**The Technical University of Kenya**

**BSc. Information Sciences | Informatics Track**

Management Information Systems | CAT 2 | 20 Marks

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1. Competitive advantage can be realized by gaining strategic, tactical, and operational advantages. These three levels of competitive advantage will work together. The information system affected by these three levels will have the best possibility of substantially improving a company's performance.

* Strategic Level:
* This involves high-level decision-making about the overall direction of the company, including market positioning, target customer segments, and core competencies. This is where major strategic choices are made to differentiate the company from competitors, like choosing a cost leadership or differentiation strategy.
* Tactical Level:
* This focuses on implementing the strategic plan through specific actions and initiatives. This might involve developing marketing campaigns, optimizing operational processes, or allocating resources to achieve strategic goals.
* Operational Level:
* This involves the day-to-day execution of tasks and activities to ensure smooth operations and efficiency. This could include optimizing production processes, managing inventory levels, and improving customer service delivery.

1. A value chain combines the systems a company or organization uses to make money. To understand how value is generated at each level, the processes in a company are categorized into two distinct categories; primary activities and secondary activities.

Primary activities:

* Inbound logistics- Involves receiving, storing (warehousing), and managing (inventory control) raw materials. Improves relationships with suppliers.
* Operations – All activities required to transform raw materials into finished products or services. Includes changing inputs into outputs.
* Outbound logistics- include all activities required to distribute the final product to a customer, including collecting, storing, and distributing the output.
* Marketing and sales – Activities that inform buyers about products and services, induce buyers to purchase them, and facilitate their purchase.
* Services - Includes activities to maintain products and enhance consumer experience—customer service, maintenance, repair, refund, and exchange.

1. The fourth era of information systems is also known as the IS capability era. The IS capability era signifies a shift towards viewing information systems as a strategic asset that can be actively managed and leveraged to drive organizational performance across various dimensions, enabling greater adaptability, innovation, and competitive advantage in the digital landscape. This era emphasizes the importance of leveraging advanced technologies, data analytics, and digital transformation to enhance organizational performance. By developing strong IS capabilities, organizations can improve decision-making, increase efficiency, streamline processes, and ultimately achieve better results. This linkage to organizational performance is crucial in today's competitive business environment, as organizations strive to stay ahead by harnessing the power of information systems.