

MANAGEMENT INFORMATION SYSTEM

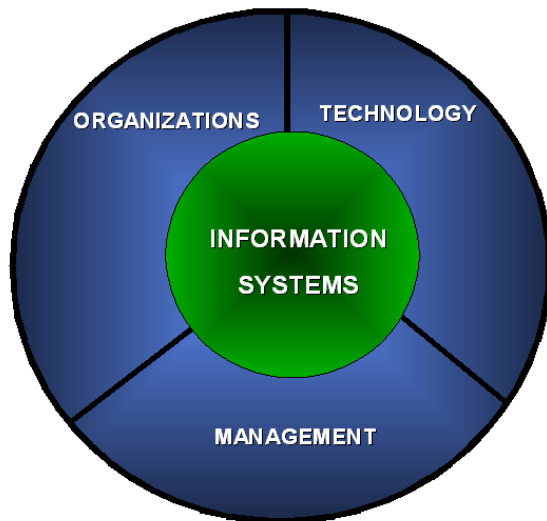
Mr. Bayo Ogundipe

Content

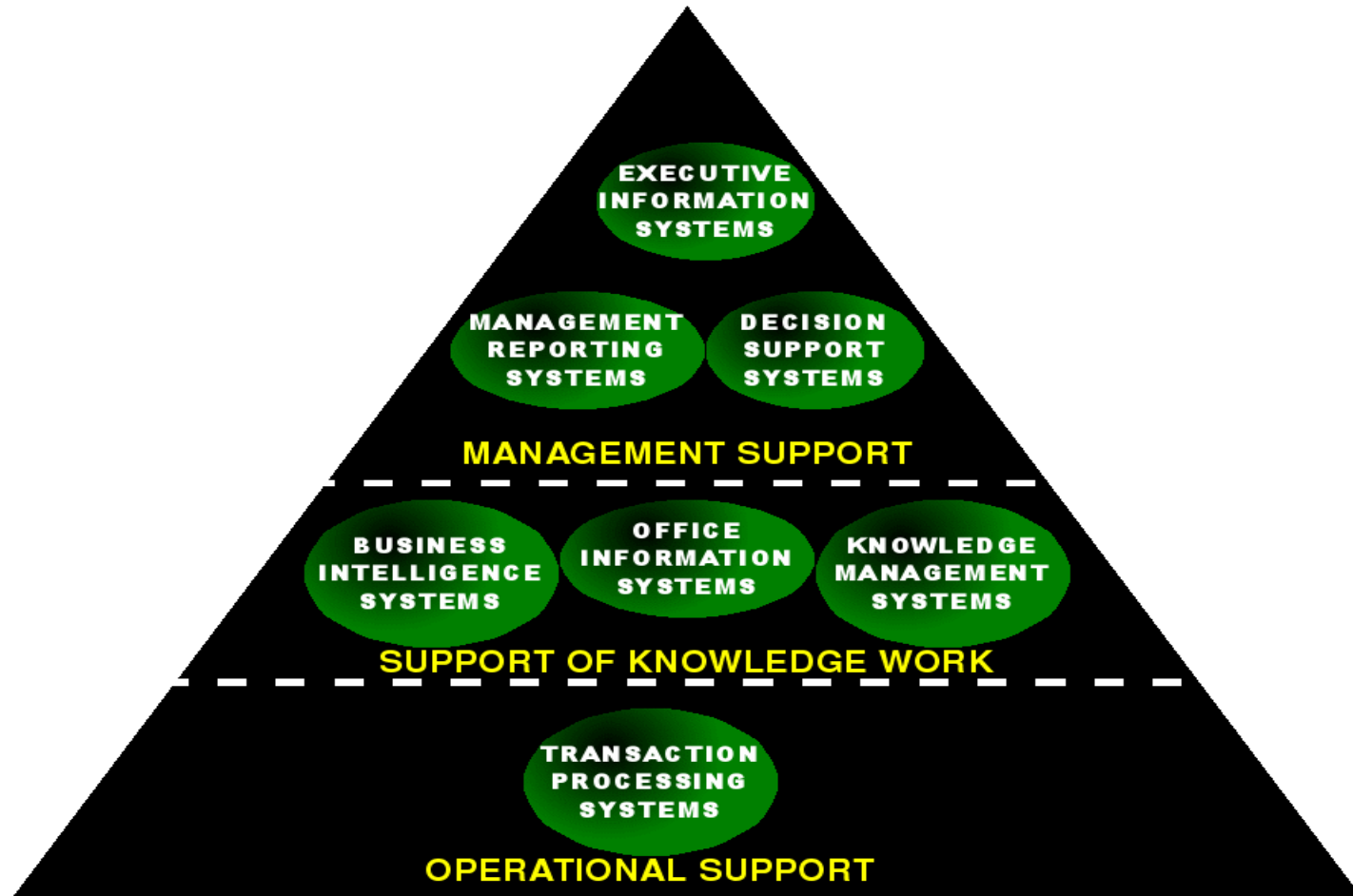
- An introduction to Information System
- Meaning of Management Information System
- Characteristic of MIS
- Components of MIS
- The aim of MIS
- Types of MIS
- Outputs of MIS
- Benefits of MIS

