



Marketing Information System



By College Tutor



Topics Covered In The Video

1. Planning
2. Corporate Planning
3. Strategic Planning
4. Tools of Planning
5. Decision Making
6. Decision Making Methods
7. Decision Making Tools and Procedures
8. Organisation Decision Making
9. MIS and Decision Making Concept

Planning is a managerial process of deciding in advance what is to be done, how to do it and who is to do it.

Characteristics of Planning

1. Cognitive Activity (More Mental than Physical)
2. Roadmap to Performance
3. Uniformity in Action

Corporate Planning includes the setting of objectives, organizing the work, people and systems to enable those objectives to be achieved, motivating through the planning process and through the plans, measuring performance and so controlling progress of the plans and developing people through better decision-making, clearer objectives, more involvement, and awareness of progress.

Process of Corporate Planning

1. Environmental Analysis
2. Determination of Objectives
3. Strategy Formulation
4. Development of Tactical Plans
5. Implementation of Tactical Plans
6. Evaluation/Follow Up

Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment..

Steps:

- Analysis
- Formulate
- Implement
- Follow Up/Evaluate

Types:

- Transactional
- Transformational

Key Elements of Strategic Planning

- **Where is your business now?** This involves understanding as much about your business as possible, including how it operates internally, what drives its profitability, and how it compares with competitors. Keep your review separate from day-to-day work and be realistic, detached and critical in distinguishing between the cause and effect of how your business operates. You should also write it down and review it periodically.
- **Where do you want to take it?** Here you need to set out your top-level objectives. Work out your vision, mission, objectives, values, techniques and goals. Where do you see your business in five or ten years? What do you want to be the focus of your business and your source of competitive advantage over your rivals in the marketplace? This step should be the foundation for the final plan and motivate change.
- **What do you need to do to get there?** What changes will you need to make in order to deliver on your strategic objectives? What is the best way of implementing those changes – what changes to the structure and financing of your business will be required and what goals and deadlines will you need to set for yourself and others in the business? Think about the business as a whole, for example consider diversification, existing growth, acquisition plans, as well as functional matters in key areas.

STRATEGIC x TACTICAL x OPERATIONAL



Strategic Planning

- Why and When?
- Entrepreneur: President, Partners, Directors.
- Long Term. More Comprehensive.



STRATEGIC



Tactical Plan

- Where and How?
- Administrator: Manager, Coordinator.
- Medium-term. Link between levels.



TACTICAL



Operational Plan

- What?
- Technical: Executor.
- Short Term. Specific.



OPERATIONAL

MIS BUSINESS PLANNING

MIS goals and objectives: It is necessary to develop the goals and objectives for the MIS which will support the business goals. The MIS goals and objectives will consider management philosophy, policy constraints, business risks, internal and external environment of the organization and the business. The goals and the objectives of the MIS would be so stated that they can be measured

MIS Goals and Objectives: It is necessary to develop the goal and objectives for the MIS which will support the business goals. The MIS goals and objectives will consider management philosophy, policy constraints, Business risk, internal and external environment of the organization and business. The goals and objectives of the MIS would be so stated that they can be measured. The typical statements of the goals can be providing online information on the stock and market; the query processing should not exceed more than three seconds and the like.

Strategy for Plan Achievement: The designer has to take a number of strategic decisions for the achievement of MIS goals and objectives.

- a) **Development Strategy:** an online, batch, a real time.
- b) **System Development Strategy:** Designer selects an approach to system development like operational verses functional, accounting verses analysis.
- c) **Resources for the Development:** Designer has to select resources. Resources can be in-house verses external, customized or use of package.
- d) **Manpower Composition:** The staff should have the staffs of an analyst, and programmer.
- **The Architecture of MIS:** The architecture of the MIS plan provides a system and subsystem structure and their input, output and linkage. It spells out in details the subsystem from the data entry to processing, analysis to modeling and storage to printing.
- **The System Development Schedule:** A schedule is made for development of the system. While preparing a schedule due consideration is given to importance of the system in the overall information requirements. This development schedule is to be weighed against the time scale for achieving certain information requirements.
- **Hardware and Software Plan:** Giving due regards to the technical and operational feasibility, the economics of investment is worked out. Then the plan of procurement is made after selecting the hardware and software. One can take the phased approach of investing starting from the lower configuration of hardware going to the higher as development take place. The process needs matching the technical decisions with the financial decisions.

