

## **MIS MODULE-1 MATERIAL**

**An organisation is a a stable formal set up which obtains resources from the environment and after processing Delivers the output**

- ⊙ Characteristics of organisation
  - Routines and Business Processes
  - Organisational politics
  - Organisational culture
  - Organisational environments
  - Organisational structures
  - Other features

### **Organisation structure**

- ⊙ Traditional it is also known as is a hierarchy structure like a pyramid set up in which the authority and decision making flows from top to bottom
- ⊙ Project and team the main focus of of a project organisational structure remains on the the major products and services work teams or groups are are in the the main focus
- ⊙ Virtual here there will be different individuals teams for entire business units which are are located in in different geographical location and has tenure from Some weeks Tu 2 years and there can be requirement requirement of of internet or other forms of of telecommunications what can be performed anywhere and at any time

### **Managers and activities**

- ⊙ Management levels
  1. Top level
  2. Middle level
  3. Lower level

Top level management consists of board of directors, managing directors or executive committee members.

Objectives of Top Level Management include the following.

- Setting key objectives, policies and identifying factors essential for the development of the organization.
- Making appointments to the top position of the organization such as managers department heads etc.
- Reviewing the work of different personnel in various levels.

Middle Level Management

Middle level management consists of managers of various departments such as productions, sales, marketing, resource, finance etc.

Objectives of Middle Level Management include the following.

- Follow the rules and policies formulated by the top level management.
- Motivating personnel for higher productivity.
- Collecting detail analysis reports from the various departments.
- Mutual understanding with other departments in the organization.
- Recommendations to the top level management.

Low Level Management.

Low level management consist of supervisors, daily workers etc. Follow the rules and guidelines made out by the top level authentic of the organization.

Some of the functions of Lower Level Management include the following.


- To issue orders and instructions to the workers and to supervise and control their work
- To classify and assign jobs to the workers
- To direct and guide the workers about work procedure
- To arrange for the necessary tools, equipment, materials etc., for the worker
- To solve the problems of workers
- To inform the management about the problems of workers which are not solved at this level?
- To maintain discipline among the workers and to develop in them the right approach to work.

- To maintain good human relations.
- To build a high group morale among the workers.

⊙ Business areas

1. Finance
2. H.R
3. Mfg.
4. Marketing
5. Information services

⊙ Mgt. functions

 Business areas

1. Finance
2. H.R
3. Mfg.
4. Marketing
5. Information services

Different types of information required for various departments of an enterprise can be categorized as follows.

Production Management

The following type of information is needed in production management:

Strategic Information:

- 1) Yearly and monthly production quotas and alternate schedules
- 2) Policies on machine replacement, augmentation and modernization.
- 3) Identifying best product mix.

Tactical Information

- 1) Identifying and controlling areas of high cost.
- 2) Identifying critical bottlenecks in production.
- 3) Identifying alternate production schedules based on tools, machines etc.
- 4) Performance measures of machines to decide replacement.

#### Operational Information

- 1) Monitoring up to date production information by examining assemblies, detecting likely shortages and giving early warning.
- 2) Scheduling better production dynamically.
- 3) Preventive maintenance schedules.
- 4) Monitoring tool, machine and personnel availability

#### Marketing Management

The following type of information is needed in Marketing Management:

##### Strategic Information:

- 1) Search for new markets and marketing strategies.
- 2) Analysis of competitor's strategy
- 3) Technology and demographic forecasts and product changes

##### Tactical Information:

- 1) Advertising techniques and analysis of their impact.
- 2) Customer preference surveys.
- 3) Correlation of prices and sales.
- 4) Sales force deployment and targets.
- 5) Exploring alternate marketing channels.
- 6) Timing of special sales campaigns.

##### Operational Information:

- 1) Sales analysis by regions, customer class, sales person.
- 2) Sales target versus achievement.

- 3) Market share and trends.
- 4) Seasonal variations.
- 5) Effect of model changes.
- 6) Performance of sales outlets
- 7) Costs of campaigns and benefit.

