Chapter 15 Review Questions

1. **According to Hammer, how does a process-centered organization differ from a task-centered one?**

Tasks are about individuals while processes are about groups

1. **According to Brown and Solomon Gray, why are communities the building blocks of knowledge-based companies?**

For three reasons:

1. People, not processes do the work
2. Learning is about work, work is about learning, and both are social
3. Organizations are webs of participation
4. **What has National Semiconductor done to encourage CoPs?**

The new CEO restructured and rationalized the company making CoPs central to his plan, then it created Cops and let them work, it recognizes them, offers them funding for their projects and hands out a toolkit to help people form their own CoP, they even encourage Cops to create homepages on the web to communicate

1. **According to Gage, how does he really know about the hot work being performed at Sun?**

John Gage, chief scientist at Sun Microsystems, thinks there is a virtual organization within existing companies, and these organizations are created through networks. He uses Sun’s master list of its e-mail distribution list to keep attuned to developments at Sun. When a new e-mail distribution list is generated, he knows that a new project has started. Furthermore, when he sees a list balloon, from say 35 to 200, he knows some important work is being performed at Sun.

1. **According to Kelly, what were the three rules given to the computer-generated bats in Batman Returns? What was the effect of these rules?**

Kevin Kelly, executive director of Wired magazine has tried to explain the concept of self-organization with the example of the movie Batman Returns, in which computer-generated bats were to flock through Gotham City. The following three rules were given to them:

• Don’t bump into another bat.

• Keep up with your neighbors.

• Don’t stray too far away.

The effect of these rules was amazing. When the computer simulation of the mob of bats ran, they flocked just like real bats.

1. **What is Capital One’s core competency? Describe how it is used**

Its core competency is its test design, the heart of the company’s strategy is dreaming up credit programs that might value to customers and then testing numerous variations of each program to see which yields the best results, then the test are analyzed using advanced statistical modeling and the winning variations are then modified and offered to more consumers

1. **Give two examples of how a market has been used internally within a company, according to Malone**

BP set up an internal market to reduce the greenhouse gases it produced, business unit managers made their own decisions on buying and selling permits via electronic trading, the result was that BP achieved its 10-year goal in just one year.

HP discovered that when it created an internal market of “idea future,” where any employee could guess, say, future printer sales, the futures market was more accurate than one produced by “experts.”

1. **What are the four mind-sets of the Internet?**
2. Communication is personal, not mass market
3. Customer contact is interactive, not broadcast
4. The customer service time frame is theirs, not yours
5. The culture is bottom-up, not top-down
6. **Explain the four places where Sawhney and Parikh find value in a network**
7. Core and Periphery
8. Common infrastructures
9. Modularity
10. Orchestration
11. **What are the three distinguishing characteristics of the e-economy, according to Kelly**
12. It is global
13. It favors soft things—intangibles, such as software, information, ideas, and most importantly relationships—over hard things, such as trucks, steel, and cement
14. It is intensely interlinked
15. **Why should companies invest in making their customers smart, according to Kelly?**

According to Kelly, the companies with smarter customers win. One example Kelly gives is Amazon.com and their use of a recommendation system. This type of system recommends to the current customer other books that have been bought by other customers who bought the same book the current customer is buying. The power of this system is that it lets a person know of others who have similar interests, which creates new communities among Amazon’s customers. This helps to increase loyalty to the company and increases the knowledge base and expertise of the company’s customers. Kelly suggests that companies should invest in encouraging affinity groups and create a group of loyal customers who have a trusting relationship with the company. This group can become a company’s best ambassador to the outside world, increasing product marketing exponentially.

1. **Briefly describe the five groups in the technology camel**
2. Eager Beaver: The Innovators and Pioneers—The smallest group is the noisiest: the zealots, proselytizers, salespeople, writers, and service providers. Today, for example, they are ecstatic about 3G wireless network services and web services. Everything about these two emerging technologies, by definition, is rather promising
3. Early Adopters: The First Consumers—In the early internet days, companies could barely constrain early adopters of Internet technology. They were the disciples, not too far behind the innovators. They were pushing to get corporate data on the Web
4. Early Majority: The First Big Wave—The first of the two big consumption waves includes the folks, departments, and companies that say they are willing to use new technologies but that they need some help. They are not the self-sufficient pioneers or the risk takers
5. Late Majority: The Technology Skeptics—Late majority people, departments, and companies are not afraid of a technology, but they do have serious concerns about risk and costs
6. Technically Averse: “Not on My Time You Don’t”—The people, departments, and companies who resist technology are not currently considering doing anything about wireless access to their Web sites or implementing Web Services
7. **List the roles executives need to play in managing the use of IT.**

Senior executives need to play the following crucial roles in managing the use of IT:

* Setting the tone of the organization towards technology.
* Using IT to promote business change.
* Guiding technology introductions.
* Envisioning how IT can serve business strategy.
* Aligning IT with business objectives.
* Assessing costs and benefits.
* Using systems with comfort.

1. **List all the business opportunities or the business values that are created by the network economy**

* Learn by doing
* Learn by governing
* Learn via educational programs