

P6 - Select information to support a business decision-making process

Developing Management Information

When developing a Management Information System (MIS), a wide variety of data and information is needed to produce information that is of use to the firm. In the IT firm, data and information will come from both internal and external resources to be inputted into the information system.

Management information lets the firm track progress and plan for the future. It is presented in reports that show how parts of the firm are working.

Data Required to Develop and Produce Management Information

Sales and Financial Information

Sales and financial information is key for producing useful management information. Sales information is inputted into the Management Information System and then analysed to find trends in how the firm's products/services are selling (e.g. which service is used the most, is there a geographic point where services are used the most).

Financial information about the firm's expenditure and budget is inputted into the system so that the information system can produce information on whether money was spent efficiently and how the firm can improve their profit by buying stock or improving/upgrading their service.

Benefits;

There are numerous benefits of entering data and information into the Management Information System. For example, the system can show where the firm is losing/gaining profit and allow them to adapt their services to maximise their profit. It can be used to produce financial records that illustrate how the firm is progressing and allow them to make strategic decisions for the future and on how they spend their money.

Marketing and sales information can help managers make decisions on what services/products they provide and how they look. This information can be used to change the services to make them more appealing to the customers, thus increasing sales and profit.

Competitors

Information about competing companies can be inputted into the system to help the firm improve their services/products and gain a wider customer base. The system can interpret this information and report on ways in which the firm can gain more business by outperforming their competitors.

Benefits;

If the firm entered information on their competitors, this would have many benefits. For instance, the firm would have better knowledge on what customers/clients want from their type of firm/company. This allows the firm to develop their services so that they will meet the user's requirements and increase the profit made by the firm. Similarly, knowing about customer preferences and what the competitors are proposing means the firm can adapt their services to be of a higher quality and better price. This leads to more satisfied customers who will return; thus benefiting the company.

Employee Skills (HR Department)

Inputting information about employees and their skills/qualifications generate management information on the firm's workforce. Analysing this information means the firm can help employees and provide training to any underperforming employees and help them improve within the

company. This is good for both the firm and the workers: the firm benefits from the newly learned skills and enthusiasm of the employees, and the firm can teach the employees the skills needed by the firm in order to work well. It benefits the employee by giving them new skills that they can use to earn more money etc.

Benefits;

Several benefits arise when inputting information about employees about Management Information Systems. Firstly, it identifies staff that need training so can improve business performance, profit and the motivation of the workers. Secondly, having better trained staff results in better customer service so the firm may have an increase of customers. Finally, it improves the relationship between the employers and employees meaning they will work harder and be loyal to the company.