## Material Management

The following type of information is needed in Materials Management:

### Strategic Information:

- 4) Developing vendors for critical items
- 5) Determining optimal levels of inventory
- 6) Determining proportion of material needed
- 7) Reducing varieties of inventory

### Tactical Information:

- 1) Developing vendor performance measures.
- 2) Determining optimal reorder levels.
- 3) Determining issues of items to shops versus
- 4) Standard needs.
- 5) Controlling high value of inventory.
- 6) Determining impact on material cost and
- 7) Procurement with design changes and new
- 8) Product introduction.

### Operational Information:

- 1) List of excess & deficient items received.

- 2) List of items rejected.
- 3) Critical items received.
- 4) Stores in transit and in inspection.
- 5) Value of inventory in hand.
- 6) Goods received, rejected and issued.

## Finance Management

The following type of information is needed in Finance Management:

### Strategic Information:

- 8) Methods of financing.
- 9) Pricing policies
- 10) Tax planning.

### Tactical Information:

- 1) Variations between budget and expenses.
- 2) Large outstanding payments/Receipts.
  
- 3) Credit and payment status.
- 4) Cost increases and pricing.
- 5) Impact of taxation on pricing

### Operational Information:

- 1) Periodic financial report.
- 2) Budget status to all functional managers.
- 3) Tax returns.
- 4) Share transfers.
- 5) Profit and loss account.

- 6) Payments and receipts.
- 7) Payroll, provident fund accounts

## Human Resource Management

The following type of information is needed in Human Resources Management:

### Strategic Information:

- 11) Long range human resource requirements at different levels.
- 12) Policies on human resource development and training
- 13) Policies on personnel welfare and facilities

### Tactical Information:

- 1) Performance appraisal.
- 2) Demographic make-up of personnel and its impact on retirement.
- 3) Production incentives.
- 4) Morale of personnel.
- 5) Absentee reduction.
- 6) Leave and overtime policies.
- 7) Personnel deployment policies.

### Operational Information:

- 1) Routine assessment.
- 2) Skills inventory.
- 3) Loan/advances and recoveries.
- 4) Leave record.

### ⊙ Managerial roles (Mintzberg)

#### Interpersonal roles

Figurehead, Leader, Liaison

Informational roles

Monitor, Disseminator, Spokesperson

Decisional Roles

Entrepreneur, Disturbance Handler, Resource allocator, Negotiator

### **Information system impact on business**

- ⊙ Economic impact
- ⊙ Behavioral impact
- ⊙ Internet impact

### **Impact of it on decision making**

- ⊙ Affects
- ⊙ Roles of managers (mintzberg)

### **Decision making**

- ⊙ The study of selecting and identifying the alternatives depending upon the values and the preferences of the decision maker is known as decision making
- ⊙ CHARACTERISTICS
  1. Best to be chosen
  2. Reasoning and deliberation
  3. Consider all aspects
  4. Rational decision
  5. Objectives should be achieved
  6. Alternatives evaluation
  7. May not always be positive
  8. They decide conclusions



## **Types of decisions**

- ⊙ Structured

Repetitive, design various processes, standard operating procedures, short run, taken by lower level mgrs

- ⊙ Unstructured

non-repetitive, long term, based on creativity, judgment , intuition, top level managers take them

- ⊙ Semi structured

Lies in between, rely on data, processes as well as judgment,

## **Decision making process**

- Definition of the problem
- Collection of data
- Formulation of a model
- Evaluation
- Framing a decision
- Follow up actions

## **Changing env & impact on business**

External business Env.

