Unit III Assignment I: How our businesses work

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# PI – How Organisations use Information

Primary information is information that is you have gathered first hand. This information is normally the best to use as it is most appropriate to your study and, as a result, is oftentimes the most informative and relevant information that could have been acquired.

Secondary information is that which you have not collected yourself, and have merely found it either online or offline, in journals and other documented places where information is collected, such as a library or a records department. This data can be very reliable as it is used in many different studies, but it can also be highly unreliable due to possible falsification of data and lack of use within the communications community

Quantitative data is when there is lots of data. These questions are ‘closed questions’, they are comprised of binary answers (Yes/No) and numerical based answers such as the question “How likely are you to recommend this product to a friend?” where the answer is a scale from 1 to 5 with 5 being very likely. This type of data can help research and development strategies as it gives people an easy to read graph or table that can be used to improve products or even create entirely new products that will function well and sell well in the market that they are designed for. Qualitative data helps companies generate easy to view feedback, but they do not often convey the emotions that are entailed with these questions, as they are meant for quality rather than quantity, as the name suggests.

Qualitative data is the opposite of quantitative data, it collects responses that are much harder to graph and chart, as qualitative questions are worded to generate a more detailed response. An example of a qualitative question is “What are your opinions on this product?”. This question type is an ‘open question’ as the answers are very easy to interpret from a human perspective, but can be very hard to place into categories due to the lack of formulaically that closed ended questions have. This mix results in the data collected from qualitative data to be long answers that can result in cataloguers taking their time in reading, understanding and cataloguing the data provided.

One of the main purposes of information is normally very simple: to assist decision making by informing those who have to make it with the necessary facts and figures required to make a simple outcome. Information can give those who require it the necessary tools to choose the outcome that they feel is the correct one. An example of this is when a business owner decided that the company should be making more money, they have many options. One of the options is that they can fire people with unnecessary jobs, but this can result in less of the product or service being generated. Another option is that they can lower the quality of their product, but this could cause their reputation to be tarnished. A final option that they can do is they can lower money spent on advertising, but this may mean that less people purchase their product or service, resulting in less profits being generated for the business. This example proves the importance of information and its significant role a business environment.

Another important role that information plays within a business environment is the ability to gain an advantage over an opposing business or company. Information that is received in a timely manner can result in a massive improvement in both productivity and profits, due to an idea that a competing company had but was taken before their idea could be put in place. This is also known as corporate espionage and, while is technically illegal, can sometimes be difficult to prove. How can you prove, beyond reasonable doubt, that you had an idea before someone else? That being said, if Business X were to try to create a Cola that had the exact same recipe as Coca Cola’s brand of Cola, and this could be proven, then Coca Cola would have grounds to sue Business X because their formula for Coca Cola is a “trade secret” and, as a result, means that corporate espionage was likely the cause of this Cola clone.

A third purpose of information is for operational support. Operational support helps by giving information that will assist the activities that a business performs by predicting what is going to happen via the previous data that has been taken. In layman's terms, this allows the information that has been taken previously to be applied to a formula that can predict what will happen in the future, allowing the monitoring and controlling of vital systems within the business to be automated, to a degree. A more basic version of this is to remove the prediction algorithm, resulting in certain actions being performed as a result of other things. This means that a chef can be notified to defrost and cook a meal when it is ordered via the manipulation of information by technology, resulting in the lack of requirement for a middleman, such as a waiter.

Internal Information is a type of information that departments within a business produces itself. This information that they create can be highly valuable to other departments within the business as it can allow faster research and better understanding of the current project that the business is striving to achieve. Internal information is normally much more accurate and reliable than external information, which I shall define in the next section.

External information is a type of information that a business will use to further research & development advancements, but it is much less reliable and accurate than internal information for one simple reason, it was not collated by the employees of the business. Much like secondary sources of information, external information cannot necessarily be trusted and should be backed up with other sources before being treated as fact. This is because the data was originally created by other company or individual and was not intended for the use that the business is currently using it for.

When completing a project within a business, different departments must work together to create the final product. In a project that I did recently, we had four different competency groups that each worked independently to create a different part of the project, but we all collaborated to see what each other grouped needed of one another. Within the project that I have completed recently, we had four different competency groups: Software, Design, Marketing and Finance. Our software and design competencies can be placed under the ‘manufacture’ that is normally used within a business structure. This department produces information about the resources that are used in the creation of the product, and the estimated time that it will take the input resources to be converted into the output product. Marketing has its own department in the business world, and its job is to both hold the information about the customers that the business serves. Marketing are also in charge of defining how a product looks and is sold on the market, when concerning the appropriate age range, gender and other factors that the expected customer should have. Finance also has an official role in the structure of a business. They hold the information about the money that flows throughout the business, including incomes, outcomes, costs, profits, revenues and expenditure. They are also in charge of the assets that a business owns, including factories, offices and other properties, as well as the raw materials and other goods that the business owns. There are also some external informational sources that a business can use, the main one being a commercially provided database. These databases store information pertaining to more general aspects of business, including the different costs of things on the exchange rate, the basic living wages and minimum wage in different countries. This can be very useful for a business as it allows for large amounts of information to be registered with an internal database, resulting in more profits possibly being made due to less money being spent by purchasing commodities cheaper from alternate suppliers. The external database can also be being corroborated with a business’s internal database, confirming information that could not have been confirmed by other external sources beforehand. Another external source of information that can be used by businesses are trade grouping, which are groups of businesses that strengthen one another’s products in order to benefit all of the business within the group. While this is a good idea as far as business goes, it can be considered bad in the eyes of the public as it can be considered a monopoly, where a business or groups of businesses dominate the market and do not allow other, smaller businesses to rise to their level. Businesses that partake in monopolies normally have a lot of bad press in their wake, resulting in less stock being sold and less profits being generated for the business.

