

Management Information System

A CONCEPTUAL APPROACH




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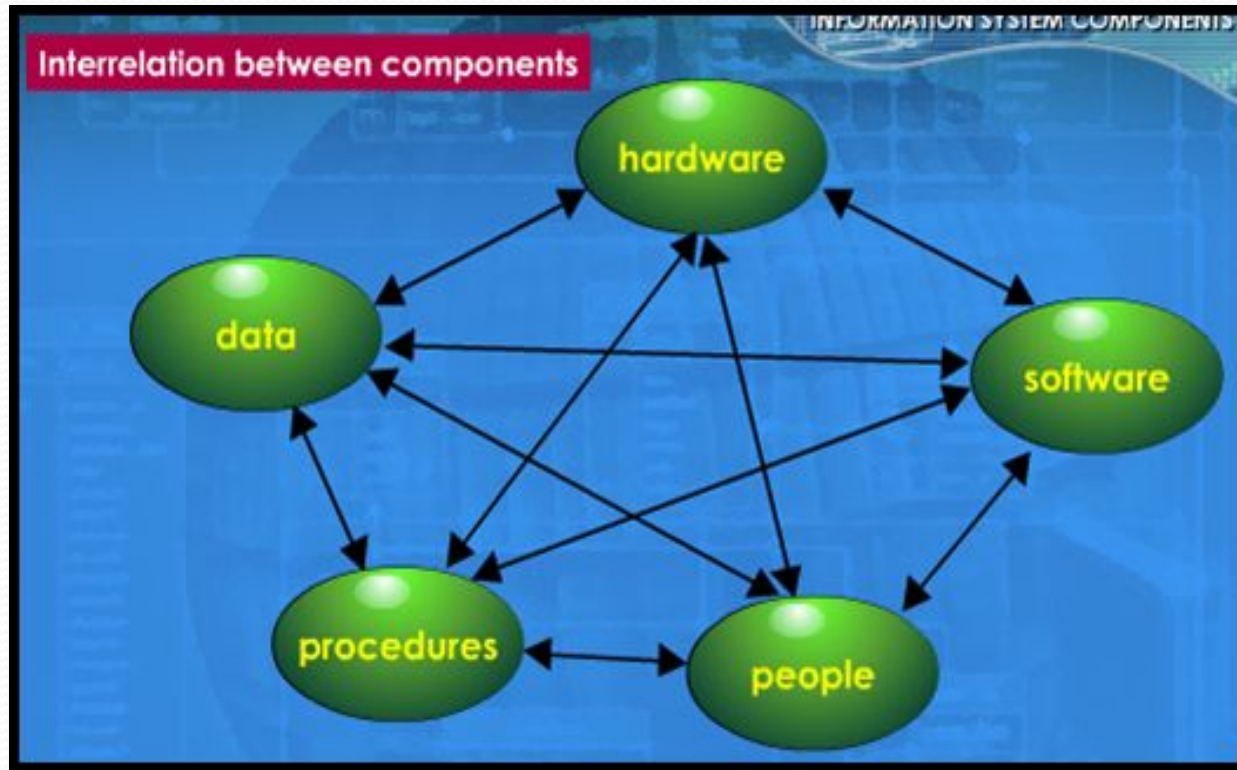


Management information system is an integrated set of component or entities that interact to achieve a particular function, objective or goal. Therefore, it is a computer based system that provides information for decisions making on planning, organizing and controlling the operation of the sub-system of the firm and provides a synergistic organization in the process.

DEFINITIONS OF MIS

- MIS is defined as a system, which provides information support for decision-making in the organization.
- MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management and the decision-making function in the organization.
- MIS is defined as a system based on the database of the organization evolved for the purpose of providing information to the people in the organization.

