Sources and Types of Information

Sources of Information

Information Sources for Your Business Decisions-your decision will be based on the information that you handle in the decision-making process. How you can decide if you don't have the right information, in the right form on the right place? You need information sources reliable to make a right decision for your small business.

Information is one of the most important resources for your company. If in the past, we talk only about human, financial and material resources, today we cannot exclude information as a resource. Information is something that creates knowledge in your business, and knowledge increases your business potential energy.

Let's talk about possible information sources that you can use in your decision-making process.

1. Information Sources Located In Your Business

A good starting point in getting information for business decision is your own business. If your business collects, classify and store data in any useful format, the process will be much easier. However, if your company has big amounts of data, where some of them are unwanted or useless, it can be a time-consuming process to find something relevant to the specific decision making process.

Many times, you can find and get some useful data from your colleagues, but it depends on a good cooperation between them. On a different hierarchical level, there are different data.

You need to implement a systematic approach for collecting, classifying and storing useful data in your business. Use following information sources for your decision making process that are inside your company:

a. Internal statistics

b. IT department

c. Finance department

d. Sales department

e. Colleagues

f. Researchers

g. Business library

h. Market research

i. Internal formal communication tools

j. Internal informal communication tools

k. Meeting minutes

2. Information Sources Located Outside Your Business

Your business is not the alone in the galaxy called as a market. Many different entities will be there that have the power to influence your business decisions. Because of that, you can't base your decisions only on your internal information sources.

Useful ideas, worth data and contributions can come from outside your business. There are many experts, many individual sources and world wide web that can be useful for your business.

Use following information sources for your decision making process that are outside your company:

a) Family

b) Friends

c) Contacts

d) Competitors

e) Stakeholders

f) Events

g) Publications

h) Press Releases

i) Consultants

j) External Researchers

k) Universities

l) Media

m) Internet

n) Social Media

o) Research publication

p) Industry news

Types of Information

1. Classification by Characteristic

Based on Anthony's classification of Management, information used in business for decision-making is generally categorized into three types −

- **Strategic Information:** Strategic information is concerned with long term policy decisions that defines the objectives of a business and checks how well these objectives are met. For example, acquiring a new plant, a new product, diversification of business etc, comes under strategic information.

- **Tactical Information:** Tactical information is concerned with the information needed for exercising control over business resources, like budgeting, quality control, service level, inventory level, productivity level etc.

- **Operational Information:** Operational information is concerned with plant/business level information and is used to ensure proper conduction of specific operational tasks as planned/intended. Various operator specific, machine specific and shift specific jobs for quality control checks comes under this category.

2. Classification by Application

In terms of applications, information can be categorized as −

- **Planning Information:** These are the information needed for establishing standard norms and specifications in an organization. This information is used in strategic, tactical, and operation planning of any activity. Examples of such information are time standards, design standards.

- **Control Information:** This information is needed for establishing control over all business activities through feedback mechanism. This information is used for controlling attainment, nature and utilization of important processes in a system. When such information reflects a deviation from the established standards, the system should induce a decision or an action leading to control.

- **Knowledge Information:** Knowledge is defined as "information about information". Knowledge information is acquired through experience and learning, and collected from archival data and research studies.

- **Organizational Information:** Organizational information deals with an organization's environment, culture in the light of its objectives. Karl Weick's Organizational Information Theory emphasizes that an organization reduces its equivocality or uncertainty by collecting, managing and using these information prudently. This information is used by everybody in the organization; examples of such information are employee and payroll information.

- **Functional/Operational Information:** This is operation specific information. For example, daily schedules in a manufacturing plant that refers to the detailed assignment of jobs to machines or machines to operators. In a service oriented business, it would be the duty roster of various personnel. This information is mostly internal to the organization.

- **Database Information:** Database information construes large quantities of information that has multiple usage and application. Such information is stored, retrieved and managed to create databases. For example, material specification or supplier information is stored for multiple users.

Information is a vital resource for the success of any organization. Future of an organization lies in using and disseminating information wisely. Good quality information placed in right context in right time tells us about opportunities and problems well in advance.