


Information Systems  
ISM 3011

Spring 2004  
Unit 8B

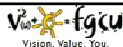
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Case 1: Covisint  
Question 1

- The success of an exchange depends on the number of users and the transaction volume. Creating one exchange increases both.
- Operating an exchange is not part of GM/Ford's core competencies.
- It is easier to win small suppliers for a single exchange.

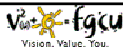
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Case 1: Covisint  
Question 2

- The whole industry would be affected if Covisint experienced an outage.
- Trade volumes and market prices are confidential information in the same way as technical details. The companies risk the loss of control over that knowledge.

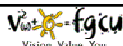
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Case 1: Covisint  
Question 3

- It is still possible to gain a competitive advantage, but not with just superior processes, only with more intelligent sourcing:
  - Spending analysis/ Data mining
  - Efficient lot sizes

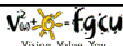
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Case 1: Covisint  
Question 4

- It will be a burden for them to connect to Covisint, especially if they use proprietary software or are incapable to provide certain information in real-time.
- A solution are service providers which offer browser or e-mail access to such integrated systems.


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Case 2: Lowe  
Question 1

- see the Internet, e.g.  
<http://www.dfw.com/mld/dfw/2003/08/20/business/6574939.htm>


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**Case 2: Lowe  
Question 2**

- Compare
  - [www.homedepot.com](http://www.homedepot.com)
- vs.
  - [www.lowes.com](http://www.lowes.com)

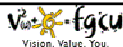
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**Case 2: Lowe  
Question 3**

- Home improvement items are often heavy and bulky.
- High shipment charges make them unattractive for direct online sales.
- It seems to be a good e-commerce strategy to use the web site as a tool for helping customers buying in the shops.

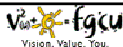
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**Case 2: Lowe  
Question 4**

- A good on-line presence is very important
  - find nearest store
  - check opening hours
  - provide information necessary for more complicated home improvement tasks

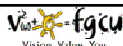
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**Case 3: Port of Seattle  
Question 1**

- The second phase may involve changing the systems and work processes.

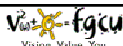
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**Case 3: Port of Seattle  
Question 2**

- Benefits include
  - the reduction of processing costs,
  - an increase in the flow of goods and information, and
  - improvement in the level of customer service.


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**Case 3: Port of Seattle  
Question 3**

- The initial five projects may have been identified based on customer input.


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### Case 3: Port of Seattle Question 4

- Advantages include
  - reduction in operating cost and
  - access to resources not available in-house.
- Disadvantages may include
  - increased costs and lengthy bid process.

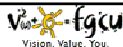
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### Assignment for Next Class

- - Chapter 9; self-assessment test;  
review questions 4, 6, and 7
- - Chapter 10; self-assessment test;  
review questions 1, 4, 13, 17

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### Thank you!

Any questions? Please send an e-mail to [mhepp@computer.org](mailto:mhepp@computer.org)!

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Dr. Martin Hepp 15