### **Internet economy**

### **Global marketplace**

### **Business ecosystems**

### **Decapitalization**

### **Faster business cycles**

### **Accountability and transparency**

Internal business Env

### **From supply push to demand pull**

**Self service**

**Real time working**

**Team work**

**Anytime, anyplace info work**

**Outsourcing and strategic alliances**

**End of organisational hierarchy**

**Influence of it**

- ⊙ Function IT system
- ⊙ Network IT system
- ⊙ Enterprise IT system
- ⊙ Management IT system

**Influence of it on managers**

- ⊙ Creating business alliances
- ⊙ Choosing systems for varied workers
- ⊙ Accepting groupware for carrying out common works
- ⊙ Defining a global strategy
- ⊙ Handling routine transactions
- ⊙ Personal support system
- ⊙ Reporting and control
- ⊙ Automated production processes

- ⊙ Embedded products

### **Applications of it**

- ⊙ Building customer focus business
- ⊙ Reengineering business process
- ⊙ Improving business quality
- ⊙ Becoming an agile company
- ⊙ Creating a virtual company
- ⊙ Building knowledge creating company
- ⊙ The challenge of strategic IS

### **Information system concepts**

- ⊙ Data
- ⊙ Information
- ⊙ Need for information

Identification, collection, controlling, measuring, decision making

- ⊙ Relation between data and info
- ⊙ Difference between data and info

### **Characteristics of information**

- ⊙ Timeliness

- ⊙ Appropriateness
- ⊙ Accuracy
- ⊙ Conciseness
- ⊙ Understandability
- ⊙ Relevant
- ⊙ Complete
- ⊙ Recent
- ⊙ Economical

#### **Types of information**

- Action v/s non action
- Recurring v/s non-recurring
- Internal v/s external
- Planning info
- Control info
- Knowledge info
- Strategic info
- Tactical info
- Operational info

#### **Information system.....is**

- ⊙ An information system can be an organised combination of people, hardware, software, communications network, and data resources that stores and retrieves, transform and disseminate information in an organisation.

- ⊙ Characteristics

Intrinsic

Accessibility

Contextual

Representation

### **Need for is**

- ⊙ Meeting global challenges
- ⊙ Capturing opportunities in market place
- ⊙ Support of corporate strategy
- ⊙ Linking departments
- ⊙ Enhancing worker productivity
- ⊙ Increasing quality of goods and services

### **Functions/impact**

- ⊙ Provide fast and accurate transaction processing
- ⊙ Provide large capacity, fast access storage
- ⊙ Provide fast communication
- ⊙ Reduced information overload
- ⊙ Span boundaries
- ⊙ Provide support for decision making

- ⊙ Provide a competitive weapon

### **Categorization of org. is**

- Hierarchical perspective
- TPS, MIS, DSS, EIS
- Process perspective
- Strategic planning system, tactical system, operational system
- Functional perspective
- Mktg. IS, Mnfg. IS, HR IS, Acc. IS, Financial IS
- Other perspective
- Expert system
- Knowledge mgt. system
- Strategic information system
- Business information system
- Office automation system