Meaning Of Information Systems

- An information system is an organized combination of people, hardware, software, communications Networks and data resources that collects, transforms, and disseminates information in an organization.



Types Of Information System



MANAGEMENT INFORMATION SYSTEM(MIS)

- The MIS is defined as a system based on the database of the evolved for the purpose of providing information to the people in the organization.



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- Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. MIS involve three primary resources: technology, information, and people.
 - Management information systems are regarded to be a subset of the overall internal controls procedures in a business, which cover the application of people, documents, technologies, and procedures used by management accountants to solve business problems such as costing a product, service or a business-wide strategy.

Role Of MIS

- The role of MIS in an organization can be compared to the role of heart in the body.
- The information is the blood and MIS is the heart. In the body the heart plays the role of supplying pure blood to all the elements of the body including the brain.
- The MIS plays exactly the same role in the organization.
- The system ensures that an appropriate data is collected from the various sources, processed, and sent further to all the needy destinations.

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- The system is expected to fulfill the information needs of an individual, a group of individuals, the management functionaries: the managers and the top management.
 - The MIS satisfies the diverse needs through a variety of systems such as Query Systems, Analysis Systems, Modeling Systems and Decision Support Systems.
 - The MIS helps in Strategic Planning, Management Control, Operational Control and Transaction Processing.

Characteristics of MIS

- **Management-oriented:** The basic objective of MIS is to provide information support to the management in the organization for decision making.
- **Management directed:** When MIS is management-oriented, it should be directed by the management because it is the management who tells their needs and requirements more effectively than anybody else.
- **Integrated:** It means a comprehensive or complete view of all the subsystems in the organization of a company.

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- **Common data flows:** The integration of different subsystems will lead to a common data flow which will further help in avoiding duplicacy and redundancy in data collection, storage and processing.
 - **Heavy planning-element:** The preparation of MIS is not a one or two day exercise. It usually takes 3 to 5 years and sometimes a much longer period.
 - **Subsystem concept:** When a problem is seen in 2 sub parts, then the better solution to the problem is possible.

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- **Common database:** This is the basic feature of MIS to achieve the objective of using MIS in business organizations.
 - **Computerized:** MIS can be used without a computer. But the use of computers increases the effectiveness and the efficiency of the system.
 - **User friendly/Flexibility:** An MIS should be flexible.
 - **Information as a resource:** Information is the major ingredient of any MIS.

Features of MIS



- Timeliness
- Accuracy
- Consistency
- Completeness
- Relevance



Components of MIS

1) Marketing Research System (MRS)

Marketing research can be seen as the systematic and objective search for and analysis of data and information relevant to the identification and solution of any problem in the field of marketing.



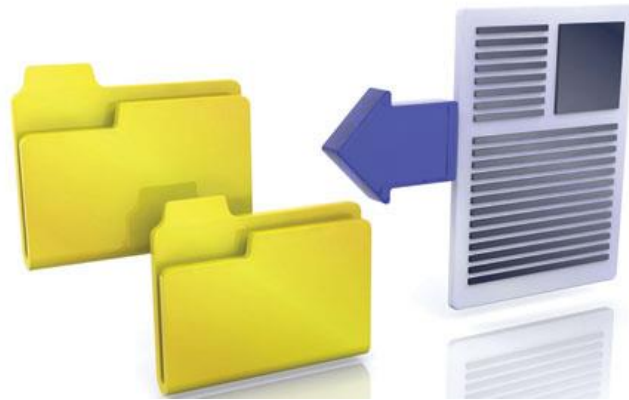
2) Marketing Intelligence System (MIS)

The process of acquiring and analyzing information in order to understand the market (both existing and potential customers); to determine the current and future needs and preferences, attitudes and behavior of the market; and to assess changes in the business environment that may affect the size and nature of the market in the future.



3) Internal Record System (IRS)

Marketing managers rely on internal reports on orders, sales, prices, costs, inventory levels, receivables, payables, and so on. By analyzing this information, they can spot important opportunities and problems.



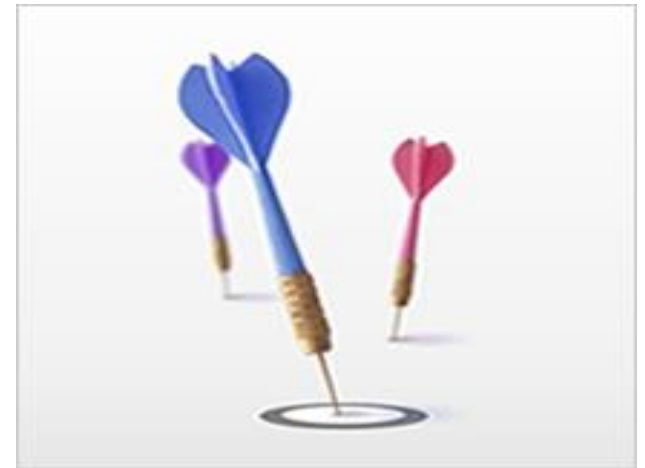
4) Decision Support System(DSS)

A decision support system (DSS) is a computer-based information system that supports business or organizational decision-making activities. DSSs serve the management, operations, and planning levels of an organization and help to make decisions, which may be rapidly changing and not easily specified in advance.



Aim of Management Information System

- The main aim of MIS is to inform management and help them make informed decisions about management and the way the business is run.

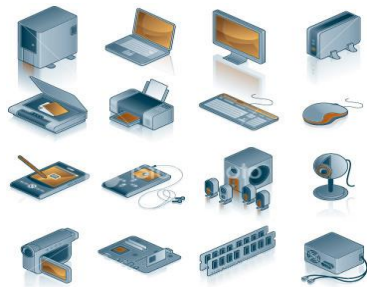


Types Of MIS

- **Transaction processing systems:** These systems process a large volume of routine, recurring transactions.
- **Operations information systems:** These systems gather comprehensive data, organize it and summarize it in a form that is useful for managers.
- **Decision support systems:** These systems help managers with the necessary information to make intelligent decisions.
- **Expert systems:** They are meant to mimic humans in making decisions in a specific field.

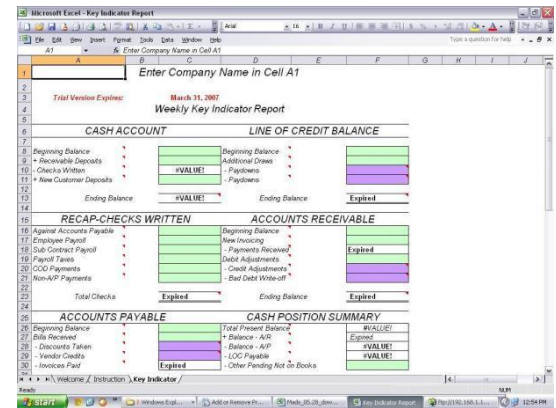
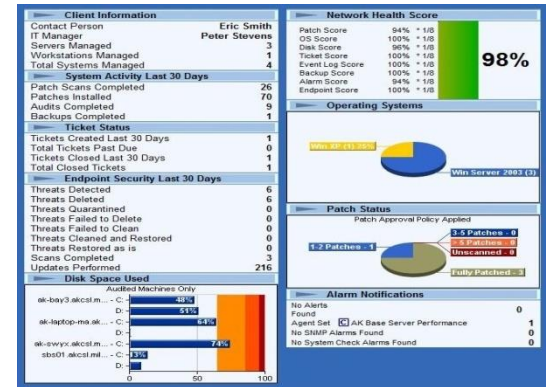
Elements of MIS