Decision Making is the process of selecting a best alternative course of action; from among a number of alternatives given to management or developed by it after carefully and critically examining each alternative.

Features:

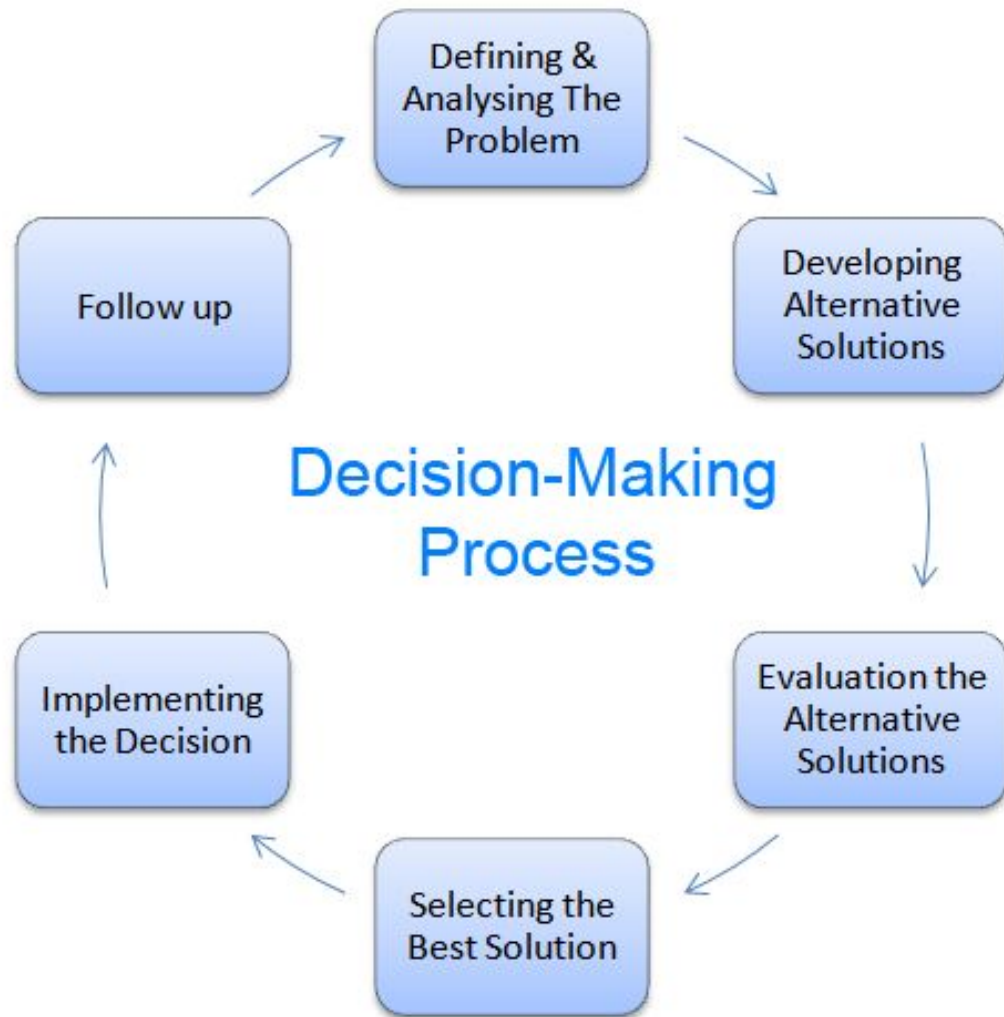
- Goal Oriented
- Pervasiveness
- problem of choice
- Continuous Process
- Situational

Types of Decisions

1. Personal vs Organisational
2. Individual vs Group Decisions
3. Programmed and Non Programmed (IMP)
(ROUTINE/REGULAR) (IRREGULAR/NON ROUTINE)
4. Policy and Operating Decisions
(whether to give profit bonus to employees or not a matter of policy to be decided by top management; but calculating the bonus in respect of each employee is an operating decision which can be taken at a much lower level.)
5. Routine vs Strategic Decisions

Elements of Decision Making

- (1) Concept of good decision.
- (2) Environment of decision.
- (3) Psychological elements in decision.
- (4) Timing of decision.
- (5) Communication of decision.