### **Is and business**

- ⊙ Interdependence between organisation and IS
- ⊙ Strategic business use of IS

Operational excellence

New products, services and business model

Customer/supplier intimacy

Improved decision making

Competitive advantage

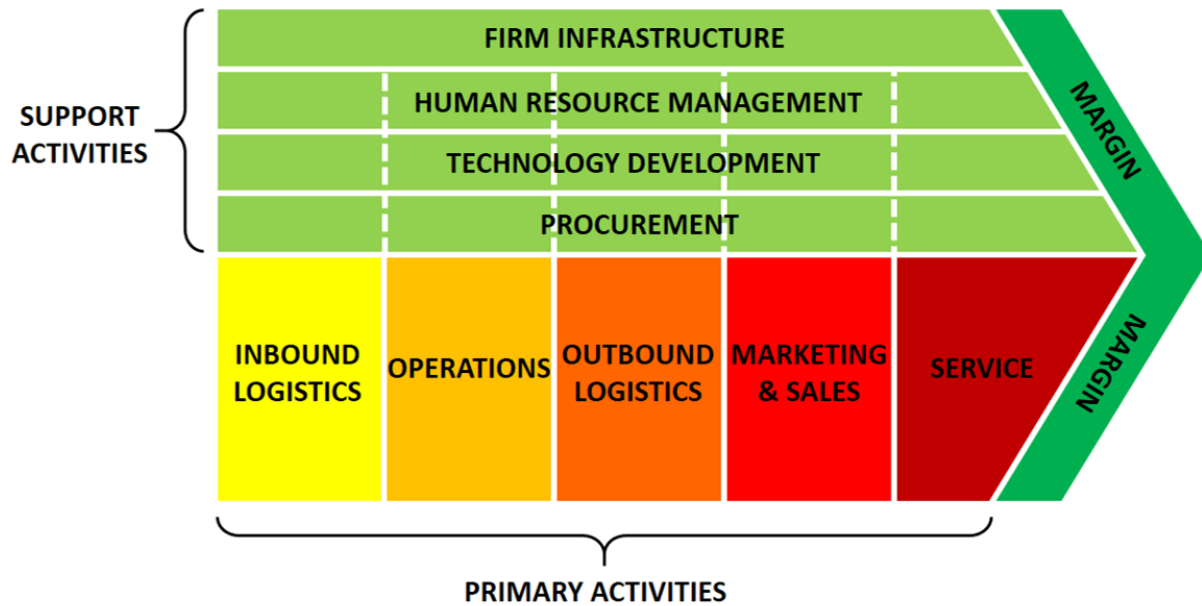
Day to day survival

### **Is and business strategy**

- ⦿ Business level strategy
- ⦿ Firm level strategy
- ⦿ Industry level strategy

**Business level strategy**

the value chain model by michael porter



**Competitive advantage through value chain analysis**

- ⦿ Firm infrastructure

Identify threats, new market opportunities, develop strategic planning system for achieving obj., exact and timely mgt of info, well defined relationships with interest grps and public policy makers

- ⦿ HR mgt

efficient recruitment, training and promotion of all employees, they are motivated by appropriate reward system

- ⦿ Technology development

new innovations, relationship between R&d and other depts., meet critical deadlines, encouraged by work env

- ⊙ Procurement

minimise single supplier dependency, various procedures for procuring plant machinery or bldgs, various criterions for lease v/s purchase decisions, long term relationships with suppliers

- ⊙ Mktg and sales

Innovations in sales promotion and advertising, evaluation of alternate decision channels, motivated sales force, customer loyalty

- ⊙ Services

customer inputs for product improvement, complaints are attended, accurate warranty and guarantee policy, high quality education and training to customers, replacement and repair services available

