Exam Questions:

Part A:

(a) Giving examples, discuss how porter’s competitive forces model help companies to

develop competitive strategies using information systems.

There are four strategies used to manage competitive forces, each by with is done by using information systems. These are:

**Low-cost leadership**: Information systems are used to achieve the lowest operational costs and the lowest prices. E.g. to help with lower inventory and distribution costs a direct link between customer behaviour to distribution and supply chain management systems using an information system would lower these costs.

**Focus on market niche:** Information systems could be used to benefit targeting the market target for your product or service better than competitors. E.g. Hotels tend to store guest’s information on what they avail of during their stay in an information system to target their customers more narrowly in the future to cater for their needs, and reward profitable customers with extra benefits and attention.

**Product differentiation:** Make your services convenient with information systems. Allowing the customer’s make changes to the product/services before purchasing it in an easy and convenient way. E.g. Customised clothes would be used through an information system allowing customers to customise their clothes to be tailor made.

(15 marks)

(b) What are the five challenges posed by strategic information systems and explain how

these challenges should be addressed

1. Challenges Information systems face are the following:
2. Humanistic factors: lack of information provided by managers due to not knowing what they want. Product designers failing to understand the needs of the user.
3. Organisational factors: Information not being of high quality. Mass media not being used appropriately.

To address these challenges, and to implement a strategic solution changes must be made.

(10 marks)

Part B:

(a) Discuss the purpose of the five steps in business process management activities and

give an example to explain the reason why they can be used by the companies for

redesigning a business process

(15 marks)

(b) Assess the purpose of business process reengineering and explain why it is important

for the change management strategy of an organization