CHAPTER OVERVIEW

The first chapter aims at defining a “big picture” of contemporary business and business computing. Business pressures and business risks are explored in order to identify the main factors affecting the functioning of modern organizations in the Internet era. IT-related risks are identified as well, showing some sort of paradox in today’s e-business and e-economy era: information technologies are used in order to provide answers to several types of business pressures and reduce the risks, however, in the same time, IT can be a risk by itself, if not implemented and/or managed properly.

BUSINESS AND BUSINESS COMPUTING

This section introduces some basic facts on contemporary business, pressures that exist in business environment, and IT-based responses that organizations employ in order to respond to the ever-growing requirements. Today’s business is described by using ten major attributes.

Contemporary businesses today, more than ever, are faced with tremendous competition in a rapidly changing environment. Companies are operating on highly competitive markets that have become global, more dynamic, and customer oriented. Customers are more powerful and ask for customized products and services, while governments issue more and more compliance regulations. Recently, IDC introduced
the term of “the velocity of business change” and emphasized the fact that “business is changing at a greater velocity than ever” (Hammond, 2007).

Due to all changes and pressures, businesses are seeking new ways to respond to these requirements. Applying several information technologies in order to find appropriate responses is considered as one of most widely used approach. Organizations try to design modern information architectures and implement enterprise information systems (EIS) in order to fulfill these requirements and create competitive advantage (see Figure 1.1).

Within such a context, contemporary business can be described by the following ten major attributes:

1. Today’s business is operating under ever growing set of business pressures coming from its environment: competitors, markets, customers, governmental regulatory requirements, and so forth. Many large corporations have product (services) development or manufacturing centers in many countries.
2. Business has to be proactive, rather than reactive, in finding the ways to recognize, predict and respond to incoming business pressures.
3. Businesses employ information technologies in order to provide responses to business pressures and business risks, by enhancing productivity levels, reducing costs, and improving the quality of products and services.
4. Businesses apply IT-based techniques and methods in order to improve both efficiency and effectiveness of decision making and business processes.

Figure 1.1. Modern business, its enterprise information system and relations with environment
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