CONTENTS

Preface xvii

Chapter 1 Managing IT in a Digital World 1
Recent Information Technology Trends 2
  Computer Hardware: Faster, Cheaper, Mobile 2
  Computer Software: Integrated, Downloadable, Social 2
  Computer Networks: High Bandwidth, Wireless, Cloudy 4
New Ways to Compete 4
New Ways to Work 5
Managing IT in Organizations 5
  Managing IT Resources 5
  IT Leadership Roles 7
The Topics and Organization of This Textbook 8
  Review Questions 9 • Discussion Questions 9 • Bibliography 9

  ► CASE STUDY 1 Midsouth Chamber of Commerce (A): The Role of the Operating Manager in Information Systems 10

PART I Information Technology 17

Chapter 2 Computer Systems 19
Basic Components of Computer Systems 20
  Underlying Structure 20
  Input/Output 20
  Computer Memory 21
  Arithmetic/Logical Unit 23
  Computer Files 23
  Control Unit 25
The Stored-Program Concept 25
Types of Computer Systems 28
  Microcomputers 29
  Midrange Systems 30
  Mainframe Computers 33
  Supercomputers 34
Key Types of Software 34
Applications Software 36
  An Example of an Application Product 37
  Personal Productivity Software 38
Support Software 41
  The Operating System 41
  Language Translators 43
Third Generation Languages 43
Fourth Generation Languages 46
Markup Languages 48
Object-Oriented Programming 49
Languages for Developing Web Applications 51
Database Management Systems 52
CASE Tools 54
Communications Interface Software 54
Utility Programs 54
The Changing Nature of Software 55
The Information Technology Industry 55
Review Questions 56 • Discussion Questions 57 • Bibliography 58

Chapter 3 Telecommunications and Networking 60
The Need for Networking 61
Sharing of Technology Resources 61
Sharing of Data 61
Distributed Data Processing and Client/Server Systems 62
Enhanced Communications 62
Marketing Outreach 62
An Overview of Telecommunications and Networking 62
Key Elements of Telecommunications and Networking 63
Analog and Digital Signals 63
Speed of Transmission 64
Types of Transmission Lines 65
Transmission Media 65
Topology of Networks 70
Types of Networks 72
Network Protocols 86
The Exploding Role of Telecommunications and Networking 88
Online Operations 88
Connectivity 89
Electronic Data Interchange and Electronic Commerce 89
Marketing 89
The Telecommunications Industry 90
Review Questions 92 • Discussion Questions 92 • Bibliography 93

Chapter 4 The Data Resource 95
Why Manage Data? 96
Technical Aspects of Managing the Data Resource 97
The Data Model and Metadata 97
Data Modeling 98
Database Programming 100
Managerial Issues in Managing Data 101
Principles in Managing Data 101
The Data Management Process 106
Data Management Policies 110
  Review Questions 114 • Discussion Questions 114 • Bibliography 114

► CASE STUDY I-1 IMT Custom Machine Company, Inc.: Selection of an Information Technology Platform 116
► CASE STUDY I-2 VolP2.biz, Inc.: Deciding on the Next Steps for a VoIP Supplier 128
► CASE STUDY I-3 The VoIP Adoption at Butler University 144
► CASE STUDY I-4 Supporting Mobile Health Clinics: The Children's Health Fund of New York City 157
► CASE STUDY I-5 Data Governance at InsuraCorp 166
► CASE STUDY I-6 HH Gregg: Deciding on a New Information Technology Platform 170
► CASE STUDY I-7 Midsouth Chamber of Commerce (B): Cleaning up an Information Systems Debacle 177

PART II Applying Information Technology 187

Chapter 5 Enterprise Systems 189
  Application Areas 189
  Critical Concepts 191
  Batch Processing versus Online Processing 191
  Functional Information Systems 192
  Vertical Integration of Systems 192
  Distributed Systems 192
  Client/Server Systems 193
  Virtualization 194
  Service-Oriented Architecture and Web Services 194
  Transaction Processing Systems 196
  Payroll System 196
  Order Entry System 196
  Enterprise Resource Planning Systems 198
    An Example ERP System: SAP ERP 199
  Data Warehousing 201
  Customer Relationship Management Systems 204
  Office Automation 206
    Videoconferencing 207
    Electronic Mail 208
  Groupware and Collaboration 209
    An Example Groupware System: Lotus Notes 210
Chapter 6  Managerial Support Systems  223
  Decision Support Systems  223
  Data Mining  224
  Group Support Systems  228
  Geographic Information Systems  229
    Business Adopts Geographic Technologies  230
    What's Behind Geographic Technologies  231
    Issues for Information Systems Organizations  232
  Executive Information Systems/Business Intelligence Systems  234
  Knowledge Management Systems  237
    Two Recent KMS Initiatives within a Pharmaceutical Firm  239
    KMS Success  240
  Artificial Intelligence  241
  Expert Systems  241
    Obtaining an Expert System  242
    Examples of Expert Systems  242
  Neural Networks  244
  Virtual Reality  245
    Review Questions  250 • Discussion Questions  250 • Bibliography  251

