

Computers had 6658 employees and less than \$6 billion in revenues. At the beginning of 2008, Apple Inc. had 21,600 employees and more than \$24 billion in revenues. In 1998, Apple generated almost all of its revenues through reseller channels. By 2008 they had opened nearly 200 retail stores all over the world and had nearly \$4 billion in revenues just from those stores and their Internet sales. Apple's product line had also grown from 6 to more than 27 main products, including digital music, movies, and television through iTunes. However, with such growth, there also came some unwanted problems. In 1998, Apple only had 5 lawsuits in litigation, by 2008, they had 28 lawsuits to deal with. [AU: This info is interesting, but is it relevant to the point of this Sidebar?]

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How and why did this transformation occur? The answer is that several things occurred in 1998 that signaled this rapid growth and expansion for Apple and resulted in some major changes in the way the company operated. First, Steve Jobs returned to Apple as its CEO after several years outside the company. At the time Jobs returned, Apple wasn't doing very well. In an attempt to turn the company around, Jobs instituted some very big and difficult changes. Jobs understood that Apple needed to focus on its core competency: designing easy-to-use and engaging hardware and software products. He immediately revamped the product line by modernizing the Mac operating system and providing Apple computers with new capabilities. [AU: Please check for accuracy. Also, perhaps identify a couple of these capabilities? Most students will have no memory of "primitive" computers.]

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In addition, Jobs started to outsource the manufacturing operations to specialized high-tech manufacturing companies. [AU: Where were these companies located? In foreign countries? Some students might not be familiar with outsourcing.] Because Apple's core competency was designing the products, they did not need to continue to manufacture these products themselves. Jobs's next initiative was to launch the Apple Online Store to sell products directly to consumers over the Internet. Getting close to customers was crucial for Apple's plans to provide users with a better and more engaging experience. Finally, Jobs implemented an SAP ERP system to manage all of the new processes that resulted from the other strategic changes in product design, manufacturing and sales. [AU: What "other strategic changes"? Also, I think this is much too early to introduce SAP and ERP without explaining them. Please keep in mind that students have limited background and they have barely opened the book. Please consider rephrasing this sentence in more generic terms.]

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Every one of the strategic business changes that Apple made in 1998 fundamentally transformed the core business processes that had been in place for many years. In order for these new processes to be effective, they had to be visible and accessible to employees across Apple's entire spectrum of business operations. They also had to eliminate several areas of inefficiency among groups in the company. The information systems that were in place in 1998 could not grow to support the expansion in product categories, geographies [locations?], and revenues. Therefore, Apple had to

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implement an integrated enterprise system that would be able to grow flexibly as the company's business expanded.

Since 1998, Apple has continuously expanded its enterprise system to incorporate new business processes and capabilities. [AU: Please keep in mind that you don't define "enterprise system" until later in the chapter. Is the term necessary here?] By 2008, Apple had one of the largest and most advanced SAP implementations in the world. [AU: Again, students won't be familiar with SAP.] The company manages every iPod, iPhone, Mac, and other Apple product from the design phase through the final sales in a set of integrated enterprise systems. In fact, Apple's enterprise systems are so critical that its business would come to a halt if these systems stopped working for even a few minutes.

[AU: This Sidebar is interesting and enlightening, but I don't believe that it's appropriate as written for a beginning audience. It really doesn't explain what an ES is or does, especially as it pertains to Apple. For example, students might get confused when you state that Apple (a) outsourced manufacturing yet (b) continues to manage the entire operation. You need to flesh out this discussion a bit in order to fill in the gaps.

Also, unless the manufacturers and/or customers are located in foreign countries—a point the Sidebar doesn't address—the global aspect of this case isn't clear.]

Why has this shift toward globalization occurred? There are clearly many reasons, including major changes in national and international politics and policies. Regardless of the reasons, however, the fact remains that over the last several years, organizations have relocated parts of their organizations to places that make the most economic sense. For example, companies have moved manufacturing to places where labor is less expensive, and they have transferred research and development to locations that offer an abundant supply of highly educated scientists and engineers. [AU: Not to belabor the obvious, but outsourcing has become a highly controversial topic. Can the phrase "make the most economic sense" be interpreted as a blanket endorsement of these policies?]

One consequence of globalization is increased competition. Companies are no longer limited to their local markets. Instead, the world is their market. Of course, as a company's market expands, so do the number and types of firms with which it competes. This increased global competition puts pressure on companies to be more efficient and productive. Clearly, then, globalization has significant implications for how organizations operate. This observation brings us to the second term mentioned in the opening paragraph – information revolution. [AU: I inserted the key term into this paragraph.]

### The Information Revolution

The information revolution refers to the increased use of information and communication technology (ICT) to create, deliver, and use information. The

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information revolution plays an important role in the global competitive environment. Significantly, ICT creates both opportunities and potential problems for organizations. On the positive side, ICT has helped organizations to globalize their operations by enabling them to coordinate business processes that are performed around the world. [AU: Perhaps add Apple here as an example?] The ability to communicate instantly via documents, data voice, and video, makes it unnecessary for everybody involved in designing and producing a product to be in the same location. [AU: Mention the Internet and email as well?] At the same time, however, companies are becoming critically dependent on ICT to keep the organization running smoothly, precisely because their various operations are spread all over the world. In addition, they rely on ICT to be more productive and thus remain competitive. The danger here is that, if the ICT doesn't function properly, the entire organization can't function. [AU: Okay?]

[AU: Again, I boldfaced "information revolution" in the opening sentence. However, there are three basic problems here. First, you're using one key term (ICT) to define another one. Second, you don't define ICT. Finally—and perhaps most fundamentally—you don't define "information" until later in the chapter. Are you comfortable discussing the role of information and ICT without explaining exactly what the term "information" means?]

Clearly, then, people in modern organizations increasingly depend on information to do their work. For this reason these employees are increasingly referred to as knowledge workers.

## The **K**nowledge **W**orker

A **knowledge worker** is one who uses ICT to create, acquire, process, synthesize, disseminate, analyze and use information to be more productive. For example, knowledge workers perform non-routine work that often requires both **structured information** and **unstructured information** from multiple sources. [AU: "For example" implies that knowledge workers perform other types of tasks as well. Is this what you meant to say? Also, you haven't defined the key terms, and they don't appear again in the chapter. Are they really necessary? There are enough key terms in this chapter already.] This work is typically not repeated throughout the course of the work day or work week. Examples of knowledge workers are product manager, sales executive, production manager, and financial analyst. [AU: I'm not clear as to how and why these tasks are "typically not repeated throughout the course of the work day or work week." Again, a concrete example would help greatly.] To perform these tasks successfully, **knowledge workers** must have a deep understanding of the business processes that occur across different areas of the company. They also must be able to work with multifunctional teams from different groups.

In contrast to knowledge workers, **task workers** perform routine, structured tasks, typically in a repeated manner. Task workers include customer service representatives,

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