DECISION MAKING MODELS

- Economic-Man Model

ECONOMIC THEORY (ADAM SMITH)

- Administrative Man Model
(Prof Herbert Simon) (LESS RATIONAL)

DECISION MAKING METHODS

- MARGINAL ANALYSIS
- Co-Effectiveness Analysis
- Operation Research
- Linear Programming

SWOT ANALYSIS

Internal environment

Strengths (S)

- Excellent sales staff with strong knowledge of existing products
- Good relationship with customers
- Good internal communications
- High traffic location
- Successful marketing strategies
- Reputation for innovation

Weaknesses (W)

- Currently struggling to meet deadlines - too much work?
- High rental costs
- Market research data may be out of date
- Cash flow problems
- Holding too much stock
- Poor record keeping

External environment

Opportunities (O)

- Similar products on the market are not as reliable or are more expensive
- Loyal customers
- Product could be on the market for Christmas
- Customer demand - have asked sales staff for similar product

Threats (T)

- Competitors have a similar product
- Competitors have launched a new advertising campaign
- Competitor opening shop nearby
- Downturn in economy may mean people are spending less

PEST MODEL

Political Factors

- Government type and stability
- Tax policy
- Changes in the political environment
- Regulation and de-regulation trends
- Levels of corruption

Economic Factors

- Stage of business cycle
- Impact of globalization
- Labor costs
- Likely changes in the economic environment

Social Factors

- Population growth rate
- Population health, education and social mobility
- Lifestyle choices and attitudes toward socio cultural changes

Technological Factors

- Research and development activity
- Impact of emerging technologies
- Impact of technology transfer

BLUE OCEAN STRATEGY

Red Ocean Strategy

Compete in **existing** market space.

Beat the competition.

Exploit **existing** demand.

Make the value-cost trade-off.

Align the whole system of a firm's activities with its **strategic choice of differentiation or low cost.**

VS

Blue Ocean Strategy

Create uncontested market space.

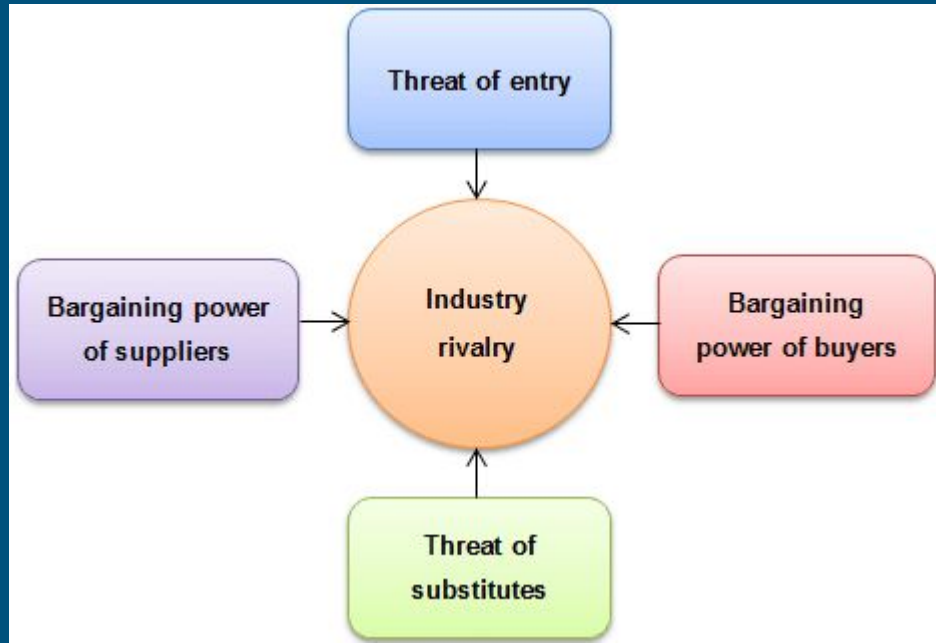
Make the competition irrelevant.

Create and capture **new** demand.

Break the value-cost trade-off.

Align the whole system of a firm's activities in **pursuit of differentiation and low cost.**

PORTER'S FIVE FORCES (1979 by Michael Porter)



THANK YOU!