### **Firm level strategy and it**

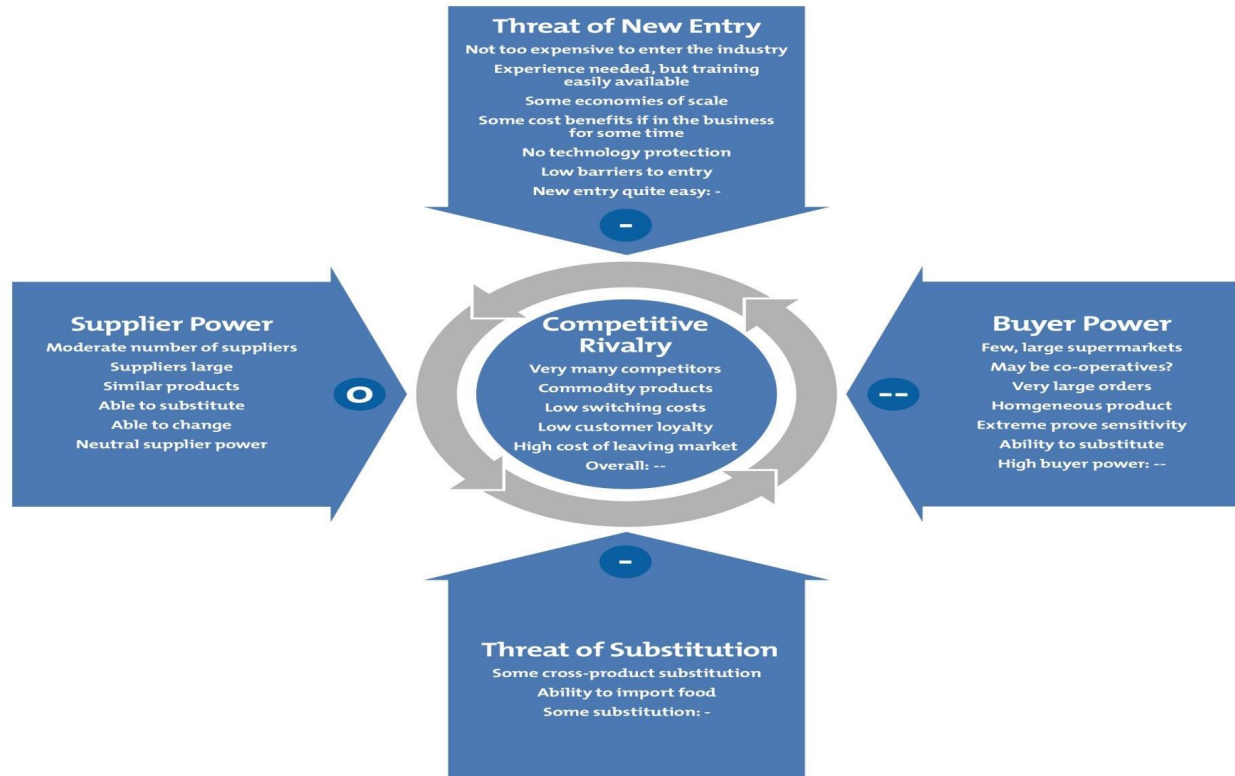
- ⊙ A collection of SBU's comprise a business firm
- ⊙ Revenue is dependent on SBU performance
- ⊙ Outputs of some units as inputs of others
- ⊙ Synergizing resources
- ⊙ Enhancing core competencies

### **Industry level strategy and is**

- ⊙ Information partnership
- ⊙ Competitive forces model
- ⊙ Business ecosystems
- ⊙ Network economics



## Porters 5 forces model



## Is strategies for dealing with competition

- ⦿ Cost leadership strategy
- ⦿ Differentiation strategy
- ⦿ Innovation strategy
- ⦿ Growth strategies
- ⦿ Alliance strategies

## MCQs

1. What is a stable formal social setup which contains resources from environment?

## ORGANIZATION

2. Organisation obtains resources from where?

ENVIRONMENT

3. Routines are also known as....

STANDARD OPERATING PROCEDURES

4. Standard operating procedures are.....

ROUTINES

5. Organisational culture controls political conflicts and

BOOSTS MUTUAL UNDERSTANDING

6. Mutual understanding is boosted by

ORGANISATIONAL CULTURE

7. How many types of organisation are there?

2

8. Formal and informal are type of?

ORGANIZATION

9. Traditional organisational structure is also known as

HIERARCHICAL STRUCTURE

10. Hierarchy structure is a type of

TRADITIONAL ORGANISATION STRUCTURE

11. In which organisational structure internet it is needed?

VIRTUAL

12. In virtual organisational structure individuals for teams are located where?

DIFFERENT GEOGRAPHICAL LOCATIONS

13. How many managerial levels are there?

3

14. President and Vice President belong to which level?

TOP LEVEL

15. Regional managers and departmental heads are

MIDDLE LEVEL.MANAGERS

16. Supervisors and project leaders are included in this level

LOWER LEVEL

17. Strategic planning is done at which level

TOP LEVEL

18. Tactical level is also known as

MIDDLE LEVEL

19. Lower level is also known as

OPERATIONAL CONTROL.LEVEL

20. Activities of a manager are

POSDC

21. Provides tour of of different facilities to the visiting dignitaries

FIGUREHEAD

22 Hires and trains men power and motivates them

LEADER

23. Different individuals outside of the unit are contacted by him to adress some business affairs

LIASION

24. Performance of the unit is is constantly looked by

MONITOR

25. Information is passed by the manager two others in the unit

DISSEMINATOR