Ann Nyokabi Gathoni

AIIM/00476/2021

Question 1

Competitive Advantage in organizations can be achieved/realized in three dimensions; strategic, tactical, and operational dimensions. With examples, explain how IS can help achieve these three (8 marks)

a. **Strategic Dimension**

This is the long-term view: to achieve marketplace positioning and sustainable growth. In Kenya, IS helps organizations identify trends, reach untapped markets, and differentiate themselves from competitors.IS aids in

Market Analysis: IS tools, aid in understanding customer needs and gaps in the market.

Innovation: Mobile money platforms, like M-Pesa, use IS to provide financial services.

Sustainability: IS assists companies in implementing green practices, such as tracking carbon footprints in industries.

An example is Safaricom, which introduced M-Pesa, a mobile money transfer system that revolutionized financial services in Kenya. Utilizing IS, they discovered the need for easily accessible financial services and thereby earned a strategic advantage over others.

b. **Tactical Dimension**

This concerns medium-term decisions and optimization of resources to support strategy. In Kenya, IS helps them smoothen operations and respond with speed to the changing needs of the markets.IS aids in

Inventory Management: Retailers use IS, such as ERP systems, to manage the supply chain as efficiently as possible.

Customer Engagement: CRM tools help businesses stay in touch and anticipate customer needs.

Data-Driven Decisions: BI tools let companies make informed decisions about their products and services.

An example is Naivas Supermarkets, which uses IS to optimize inventory and supply chain management. Through real-time tracking of customer purchases and supplier trends, Naivas has its shelves stocked with relevant products.

c. **Operational Dimension**

It focuses on daily activities and processes. IS automates and streamlines tasks, hence improving efficiency and customer experience in Kenya's competitive industries. IS aids in

Automation: For example, Twiga Foods connects farmers with markets, thereby automating supplies and demand.

E-commerce: Jumia Kenya uses IS to automate order processing, payment, and monitoring of delivery.

Customer Service: KCB is using AI-driven chatbots for customer service on a 24x7 basis.

Question 2

The Value Chain framework of Michael Porter is a model that helps to analyze specific activities through which firms can create value and competitive advantage. The goal of Primary Value Chain activities is to create value that exceeds the cost of providing the product or service, thus generating a profit margin. Explain the components of the primary level of this framework (8 marks)

a. **Marketing and Sales** – these are activities aimed at promoting and selling products or services to customers. This is done through sales promotions, advertising, and pricing strategies. An example is Safaricom which markets its mobile money services through TV and social media campaigns.

b. **Operations –** these are activities that transform inputs into finished products. An example is Bidco Africa which processes raw materials like palm oil into finished consumer goods such as cooking oil, soap, and detergents.

c. **Service -** Activities that maintain or enhance a product's value after purchase. This includes Customer support, warranty services, and training. For example, Equity Bank provides after-sale services like customer care hotlines and mobile app support.

d. **Outbound Logistics**- these are activities involved in distributing the finished products to customers. For example, Jumia Kenya ensures efficient delivery of products through its logistics network to customers.

Question 3

Explain the emerging fourth-era of information systems – the IS capability and illustrate how this links to organizational performance (4 marks)

**a. Innovation**- IS is used to create new products and services. An example is Twiga Foods company which connects farmers and vendors using technology, ensuring fresh produce is delivered more efficiently. This Creates Growth Opportunities for the company.

**b. Quick and Flexible**- IS helps businesses respond quickly to changes and expand when needed. It improves Customer Satisfaction and makes services easier and more accessible for customers.

**c. Better Decision-making-** Businesses use data from IS tools to understand trends and plan better. Companies can change plans or introduce new services quickly when the market changes.

**d .Part of the Business Strategy** -Technology is no longer separate from the company’s plans; it is part of how the business grows. Kenyan banks use mobile apps and digital tools to make banking faster and more accessible for customers. Customers are more satisfied with services that are fast and efficient.