

Link 1.3 Answers to Exercise 1.1

1. List four reasons why information is needed in organizations.
 - Provide a record of transactions.
 - Trigger events.
 - Inform decisions.
 - Communicate action.
2. What is meant by information paralysis?
 - Information paralysis is when a person is overloaded with information and unable to act on it.
3. Is IT necessary to manage information in an organization?
 - No.
4. What two things are needed to add value to data and convert data into information?
 - Units of measure of the data.
 - Context in which the data were collected.
5. What is the key question that the business model answers?
 - What business am I in?
6. What is the purpose of the business model?
 - To provide the context for information in the organization.
 - Identify the main individuals and organizations with which the organization needs to communicate.
 - Analyse the information flows to and from an organization.

7. What is the role of the formal organizational structure in information management?
 - It coordinates and controls the flow of information.
 - Determines the lines of communication and spans of control between people.
 - Affects the way in which information is used and managed in the organization.
8. Identify the four roles of information in relation to business processes.
 - Triggers the process.
 - Input to the process.
 - Controls the process.
 - Output from the process.
9. How do group norms affect the requirements for information?
 - Group norms determine the standards of acceptability relating to the accuracy, frequency and timeliness of information.
10. What is meant by a root metaphor?
 - A root metaphor is the shared views of the world held by a group of people which characterize the group. Root metaphors can become embedded in physical artefacts such as signs and materials, which serve to reinforce the group's view of the world. Information management needs to understand the view of the world held by members of the organization that will provide the context within which information will be interpreted and used.
11. Give two examples of features which may be used to categorize information about customers.
 - Information about customers may be categorized using geographic, demographic, psychographic or behavioural features.
12. If an organization wanted to capture demographic information about its customers, give two examples of data that the organization would need to collect from customers.
 - Demographic data include: age, family size, income, education, and occupation.
13. What is a strategic alliance?
 - A strategic alliance is a formal agreement between two or more organizations to cooperate in some way for mutual benefit.

14. What is the difference between a direct and indirect substitute?

- A direct substitute satisfies the same need in the same way.
- An indirect substitute satisfies the same need in a different way.

15. What information is needed to calculate the depreciation of assets?

- Depreciation is calculated using the original cost of the asset and the expected life span of the asset before it is replaced.

16. What information can be derived from the factors identified using PEST analysis?

- PEST incorporates political, economic, sociocultural and technical information.

17. List the areas that are analysed in morphing organizations.

- Triggers driving the transformation.
- Phases of transformation.
- Dimensions of the organization affected by the transformation.
- Underlying elements which need to remain stable in order to retain the organization's identity.
- Resulting image from the transformation.

18. What are the three categories of information in the business information cube?

- Source of information.
- Subject of information.
- Type of information (that is, quantitative or qualitative).

19. Information is reported at the weekly staff meeting. Is this an example of formal or informal information? Why?

- Information at the weekly staff meeting is formal information because the information is communicated through the formal reporting mechanism.

20. How does an organizational architecture differ from an organizational structure?

- The organizational structure is one part of the organizational architecture.
- The purpose of the organizational structure is to organize resources and define formal channels of communication.
- The purpose of an organizational architecture is to provide space for business activities to take place.
- The organizational architecture includes both formal structures such as the organizational structure and the informal organizational structure and organizational culture.