.5 Business—Information Technology Alignment 51

**3 ETHICS AND PRIVACY 55**

---

- 3.1 Ethical Issues 59**
  - Ethical Frameworks 59
  - Ethics in the Corporate Environment 60
  - Ethics and Information Technology 61
- 3.2 Privacy 64**
  - Electronic Surveillance 65
  - Personal Information in Databases 66
  - Information on Internet Bulletin Boards, Newsgroups, and Social Networking Sites 67
  - Privacy Codes and Policies 67
  - International Aspects of Privacy 69

**4 INFORMATION SECURITY 72**

---

- 4.1 Introduction to Information Security 76**
- 4.2 Unintentional Threats to Information Systems 77**
  - Human Errors 78
  - Social Engineering 80
- 4.3 Deliberate Threats to Information Systems 80**
  - Espionage or Trespass 80
  - Information Extortion 81
  - Sabotage or Vandalism 81
  - Theft of Equipment or Information 81
  - Identity Theft 81
  - Compromises to Intellectual Property 82
  - Software Attacks 82
  - Alien Software 82
  - Supervisory Control and Data Acquisition (SCADA) Attacks 84
  - Cyberterrorism and Cyberwarfare 84
- 4.4 What Organizations Are Doing to Protect Information Resources 85**
- 4.5 Information Security Controls 87**
  - Physical Controls 88
  - Access Controls 88
  - Example 88
  - Communications Controls 91
  - Business Continuity Planning 96
  - Information Systems Auditing 96

**5 DATA AND KNOWLEDGE MANAGEMENT 100**

---

- 5.1 Managing Data 104**
  - The Difficulties of Managing Data 104
  - Data Governance 105

- 5.2 Big Data 106**
  - Defining Big Data 107
  - Characteristics of Big Data 108
  - Managing Big Data 108
  - Leveraging Big Data 109
- 5.3 The Database Approach 110**
  - The Data Hierarchy 111
  - Designing the Database 112
- 5.4 Database Management Systems 115**
  - The Relational Database Model 115
  - Databases in Action 118
- 5.5 Data Warehouses and Data Marts 121**
  - Describing Data Warehouses and Data Marts 122
  - A Generic Data Warehouse Environment 123
- 5.6 Knowledge Management 130**
  - Concepts and Definitions 130
  - Knowledge Management Systems 131
  - The KMS Cycle 131

---

## **6 TELECOMMUNICATIONS AND NETWORKING 136**

---

- 6.1 What Is a Computer Network? 139**
  - Local Area Networks 139
  - Wide Area Networks 140
  - Enterprise Networks 141
- 6.2 Network Fundamentals 141**
  - Analog and Digital Signals 141
  - Communications Media and Channels 142
  - Network Protocols 143
  - Types of Network Processing 144
- 6.3 The Internet and the World Wide Web 145**
  - Accessing the Internet 146
  - The Future of the Internet 148
  - The World Wide Web 148
- 6.4 Network Applications 149**
  - Discovery 149
  - Communication 152
  - Collaboration 154
  - E-Learning and Distance Learning 156
  - Virtual Universities 157
  - Telecommuting 157

---

**7 E-BUSINESS AND E-COMMERCE 162**

---

- 7.1 Overview of E-Business and E-Commerce 166**
  - Definitions and Concepts 167
  - Types of E-Commerce 167
  - Major E-Commerce Mechanisms 168
  - Electronic Payment Mechanisms 170
  - Benefits and Limitations of E-Commerce 172
- 7.2 Business-to-Consumer (B2C) Electronic Commerce 172**
  - Electronic Storefronts and Malls 173
  - Online Service Industries 174
  - Issues in E-Tailing 177
- 7.3 Business-to-Business (B2B) Electronic Commerce 178**
  - Sell-Side Marketplaces 178
  - Buy-Side Marketplaces 178
  - Electronic Exchanges 179
- 7.4 Ethical and Legal Issues in E-Business 179**
  - Ethical Issues 180
  - Legal and Ethical Issues Specific to E-Commerce 180

---

**8 WIRELESS, MOBILE COMPUTING,  
AND MOBILE COMMERCE 185**

---

- 8.1 Wireless Technologies 188**
  - Wireless Devices 188
  - Wireless Transmission Media 190
- 8.2 Wireless Computer Networks and Internet Access 193**
  - Short-Range Wireless Networks 193
  - Medium-Range Wireless Networks 194
  - Wide-Area Wireless Networks 197
- 8.3 Mobile Computing and Mobile Commerce 199**
  - Mobile Commerce 199
  - Mobile Commerce Applications 200
- 8.4 Pervasive Computing 202**
  - Radio-Frequency Identification 202
  - Wireless Sensor Networks 203
- 8.5 Wireless Security 205**

---

**9 SOCIAL COMPUTING 208**

---

- 9.1 Web 2.0 213**
  - Ajax 213
  - Tagging 213
  - Really Simple Syndication 214

