

# MIS - INTRODUCTION

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To the managers, Management Information System is an implementation of the organizational systems and procedures. To a programmer it is nothing but file structures and file processing. However, it involves much more complexity.

The three components of MIS provide a more complete and focused definition, where **System** suggests integration and holistic view, **Information** stands for processed data, and **Management** is the ultimate user, the decision makers.

Management information system can thus be analyzed as follows:

## Management

Management covers the planning, control, and administration of the operations of a concern. The top management handles planning; the middle management concentrates on controlling; and the lower management is concerned with actual administration.

## Information

Information, in MIS, means the processed data that helps the management in planning, controlling and operations. Data means all the facts arising out of the operations of the concern. Data is processed i.e. recorded, summarized, compared and finally presented to the management in the form of MIS report.

## System

Data is processed into information with the help of a system. A system is made up of inputs, processing, output and feedback or control.

Thus MIS means a system for processing data in order to give proper information to the management for performing its functions.

## Definition

*Management Information System or 'MIS' is a planned system of collecting, storing, and disseminating data in the form of information needed to carry out the functions of management.*

## Objectives of MIS

The goals of an MIS are to implement the organizational structure and dynamics of the enterprise for the purpose of managing the organization in a better way and capturing the potential of the information system for competitive advantage.

Following are the basic objectives of an MIS:

- **Capturing Data:** Capturing contextual data, or operational information that will contribute in decision making from various internal and external sources of organization.
- **Processing Data:** The captured data is processed into information needed for planning, organizing, coordinating, directing and controlling functionalities at strategic, tactical and operational level. Processing data means:
  - making calculations with the data
  - sorting data
  - classifying data and

- summarizing data
- **Information Storage:** Information or processed data need to be stored for future use.
- **Information Retrieval:** The system should be able to retrieve this information from the storage as and when required by various users.
- **Information Propagation:** Information or the finished product of the MIS should be circulated to its users periodically using the organizational network.

## Characteristics of MIS

Following are the characteristics of an MIS:

- It should be based on a long-term planning.
- It should provide a holistic view of the dynamics and the structure of the organization.
- It should work as a complete and comprehensive system covering all interconnecting sub-systems within the organization.
- It should be planned in a top-down way, as the decision makers or the management should actively take part and provide clear direction at the development stage of the MIS.
- It should be based on need of strategic, operational and tactical information of managers of an organization.
- It should also take care of exceptional situations by reporting such situations.
- It should be able to make forecasts and estimates, and generate advanced information, thus providing a competitive advantage. Decision makers can take actions on the basis of such predictions.
- It should create linkage between all sub-systems within the organization, so that the decision makers can take the right decision based on an integrated view.
- It should allow easy flow of information through various sub-systems, thus avoiding redundancy and duplicity of data. It should simplify the operations with as much practicability as possible.
- Although the MIS is an integrated, complete system, it should be made in such a flexible way that it could be easily split into smaller sub-systems as and when required.
- A central database is the backbone of a well-built MIS.

## Characteristics of Computerized MIS

Following are the characteristics of a well-designed computerized MIS:

- It should be able to process data accurately and with high speed, using various techniques like operations research, simulation, heuristics, etc.
- It should be able to collect, organize, manipulate, and update large amount of raw data of both related and unrelated nature, coming from various internal and external sources at different periods of time.
- It should provide real time information on ongoing events without any delay.
- It should support various output formats and follow latest rules and regulations in practice.
- It should provide organized and relevant information for all levels of management: strategic, operational, and tactical.
- It should aim at extreme flexibility in data storage and retrieval.

## Nature and Scope of MIS

The following diagram shows the nature and scope of MIS:

