

## CompSci Midterm review

### Chapter 3

**Productivity paradox:** discrepancy between measures of investment in information technology and measures of output at the national level

**Canadian Coalition for Tomorrow's ICT skills (CCICT)** founded in 2007 by bell to create more educational programs the combine business and technology.

Increasingly **efficiency** means process can be done quicker or with less resources. Doing things right.

**Effectiveness** = doing the right things

**Value chain:** a network of activities that improve the effectiveness of a good or service.

Two types of activities that support value chains

**Primary activities:** activities that directly add value to a product.

**Support activities:** support primary activities

Porter's 5 forces model

**Bargaining power of customers**

**Threat of substitutions**

**Bargaining power of suppliers**

**Threat of new entrants**

**Rivalry among existing firms**

Porter's 4 competitive advantages

**Cost leadership**

-across industry

-focused on particular industry segment

**Differentiation**

-Across industry

- focused on particular industry segment

**2 types of technology innovation**

**Sustaining technology:** changes in technology that maintain the rate of improvement in customer value.

**Disruptive technology:** introduces a very new package of attributes to the accepted mainstream products.

**Diffusion of innovation:** The process by which an innovation is communicated through certain channels over time among the members of a social system.

5 Stages in which the Diffusion of innovation occurs

**Knowledge**

**Persuasion**

**Decision**

**Implementation**

**Confirmation**

**Principles of competitive advantage**

**Product implementations**

- Create a new product or service
- Enhance products or service
- Differentiate product or service

**System implementations**

- Lock in customers and buyers
  - Lock in suppliers
- Raise barrier to market entry
  - Establish alliances
  - Reduce costs

**Industry structure (5 forces) Competitive advantage (4 strategies) Value chains Business process Information system**