

KEY CONCEPTS – CHAPTER 8

Glossary

Chapter 8

balanced scorecard	a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors.
behavior control	manager observation of employee actions to see whether the individual follows desired procedures and performs tasks as instructed.
benchmarking	the process of continually measuring products, services, and practices against tough competitors or other organizations recognized as industry leaders.
blog	a running Web log that allows an individual to post opinions and ideas.
business intelligence	high-tech analysis of large amounts of internal and external data to spot patterns and relationships that might be significant in helping managers make better strategic decisions.
customer relationship management (CRM)	systems that help companies track customers' interactions with the firm and allow employees to call up a customer's past sales and service records, outstanding orders, or unresolved problems.
data warehousing	the use of huge databases that combine all of a company's data and allow users to access the data directly, create reports, and obtain responses to what-if questions.
decision support system (DSS)	an interactive, computer-based system that relies on decision models and integrated databases.
e-business	any business that takes place by digital processes over a computer network rather than in physical space.
enterprise resource planning (ERP)	a system that collects, processes, and provides information about a company's entire enterprise.
executive dashboard	a software program that presents key business information in graphical, easy-to-interpret form and alerts managers to any deviations or unusual patterns in the data; sometimes called a <i>business performance dashboard</i> .
executive information system (EIS)	a higher-level application that facilitates decision making at the highest levels of management, these systems are typically based on software that can convert large amounts of complex data into pertinent information and provide that information to top managers in a timely fashion.
explicit knowledge	formal, systematic knowledge that can be codified, written down, and passed on to others in documents or general instructions.
extranet	an external communications system that uses the Internet and is shared by two or more organizations.
feedback control model	a control cycle that involves setting goals, establishing standards of performance, measuring actual performance and comparing it to standards, and changing activities as needed based on the feedback.
information reporting system	the most common form of management information system, this type of system provides mid-level managers with reports that summarize data and support day-to-day decision making.
integrated enterprise	an organization that uses advanced IT to enable close coordination within the company as well as with suppliers, customers, and partners.
intellectual capital	the sum of an organization's knowledge, experience, understanding, relationships, processes, innovations, and discoveries.

intranet	a private, companywide information system that uses the communications protocols and standards of the Internet and the World Wide Web but is accessible only to people within the company.
knowledge management	the ability to systematically find, organize, and make available a company's intellectual capital and to foster a culture of continuous learning and knowledge sharing so that organizational activities build on what is already known.
management control systems	broadly defined as the formal routines, reports, and procedures that use information to maintain or alter patterns in organizational activities.
management information system (MIS)	a computer-based system that provides information and support for managerial decision making.
networking	electronically linking people and departments within a particular building or across corporate offices, enabling them to share information and cooperate on projects.
outcome control	a management focus on monitoring and rewarding results rather than on how those results are obtained.
Six Sigma	a highly ambitious quality standard that specifies a goal of no more than 3.4 defects per million parts; also, a set of control procedures that emphasizes the relentless pursuit of quality.
social networking	a peer-to-peer communication channel, where people interact in an online community, share personal data and photos, and produce and share a variety of information and opinions.
strategy map	a visual representation of the key drivers of an organization's success that shows how specific outcomes in each area are linked.
tacit knowledge	knowledge based on personal experience, rules of thumb, intuition, and judgment; knowledge that is difficult to put into writing.
transaction processing system (TPS)	a system that automates the organization's routine, day-to-day business transactions.
wiki	a Web page or collection of pages designed to allow people to freely create, share, and edit content using any Web browser.