Chapter 7  E-Business Systems  253
  Brief History of the Internet  254
    E-Business Technologies  254
  Legal and Regulatory Environment  257
  Strategic E-Business Opportunities (and Threats)  259
  B2B Applications  260
  B2C Applications  263
    Two Dot-Com Retailers  264
    Two Traditional Catalog Retailers  266
    Two Traditional Store Retailers  267
  Summary: B2C Retailing  268
PART III Acquiring Information Systems 327

Chapter 8 Basic Systems Concepts and Tools 329

The Systems View 329
What Is a System? 330
Seven Key System Elements 330
Organizations as Systems 334
Systems Analysis and Design 335
Business Processes 336
Identifying Business Processes 336
Business Process Redesign 336
Processes and Techniques to Develop Information Systems 339
The Information Systems Development Life Cycle 339
Structured Techniques for Life-Cycle Development 340
Procedural-Oriented Techniques 341
Techniques for the As-Is Model 343
Techniques for the Logical To-Be Model 344
Techniques for Documenting the Physical To-Be System 348
Object-Oriented Techniques 351
Core Object-Oriented Concepts 351
Summary of Processes and Techniques to Develop Information Systems 353
New Purchasing Option: Application Service Providers (ASPs) 406

Review Questions 408 • Discussion Questions 408 • Bibliography 409

Chapter 11 IT Project Management 410

IT Portfolio Management 411
Project Management Roles 412
  Project Manager 412
  Project Sponsor and Champion Roles 413
Project Initiation 415
Project Planning 416
  Scheduling 416
  Budgeting 417
  Staffing 418
  Planning Documents 420
  Project Execution and Control 420
  Managing Project Risks 423
  Managing Business Change 424
Project Closing 426
Special Issue: Managing Complex IT Projects 427
Special Issue: Managing Virtual Teams 427
  Review Questions 430 • Discussion Questions 430 • Bibliography 431

▼ CASE STUDY III-1 Managing a Systems Development Project at Consumer and Industrial Products, Inc. 432
▼ CASE STUDY III-2 A Make-or-Buy Decision at Baxter Manufacturing Company 442
▼ CASE STUDY III-3 ERP Purchase Decision at Benton Manufacturing Company, Inc. 449
▼ CASE STUDY III-4 The Kuali Financial System: An Open-Source Project 455
▼ CASE STUDY III-5 NIBCO’s “Big Bang”: An SAP Implementation 468
▼ CASE STUDY III-6 BAT Taiwan: Implementing SAP for a Strategic Transition 484
▼ CASE STUDY III-7 A Troubled Project at Modern Materials, Inc. 498
▼ CASE STUDY III-8 Purchasing and Implementing a Student Management System at Jefferson County School System 506

PART IV The Information Management System 517

Chapter 12 Planning Information Systems Resources 519

Benefits of Information Resources Planning 519
  Creating a Context for IS Resource Decisions 520
  Aligning IS and Business Goals 520
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balancing the Trade-offs Between Standardization and Agility</td>
<td>520</td>
</tr>
<tr>
<td>Obtaining IT Capital Investment Approvals</td>
<td>520</td>
</tr>
<tr>
<td>The Information Resources Planning Process</td>
<td>520</td>
</tr>
<tr>
<td>Assessing The Current Information Resources</td>
<td>521</td>
</tr>
<tr>
<td>Measuring IS Use and Attitudes</td>
<td>521</td>
</tr>
<tr>
<td>Reviewing the IS Organizational Mission</td>
<td>522</td>
</tr>
<tr>
<td>Assessing Performance versus Goals</td>
<td>523</td>
</tr>
<tr>
<td>Creating an Information Vision</td>
<td>524</td>
</tr>
<tr>
<td>Designing the IT Architecture</td>
<td>524</td>
</tr>
<tr>
<td>Formulating the Strategic IS Plan</td>
<td>526</td>
</tr>
<tr>
<td>The Strategic IS Planning Process</td>
<td>526</td>
</tr>
<tr>
<td>Tools for Identifying IT Strategic Opportunities</td>
<td>527</td>
</tr>
<tr>
<td>Formulating Operational IS Plans</td>
<td>532</td>
</tr>
<tr>
<td>Guidelines for Effective IS Planning</td>
<td>532</td>
</tr>
<tr>
<td>Review Questions</td>
<td>534</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>534</td>
</tr>
<tr>
<td>Bibliography</td>
<td>534</td>
</tr>
</tbody>
</table>

