

# MIS - INFORMATION NEED & OBJECTIVE

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Information processing beyond doubt is the dominant industry of the present century. Following factors states few common factors that reflect on the needs and objectives of the information processing:

- Increasing impact of information processing for organizational decision making.
- Dependency of services sector including banking, financial organization, health care, entertainment, tourism and travel, education and numerous others on information.
- Changing employment scene world over, shifting base from manual agricultural to machine-based manufacturing and other industry related jobs.
- Information revolution and the overall development scenario.
- Growth of IT industry and its strategic importance.
- Strong growth of information services fuelled by increasing competition and reduced product life cycle.
- Need for sustainable development and quality life.
- Improvement in communication and transportation brought in by use of information processing.
- Use of information processing in reduction of energy consumption, reduction in pollution and a better ecological balance in future.
- Use of information processing in land record managements, legal delivery system, educational institutions, natural resource planning, customer relation management and so on.

## In a nutshell:

- Information is needed to survive in the modern competitive world.
- Information is needed to create strong information systems and keep these systems up to date.

## Implications of Information in Business

Information processing has transformed our society in numerous ways. From a business perspective, there has been a huge shift towards increasingly automated business processes and communication. Access to information and capability of information processing has helped in achieving greater efficiency in accounting and other business processes.

A complete business information system, accomplishes the following functionalities:

- Collection and storage of data.
- Transform these data into business information useful for decision making.
- Provide controls to safeguard data.
- Automate and streamline reporting.

The following list summarizes the five main uses of information by businesses and other organizations:

- **Planning** - At the planning stage, information is the most important ingredient in decision making. Information at planning stage includes that of business resources, assets, liabilities, plants and machineries, properties, suppliers, customers, competitors, market and market

dynamics, fiscal policy changes of the Government, emerging technologies, etc.

- **Recording** - Business processing these days involves recording information about each transaction or event. This information collected, stored and updated regularly at the operational level.
- **Controlling** - A business need to set up an information filter, so that only filtered data is presented to the middle and top management. This ensures efficiency at the operational level and effectiveness at the tactical and strategic level.
- **Measuring** - A business measures its performance metrics by collecting and analyzing sales data, cost of manufacturing, and profit earned.
- **Decision-making** - MIS is primarily concerned with managerial decision-making, theory of organizational behavior, and underlying human behavior in organizational context. Decision-making information includes the socio-economic impact of competition, globalization, democratization, and the effects of all these factors on an organizational structure.

In short, this multi-dimensional information evolves from the following logical foundations:

- Operations research and management science
- Theory of organizational behavior
- Computer science:
  - Data and file structure
  - Data theory design and implementation
  - Computer networking
  - Expert systems and artificial intelligence
- Information theory

Following factors arising as an outcome of information processing help speed up of business events and achieves greater efficiency:

- Directly and immediate linkage to the system
- Faster communication of an order
- Electronic transfer of funds for faster payment
- Electronically solicited pricing *helps in determining the best price*

## **MIS Need for Information Systems**

Managers make decisions. Decision-making generally takes a four-fold path:

- Understanding the need for decision or the opportunity,
- Preparing alternative course of actions,
- Evaluating all alternative course of actions,
- Deciding the right path for implementation.

**MIS** is an information system that provides information in the form of standardized reports and displays for the managers. MIS is a broad class of information systems designed to provide information needed for effective decision making.

Data and information created from an accounting information system and the reports generated thereon are used to provide accurate, timely and relevant information needed for effective decision making by managers.

Management information systems provide information to support management decision making,

with the following goals:

- Pre-specified and preplanned reporting to managers.
- Interactive and ad-hoc support for decision making.
- Critical information for top management.

MIS is of vital importance to any organization, because:

- It emphasizes on the management decision making, not only processing of data generated by business operations.
- It emphasizes on the systems framework that should be used for organizing information systems applications

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