

## **Components of Management Information System (MIS)**

MIS is a system that takes data as input, processes it to generate information that can help the management of an organization in decision-making and strategic planning. Today, most organizations implement the MIS so as to achieve the organizational goals.

**The MIS has various components, which are as follows:**

### **1. Executives:**

Executives are the people who utilize MIS. These people are computer professionals who operate MIS for data processing to achieve organizational goals like planning and decision-making.

### **2. Hardware:**

The hardware components of MIS include various input and output devices that helps in feeding data as well as displaying the information when required. The input devices include the keyboard, scanners and mouse. The output devices may be the monitor, printer, network devices, and so on.

### **3. Software:**

Computer programs which are designed to do a specific task for example, MS Office, Banking Software's, Railway's applications etc, different kinds of software available to process the data/information in an organization such as ERP (enterprise resource planning) and CRM (customer relationship management).

### **4. Organizational Procedures:**

Procedures are sets of rules or guidelines that an organization establishes for the use of a computer-based information system. The procedures may vary from one organization to another. It may also vary from one department to another as per the requirement. For example, the working of production department is different from the working of sales department. The production department requires information regarding the raw material or quantity of goods to be produced. So, the production department sets its procedures in such a way that the MIS system

helps in retrieving the information required by the department. In the similar way, the sales department requires information regarding the quantity of goods sold and the other expenses that occurred during the sales of the product. Therefore, the sales department sets the procedures in such a way that they get only that information which is required from the MIS.

## **Applications of Management Information Systems (MIS)**

### **1. MIS Applications**

Many organizations are structured based on functional areas. This is often reflected in an organizational chart. Typically, functional areas include finances, human resources, marketing, etc. Many of these functional areas have their own **Management Information System**, or MIS.

### **2. Financial MIS**

A **financial MIS** provides financial information for managers to make daily decisions on operations within the organization. Most systems provide these functions:

- Integrate financial information from multiple sources
- Provide easy access to financial information in summarized form
- Enable financial analysis using easy-to-use tools
- Compare historic and current financial activity

A financial MIS often has a number of subsystems, depending on the type of organization. These include systems to analyze revenues, costs and profits, auditing systems for both internal and external purposes and systems to manage funds. A financial MIS can also be used to prepare reports for third parties, such as external auditors or shareholders.

### **3. Marketing MIS**

A marketing MIS supports activities throughout the many activities of marketing departments. Some of the typical subsystems of a marketing MIS are marketing research, product development and delivery, promotion and advertising, product pricing and sales analysis.

One of the most common uses of a marketing MIS is to produce sales reports. These are typically produced on a regular schedule, such as by week, month and quarter. Reports can be organized by sales representative, product, customer or geographic area. Such reports allow managers to see which aspects of sales are doing well and which ones need attention.

Perhaps one sales representative has suddenly experienced a drop in sales by losing one major customer and needs some support to develop some new leads. If there are only a handful of sales reps sharing one office, a manager might be able to pick up on this just by talking to everyone. However, what if a manager has to oversee more than 100 sales reps in 12 different offices around the nation? A specialized information system that provides regular updates in a meaningful format will make it a lot easier.

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