1. Hardware
2. Software
3. Control
4. Databases and application programs
5. People
6. Telecommunications and Networks



Outputs Of a MIS

- **Scheduled reports** which are produced periodically, or on a Schedule (daily, weekly, monthly).
- **Key-indicator report** which summarizes the previous day's critical activities and also it is typically available at the beginning of each day.



Market Demand Report

- Market Demand Analyzer – Available by Industry or Commodity and Country

Market Demand by End-market Sectors: Investment Goods & Intermediate Sales to Other Industry and Service Sectors

• Agriculture	• Electrical Machinery
• Mining & Minerals	• Telecom. & Semiconductors
• Food	• Motor Vehicles
• Textiles, Wearing Apparel, Footwear	• Other Transport Equipment
• Wood & Furniture	• Professional & Optical Equip.
• Paper & Publishing	• Miscellaneous Manufactures
• Basic Chemicals	• Utilities
• Fertilizers & Pesticides	• Construction
• Misc. Chemical Products	• Wholesale & Retail Trade
• Pharmaceuticals	• Restaurants & Hotels
• Soaps & Cleaning Preparations	• Transport & Storage
• Non-metallic Mineral Products	• Communications
• Basic Metals	• Financial & Insurance
• Machinery except Computers	• Real Estate & Business Services
• Computers & Peripherals	• Personal Services

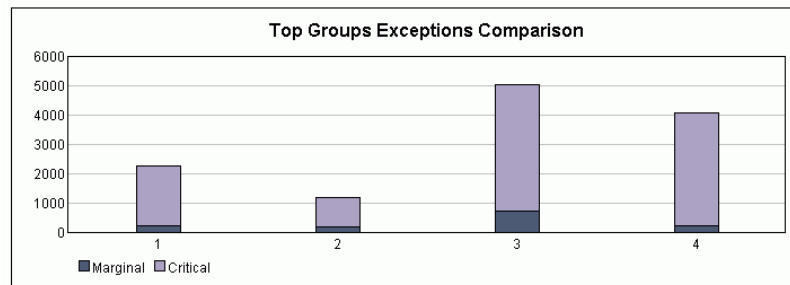
Market Demand by End-market Sectors: Personal Consumption Expenditures and Government Purchases of Finished Goods

Personal Consumption Expenditures
• Food, beverages and tobacco
• Clothing & Footwear
• Housing expenses
• Furniture & Household equipment
• Household operations
• Medical care and health expenses
• Personal Transportation
• Other transportation & communications
• Education
• Entertainment and cultural
• Personal Care
• Restaurants, cafes and hotels
• Other Services

- Demand report** which gives certain information at a manager's request.
- Exception report** which is automatically produced when a situation is unusual or requires management action.

Quarterly Application Exception Report for Top Groups

Q2 2003



Label	Group	Marginal Exceptions	Critical Exceptions	Total Exceptions	Average Daily Traffic Class Count
1	Dev.net.Compression.Shapers	267	2,042	2,309	162
2	GroupA	228	1,003	1,231	147
3	GroupB	779	4,322	5,101	474
4	Kris-CompressionLab	281	3,865	4,146	581

Benefits of MIS

- It improves personal efficiency.
- It expedites problem solving (speed up the progress of problems solving in an organization).
 - It facilitates interpersonal communication
 - It promotes learning or training.
 - It increases organizational control.



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- It generates new evidence in support of a decision.
 - It creates a competitive advantage over competition.
 - It encourages exploration and discovery on the part of the decision maker.
 - It reveals new approaches to thinking about the problem space.
 - It helps automate the Managerial processes.