- Blogs 214
- Microblogging 214
- Wikis 216
- Social Networking Web Sites 216
- Enterprise Social Networks 216
- Mashups 218

**9.2 Fundamentals of Social Computing in Business 219**

**9.3 Social Computing in Business: Shopping 220**

- Ratings, Reviews, and Recommendations 221
- Group Shopping 221
- Shopping Communities and Clubs 222
- Social Marketplaces and Direct Sales 222
- Peer-to-Peer Shopping Models 223

**9.4 Social Computing in Business: Marketing 224**

- Advertising 224
- Market Research 225
- Conducting Market Research Using Social Networks 226

**9.5 Social Computing in Business: Customer**

- Relationship Management 227
- How Social Computing Improves Customer Service 228

**9.6 Social Computing in Business: Human Resource**

- Management 228
- Recruiting 228
- Training 229

---

**10 INFORMATION SYSTEMS WITHIN THE ORGANIZATION 234**

---

**10.1 Transaction Processing Systems 237**

**10.2 Functional Area Information Systems 239**

- Information Systems for Accounting and Finance 239
- Information Systems for Marketing 241
- Information Systems for Production/Operations Management 241
- Information Systems for Human Resource Management 243

**10.3 Enterprise Resource Planning Systems 244**

- ERP II Systems 246
- Benefits and Limitation of ERP Systems 247
- Implementing ERP Systems 250
- Enterprise Application Integration 252

**10.4 ERP Support for Business Processes 252**

- The Procurement, Fulfillment, and Production Processes 252
- Interorganizational Processes: ERP with SCM and CRM 256

**10.5 Reports 257**

## **11 CUSTOMER RELATIONSHIP MANAGEMENT AND SUPPLY CHAIN MANAGEMENT 260**

---

- 11.1** Defining Customer Relationship Management 265
  - Customer Touch Points 267
  - Data Consolidation 268
- 11.2** Operational Customer Relationship Management Systems 268
  - Customer-Facing Applications 269
  - Customer-Touching Applications 270
- 11.3** Analytical Customer Relationship Management Systems 272
- 11.4** Other Types of Customer Relationship Management Systems 273
  - On-Demand CRM Systems 273
  - Mobile CRM Systems 274
  - Open-Source CRM Systems 274
- 11.5** Supply Chains 275
  - The Structure and Components of Supply Chains 275
- 11.6** Supply Chain Management 277
  - The Push Model versus the Pull Model 278
  - Problems along the Supply Chain 278
  - Solutions to Supply Chain Problems 279
- 11.7** Information Technology Support for Supply Chain Management 281
  - Electronic Data Interchange (EDI) 281
  - Extranets 283
  - Portals and Exchanges 284

## **12 BUSINESS ANALYTICS 287**

---

- 12.1** Managers and Decision Making 291
  - The Manager's Job and Decision Making 291
  - Why Managers Need IT Support 292
  - What Information Technologies Are Available to Support Managers? 293
  - A Framework for Computerized Decision Analysis 293
- 12.2** What Is Business Intelligence? 295
  - The Scope of Business Intelligence 295
- 12.3** Business Intelligence Applications for Data Analysis 296
  - Multidimensional Analysis or Online Analytical Processing (OLAP) 296
  - Data Mining 297
  - Decision Support Systems 299
- 12.4** Business Intelligence Applications for Presenting Results 300
  - Dashboards 300
  - Data Visualization Technologies 301
  - Real-Time BI 302
- 12.5** Business Intelligence in Action: Corporate Performance Management 304

**13 ACQUIRING INFORMATION SYSTEMS AND APPLICATIONS 308**

- 13.1 Planning for and Justifying IT Applications 311**
  - IT Planning 311
  - Evaluating and Justifying IT Investment: Benefits, Costs, and Issues 313
- 13.2 Strategies for Acquiring IT Applications 314**
  - Purchase a Prewritten Application 315
  - Customize a Prewritten Application 315
  - Lease the Application 317
  - Application Service Providers and Software-as-a-Service Vendors 318
  - Use Open-Source Software 319
  - Outsourcing 319
  - Employ Custom Development 321
- 13.3 The Traditional Systems Development Life Cycle 321**
  - Systems Investigation 322
  - Systems Analysis 324
  - Systems Design 324
  - Programming and Testing 325
  - Implementation 325
  - Operation and Maintenance 325
- 13.4 Alternative Methods and Tools for Systems Development 326**
  - Joint Application Design 326
  - Rapid Application Development 326
  - Agile Development 326
  - End-User Development 327
  - Tools for Systems Development 327

*APPENDIX A* **HARDWARE 332**

*APPENDIX B* **SOFTWARE 345**

*APPENDIX C* **CLOUD COMPUTING 352**

*APPENDIX D* **INTELLIGENT SYSTEMS 370**

**GLOSSARY 377**

**INDEX 397**