# PII – Characteristics of Good Information

Data should always be checked and corroborated before being fully published and used in a business scenario. This means that the data that is uploaded to the internet for all to see is correct and accurate. There are a few ways that the data can be verified and safe for use on the internet with no repercussions, such as legal battles due to misuse of the data that was owned by someone else. The first thing that should be done is that the data should be verified to ensure that is **valid**. The validity of data is important for many reasons, most of which I listed above. The data should also be **reliable**, meaning that the data should not contain any errors that could cause other people using the data to make mistakes. If the data that is used to create a nuclear reactor was unreliable and the numbers were off by a few decimal points, then a person using that data could create the reactor wrong, causing terrible consequences. The data should also be **fit for purpose**, meaning that the data should be presented in such a way that it is easy to read for those who have the correct qualifications and knowhow to read the data, and it should also be easy to navigate with appropriate headings, footers and a table of contents. The data should also be provided in a **timely** manner. If the deadline for the data to be submitted is on the upcoming Friday, the data should be on the company’s database by Friday afternoon at the latest, with it being uploaded earlier if and when possible. The data should also be uploaded with the correct permissions set, meaning that it is **accessible**. Question: If the information is not uploaded and given to the correct people, then what is the point of it being uploaded to the database. Answer: There isn’t one. If you are collating information for your company, then it should be easily accessible to those who need it. Finally, the data needs to be **sufficiently accurate**. This means that the data should be correct to a certain degree. Whilst everyone can make mistakes, big mistakes can cause loss of money and even lives. For this reason, it is important for most of the information used in a business to be accurate, to prevent the aforementioned issues. This last point can be related to the fact that the data has to be valid and reliable, and this is deliberate. The information should always be as accurate as is possible, which is why most people double or even triple check their work before submitting.

# PIII – Issues with Customer Information

When handling customer’s information and data it is imperative to keep it confidential. The information must be handled within the confines of the **law**, meaning that the laws that the business is in must be followed when handling data. For instance, in the United States of America, it is illegal to access another person’s data or device without their consent. This means that selling information to other companies, such as advertisement firms, is illegal if you have not stated that you own the rights to the customer’s data in the Terms and Conditions. Here in the United Kingdom, if a company has some information that is about a customer, it must be kept safe and secure. If this security is breached, then it can result in a legal battle between the company and the individual(s) whose data was leaked. These legal battles can result in a business losing thousands, if not millions, of pounds. Sensitive data, such as ethnic background, political opinions, religious beliefs, health and criminal records, all have stronger legal protection due to the sensitivity of the data, and a breach of this data can cause larger fines and possibly even time in jail.

The information must also be handled in an ethical way, meaning that the data should only be shared with those who need it. If the information is given to people who should not have access to it, the information could spread, resulting in a large data breach. An example of this is the details of the people who signed up for AshleyMadison.com, a website where people in a relationship could cheat on their partner. This information was leaked and many relationships ended due to the data. Also, a few high profile Republican politicians in America were on the list of people involved in the site, many of whom based their campaigns on ‘family values’, where a traditional family unit (one man, one woman and one or more children) holds high moral standards and are strictly disciplined. This is particularly ironic, given the political positioning of these Republicans. That being said, it is not a good thing that the data was leaked, as aforementioned, due to the fact that many people’s relationships were ruined by this breach of data. The fact that this data was allowed to be breached was a huge display of what can be done when data is not secured. I am sure that the business would have made lots more money had this breach not occurred. This is a clear reason as to why information regarding customers must be secured when running a business that uses technology.

Information must be securely protected at all times and, to prevent loss of data, the information should be backed up at regular intervals, to prevent loss of data. The backups should be as secure as the other information.

# MI – How Information Flows Between Different Functional Areas

Administration

Finance

Sales

Marketing

Purchasing

Manufacturing

The data within this chart shows how each part of business process is connected with one another. This interconnectivity between departments proves that the information can be transferred between these departments with ease, resulting in better productivity and an increased work flow.

# MII – How Customer Information Issues Can Affect a Company

# DI – Benefits of Collecting and Processing Data