CSC 454S/2527S: **THE BUSINESS OF SOFTWARE**

MIDTERM EXAM ANSWERS

26 February 2001, 6:10-7:10 p.m.

1. a, b, d, f, g

2. None are true.

3.
a) Tripod's business was to sell advertising to firms wishing to reach several times a week a community of 1 million individuals in the 18- to 34-year old age range, i.e., upwardly mobile Gen Xers.
b) Novator Systems business is to sell services to build and operate eBusiness sites to companies in the high-tech, retail, and financial industries who desire that their sites be effective and reliable, who desire "peace of mind."

4. Med Mobility must concentrate all resources towards installing and making operational by the end of 2001 their first system, the one that is being developed in collaboration with a health facility in Toronto.

5.
market niche (*also gave credit for* market segment)
competitive edge (sustainable competitive advantage)
market share
market window
intellectual property (*also gave credit for* proprietary technology)
barriers to entry

6.
1: Intro CS, 2: Operating Systems, 3: Intro Acc'ting, 4: Adv. Marketing, 5: Biz of Soft.
Horizontal axis is level of CS material
Vertical axis is level of business material

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|4
|               5
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| 1,3                              2
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Also can do business→CS along one axis, elementary→advanced along another.

7.
a) Mobile Parking will save cities with populations of over 500,000 and annual revenues from parking tickets of at least $10 million enough money so that the systems will pay for themselves in something like 4 months.
b) Janna Systems will allow global financial services companies (for example, investment banking firms) to effectively share knowledge of customer interactions among customer-facing professionals (for example, sales staff) across the enterprise, thereby increasing sales and improving customer service.

8.
a) Product development takes substantial investment
b) Product development takes a long time
c) Product development is more risky
d) Product specifications must take into account the needs of many potential customers
e) There will be the temptation to cannibalize your product development staff to deal with client emergencies on the service side
f) Management attention will be split among two very different kinds of businesses
g) The two different kinds of business involve different mindsets and strategies
h) The need for capital may result in loss of control of a closely-held services firm.

9.
a) Embodying their algorithms in working code before too long, and testing it with real customers
b) Ensuring that their product is compatible with major computer graphics and photographic standards
c) Talking to enough potential customers and partners to ensure that all critical application requirements will be met.

10.
a) Patented technology creating live Internet photographs from robot cameras for the automobile, construction, and retail industries.

b) Patentable technology for removing film grain noise for the high resolution still photography and motion picture industries.

11.
A major problem as photography become digital is that of film grain noise.  Softex's revolutionary patentable technique removes noise from digitized photographs and motion picture frames.   An experienced management team will  apply this technique for photographers, image banks, photo studios and labs, and film studios and archives.  We seek $700K, which should yield a return of 40% over five years.