**Chapter 13 Leading the Information Systems Function** 536

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>IS Organization Responsibilities and Governance</td>
<td>537</td>
</tr>
<tr>
<td>Managing IT Service Delivery</td>
<td>539</td>
</tr>
<tr>
<td>Chargeback Systems</td>
<td>539</td>
</tr>
<tr>
<td>Service Level Agreements (SLAs)</td>
<td>541</td>
</tr>
<tr>
<td>IT Service Management with ITIL</td>
<td>542</td>
</tr>
<tr>
<td>Supporting Computer Users</td>
<td>543</td>
</tr>
<tr>
<td>Strategies for User Computing</td>
<td>543</td>
</tr>
<tr>
<td>Support Services</td>
<td>544</td>
</tr>
<tr>
<td>Control Policies and Procedures</td>
<td>546</td>
</tr>
<tr>
<td>Supporting Telecommuters</td>
<td>546</td>
</tr>
<tr>
<td>Managing IT Applications</td>
<td>548</td>
</tr>
<tr>
<td>An Applications Portfolio Approach</td>
<td>548</td>
</tr>
<tr>
<td>Metrics for IT Applications Management</td>
<td>549</td>
</tr>
<tr>
<td>Managing IT Human Resources</td>
<td>549</td>
</tr>
<tr>
<td>Managing the Business/IT Relationship</td>
<td>553</td>
</tr>
<tr>
<td>Measuring Overall IS Performance</td>
<td>554</td>
</tr>
<tr>
<td>Special Issue: IS Management in Global Organizations</td>
<td>554</td>
</tr>
<tr>
<td>Special Issue: Managing IT Outsourcing</td>
<td>556</td>
</tr>
<tr>
<td>Review Questions</td>
<td>558</td>
</tr>
<tr>
<td>Discussion Questions</td>
<td>559</td>
</tr>
<tr>
<td>Bibliography</td>
<td>559</td>
</tr>
</tbody>
</table>

**Chapter 14 Information Security** 561

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Crime</td>
<td>561</td>
</tr>
<tr>
<td>The Chief Security Officer Role</td>
<td>565</td>
</tr>
</tbody>
</table>
Chapter 15 Social, Ethical, and Legal Issues 575

The Legal Environment 575
Ethics Frameworks 576
  Identifying Ethical Problems 576
  Analyzing Ethical Problems 577
Social Issues 578
Privacy 579
  Privacy Problems 579
  E-Commerce Privacy Concerns 580
  Workplace Privacy 581
  Ethics of Invasion of Privacy 582
  Laws on Privacy 582
Identity Theft 583
  Impact of Identity Theft 584
  Laws on Identity Theft 585
Intellectual Property Rights 585
  Software Piracy 586
  Copyright Protection 586
  Patent Protection 586
  Digital Entertainment Piracy 587
  Internet File Sharing 587
  Ethical Questions 589
Other Social Issues 589
  Access to the Technology 589
  Freedom of Speech 590
  Hazards of Inaccuracy 590
  Impact on Workers 590
The Future 591
  Review Questions 591 • Discussion Questions 592 • Bibliography 592
CASE STUDY IV-1  The Clarion School for Boys, Inc.—Milwaukee Division: Making Information Systems Investments  594
CASE STUDY IV-2  FastTrack IT Integration for the Sallie Mae Merger  611
CASE STUDY IV-3  IT Infrastructure Outsourcing at Schaeffer (A): The Outsourcing Decision  628
CASE STUDY IV-4  IT Infrastructure Outsourcing at Schaeffer (B): Managing the Contract  634
CASE STUDY IV-5  Systems Support for a New Baxter Manufacturing Company Plant in Mexico  642
CASE STUDY IV-6  The Challenges of Local System Design for Multinationals: The MaxFli Sales Force Automation System at BAT  647
CASE STUDY IV-7  Meridian Hospital Systems, Inc.: Deciding Which IT Company to Join  660
CASE STUDY IV-8  Mary Morrison’s Ethical Issue  666

Glossary  668
Index  691