

MIS - STRATEGIC BUSINESS OBJECTIVES

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Strategic planning for an organization involves long-term policy decisions, like location of a new plant, a new product, diversification etc.

Strategic planning is mostly influenced by:

- Decision of diversification i.e., expansion or integration of business
- Market dynamics, demand and supply
- Technological changes
- Competitive forces
- Various other threats, challenges and opportunities

Strategic planning sets targets for the workings and references for taking such long-term policy decisions and transforms the business objectives into functional and operational units. Strategic planning generally follows one of the four-way paths:

- Overall Company Strategy
- Growth orientation
- Product orientation
- Market orientation

In this chapter, let us discuss the Strategic Business Objectives of MIS with regards to the following aspects of a business:

- Operational Excellence
- New Products, Services and Business Models
- Services and Business Models
- Customer and Supplier Intimacy
- Improved Decision-making
- Competitive Advantage, and Survival

Operational Excellence

This relates to achieving excellence in business in operations to achieve higher profitability. For example, a consumer goods manufacturer may decide upon using a wide distribution network to get maximum reach to the customers and exposure.

A manufacturing company may pursue a strategy of aggressive marketing and mass production.

New Products, Services, and Business Models

This is part of growth strategy of an organization. A new product or a new service introduced, with a very fast growth potential provides a mean for steady growth business turnover.

With the help of information technology, a company might even opt for an entirely new business model, which will allow it to establish, consolidate and maintain a leadership in the existing market as well as provide a competitive edge in the industry.

For example, a company selling low priced detergent may opt for producing higher range detergents for washing machines, washing soaps, and bath soaps.

It involves market strategies also that includes planning for distribution, advertisement, market research and other related aspects.

Customer and Supplier Intimacy

When a Business really knows their Customers and serves them well, 'the way they want to be served', the Customers generally respond by returning and buying more from the firm. It raises revenues and profits.

Likewise with Suppliers, the more a Business engages its Suppliers, the better the Suppliers can provide vital information. This will lower the cost and bring huge improvements in the supply-chain management.

Improved Decision Making

A very important pre-requisite of strategic planning is to provide the right information at the right time to the right person, for making an informed decision.

Well planned Information Systems and technologies make it possible for the decision makers to use real-time data from the marketplace when making informed decisions.

Competitive Advantage and Survival

The following list illustrates some of the strategic planning that provides competitive advantage and survival:

- Planning for an overall growth for the company.
- Thorough market research to understand the market dynamics involving demand-supply.
- Various policies that will dominate the course and movement of business.
- Expansion and diversification to conquer new markets.
- Choosing a perfect product strategy that involves either expanding a family of products or an associated product.
- Strategies for choosing the market, distribution, pricing, advertising, packing, and other market-oriented strategies.
- Strategies driven by industry-level changes or Government regulations.
- Strategies for change management.