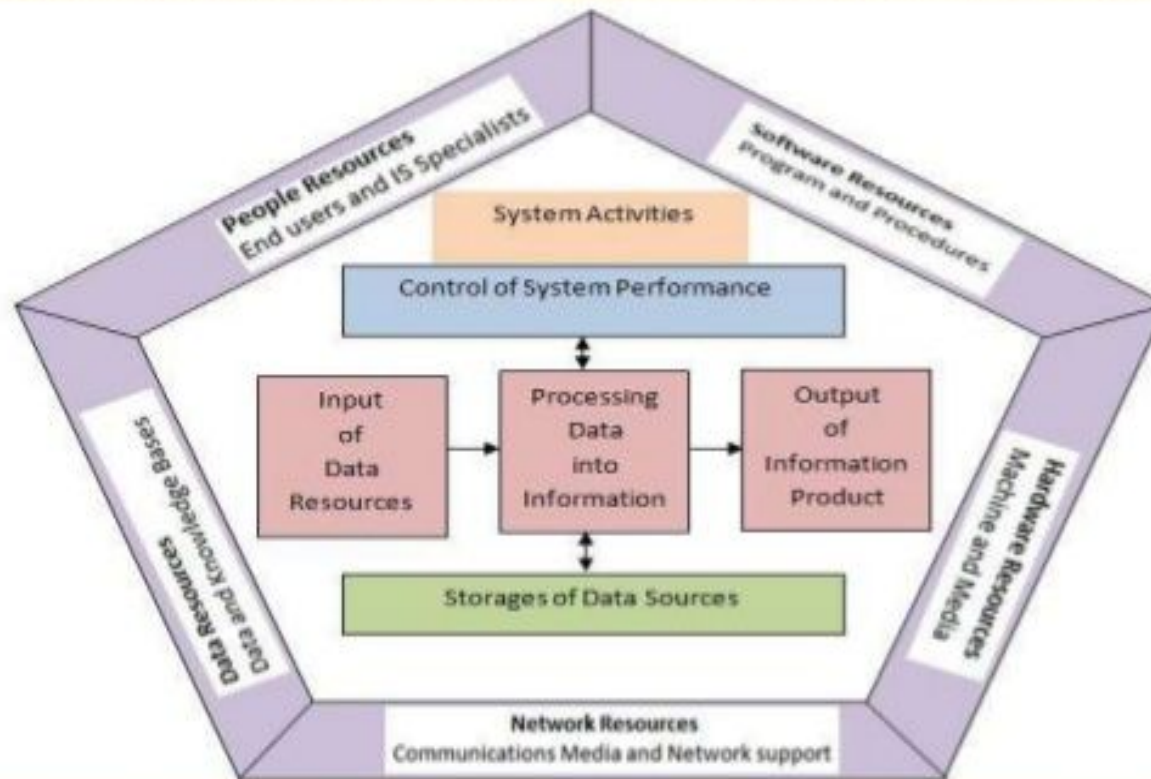
COMPONENTS OF MIS



SCOPE AND PURPOSE OF MIS

- **MANAGEMENT** :The decision-making is a fundamental prerequisite of each of the foregoing process, the job of MIS is facilitating decisions necessary for planning, organizing and controlling the work and functions of the business, so that specified goals of business are achieved.
- **INFORMATION** : Information is knowledge that one derives from facts for effective functioning of system placed in the right context with the purpose of reducing uncertainty regarding the alternative courses of action, as they are based on description and measurement of attributes of various entities associated with the enterprise.
- **SYSTEM**: The system concept of MIS is one of optimizing the output of the organization by connecting the operating sub-systems through the medium of information exchange.

MIS MODEL



MIS Process relates to the following :

- **COLLECTION**
- **ORGANIZATION**
- **DISTRIBUTION**
- **MANAGERIAL CONTROL & ANALYSIS OF DATA**
- **STORAGE OF WIDE INFORMATION**

MIS focuses on:

- Organization-wide information
- Decision-making process
- Managerial control and analysis
- Computer-based system


Some of the important roles of the MIS

- MIS satisfies the diverse needs through variety of systems such as query system, analysis system, modeling system and decision support system.
- MIS helps in strategic planning, management control, operational control and transaction processing.
- MIS helps the junior management personnel by providing the operational data for planning, scheduling and control , and helps them further in decision-making at the operation level to correct an out of control situation.

- MIS helps the middle management in short-term planning, target setting and controlling the business functions.
- MIS helps the top level management in goal setting, strategic planning and evolving the business plans and their implementation.
- MIS plays the role of information generation, communication, problem identification and helps in the process of decision-making.
- Thus, MIS plays a vital role in the organization administration and operation of an organization.

IMPACT OF THE MANAGEMENT INFORMATION SYSTEM

- The impact of MIS is on the management of marketing, finance, production and personnel functions, which are more efficient and effective.
- Forecasting and long-term perspective planning.
- Disciplined information system blending analysis, saves the manager's valuable time.
- MIS begins with the definition of data, entity and its attributes.

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- Systematization of the business operations for an effective system design,
 - It achieves the business goals and objectives,
 - A well designed system gives a direction which focus good results,
 - The ready-made packages make the task very simple,
 - Creates information –based working culture in the organization.

IMPORTANCE OF MIS

MIS has assumed all the more important role in today's business environment because a manager has to take several decisions with two main challenges:

- First, because of the liberalization and globalization, in which organizations are required to compete not only locally but globally, a manager has to take quick decisions, otherwise his business will be taken away by his competitors. This has further enhanced the necessity for such a system.
- Second, in this modern age, wherein information is doubling-up for every two or three years, therefore, a manager has to process a large voluminous data; failing which he may end-up taking a strong decision that may prove to be very costly to the company.
- In such of these situations, manager must be equipped with tools or a system, which can assist him in their challenging role for decision-making.

- On the other hand, MIS which is not adequately planned analyzed, designed, implemented or is poorly maintained may provide inaccurate, irrelevant or obsolete information, which may prove fatal of the organization.
- In other words, organizations today just cannot survive and grow without proper plan, design, implementation and maintenance of MIS. It has been well understood that MIS enables even small organizations to more than offset the economies of scale enjoyed by their bigger competitors and thus, helps in providing a competitive edge over other organizations.

The most important reasons to have a good management information system are:

- **To create and control of records**
- **To reduce operating costs**
- **To improve efficiency and productivity**
- **To assimilate new records management technologies**
- **To ensure regulatory compliance**
- **To minimize litigation risks**
- **To safeguard vital information**
- **To support better management decision-making**
- **To preserve the corporate memory**
- **To foster professionalism in running the business**

Conclusion

Management Information System is sets for inter-related procedures using information system infrastructure in a business enterprise to generate and disseminate the desired information.

Such systems are designed to support decision-making by the people associated with the enterprise in the process of attainment of its objectives.



THANK YOU

Prof. G V Chalam