**D2 Justify the information selected to support a business decision-making process**

**Introduction**

In this assignment, I will be discussing the following information

* What the role of each of my department is
* The information that is processed by each functional area
* The information analysed and reasons why
* Two characteristics of good information
* The use of hardware software and human input in processing the information and the possible you as a manager faced in dealing with the three aspects.

**Human Resources-** Human resources role is to manage all the information for the employees, customers and employers. They ensure the working environment is safe and eligible to work. They recruit new candidates for the job, if there are any vacancies and provide training for the candidates. In addition, they can make people redundant, if costs are too high. They raise alertness of workplace legislation. This all links to the functional areas stated above; *finance, government, marketing*. **Finance** links to HR, because HR needs to information of how much wages/salaries they get and finance needs the details of the employees. In addition, it links to **marketing,** because if my business is being promoted. They would need information where to contact me if there is any vacancy. HR links to **government,** because taking off taxes the employee’s salaries; they would need the employee’s details of how much they are being paid, name, and address.

**Secondary** data means data that is already collected. This links to my business because I need to find information about my customers to fulfil their needs. I can collect this on the internet to find what my customers think of the business. Employers in a business should rely more in primary data than secondary data, because this data can be not up-to-date and unreliable.

Some examples of secondary data can be:

* Internet
* Books
* Magazines

2012

* Newspapers

2011

2013

2013

As you can see above, all the three graphs represent how much my employees for Human Resources department receive annually. The three graphs show each year of how much the employees used to get. Each of the employees have specific jobs. I have ‘Staff X2’ because they have a normal job as in if any leaflets/reports needing to complete, they would complete it for the person. If any emails need to be sent to other employees, they would deal with the issues. The manager oversees what the job has been. Therefore, he is the manager of the department. The accountant is important because he can deal with numbers/accounts/wages for employees. Accountants usually get paid a lot but I have their starting price as £40,000. This would gradually increase. If any problems have occurred, they could deal with it to the accountant. As the graphs indicates from 2011, the wages have increased. However, the wages have stayed the same in 2013. I think the wages that have been set out is appropriate. They could change based on their performance. Bonuses could be available if staff put in extra hours and work. I have increased the wages because they would be motivated to do more work. The wages could be a huge problem and it effects the profits. As a result, the only solution could be is to redundant some staff to cut out wages and I could use that money to invest in other departments. Another solution could be is to put in people for work experience and voluntary. This is important as we are not paying the volunteer but they are doing work free. I could save a lot more and put more money in other departments.

**Valid information** is whether it is useable and accurate. The types of information for valid has to be:

* Trustable
* Representative

[](http://www.google.co.uk/url?sa=i&rct=j&q=&esrc=s&frm=1&source=images&cd=&cad=rja&docid=d6VPtQPf42DZrM&tbnid=Pb11XtCgVFfNFM:&ved=0CAUQjRw&url=http://anessaed4764.blogspot.com/2011/03/valid-information-and-internet.html&ei=tLk6UoK1K8-O7AbFvoHwCA&bvm=bv.52288139,d.ZGU&psig=AFQjCNHe6qFEe-k8eWg4cd4O11JAnhHJpw&ust=1379666733316601)The different types of valid information that has to be in my business is market research, because if the research has come from the internet that clothing, suits, has increased in demand by 15% and it’s true. At that point, the employer of the suits business can increase stock orders placed such as from 1000 men and women suits to double that amount. If the information were not valid, the employer would be making decisions that would not even be necessary. For example, going back to the suits example given above, if the suits order was placed to 2000 then they would be making a mistake. Therefore, it would be a waste of money, which is not even necessary.

**Reliable:** this means how well do you trust, rely and being honest on the information. The types of reliable information that can be in my business are market research, especially secondary research. If the internet tells us that customers love expensive products, but the employee checks and they are no sales increasing. Whilst they advertise, they need to check if it fits in place. If the information was not reliable, decisions would be made inaccurately and it could affect sales if the decision is based on that topic.

For Human Resources, they would need **softwares** like Microsoft Outlook. This is where all employees in the company would communicate with each other. I think this is important for the business because all the emails that would be sent to them, they would need to complete it. For example, in LSC, students request letters to the registration proving to HR Customs that they are still in education. Similarly, they would get requests from outside the company asking them for a letter. This would be needed to be complete. The **hardware** would be a simple PC that stores many files on there. The files is important for any organisations as they it is a possible risk losing the files. This would be a big disadvantage for the department and the company. The **human input** is important for any functional area. The more work the employee puts into his/her work, the more successful the business could be. It also matters if the employee is versatile.

**Marketing** is the promoting and selling products/services. Marketing links to *Finance and Human Resources.* This links to **finance,** because Marketing needs money to advertise and finance needs information on how much they are spending, whether it’s too much for the cash flow or not. For example if a business wants to advertise to the local newspaper, they would need the money from the finance department, how much it is- is it instalments or one price. **Human Resources** link to Marketing, because if an employer wants to promote its business, marketing department would need his information from the HR department.

**Primary** data means data that has been collected first hand. Therefore, the market research team has to collect the data themselves.

Some examples of primary data can be

* Interviews
* Questionnaires
* Observation
* Focus group
* Surveys

This links to my business, because if a new product were going to be realised such as iPhone 5S, the product owners would need to do some market research. They would collect data for what the customers would want. The biggest advantages for primary data is that its 100% accurate and sufficient. In addition, you can reach a large sample of people. Once they get the data, you can update the product according to the result.

2011

2012

2013

These three graphs representthe sales of the business. Sales are important as they determined if they are making profit or not. As you can see on the graph, they is a clear pattern. Over the two-year period, sales have increased drastically. It is almost double. However, 2013 sales decreased. The pattern has increased in 2012, but dropped in 2013. This is a big issue as it could affect the profit of my company. To recover from this situation, more money needs to be invested in this department. Therefore, we could promote the products so more sales come through. They are many solutions to increase sales. This could be that making aware of social networking users of our business; handing out local residence our leaflets; promoting our business in the local newspaper. These methods could help my business increase sales. However, money is required to do all of these methods. I would like to choose the cheapest way or if any employee knows how to do it, it would be saving a lot of money. Currently, this functional area needs to have a huge budget, as they would promote our company. I would need to expand it. If the pattern continues and sales decrease, the business would automatically fail.

**Timely information –** to summaries, has it been updated the information that you used? The types of information that should be in date is:

* Efficient

[](http://www.google.co.uk/url?sa=i&rct=j&q=&esrc=s&frm=1&source=images&cd=&cad=rja&docid=3Dl2W7w-GTgOZM&tbnid=mWC0RevL9IwzYM:&ved=0CAUQjRw&url=http://www.ipinglobal.com/ipin-live/blog/287149/ipin-live-and-the-changing-face-of-timely-information&ei=7_k6UtDYGsTE7AaD1oHYCA&psig=AFQjCNEK3ou6CZlxw0QnISh6WiUTfcgpwg&ust=1379683179232126)For example, if business had information on an employee that his wages a week is £7 per hour, they that the government would need information so they can tax his taxes. However, if that data were not up-to-date then it would be a problem. If the business were to have information that was not timely, they would move on according to the data. It would be time-consuming, as they would need the updated version of it. They would need to contact the government department again that he is receiving more than before. Therefore, it is important to sell correct and updated information in the correct time.

**Fit for purpose-**This means when the information given, useful in the long-term? This can tell us that if something is prepared beforehand, has it become useful. Some people can set objectives and if they follow them, they will achieve it. For example, a business plan is prepared for the business beforehand and there are specific set objectives to follow, but something goes wrong and they do not follow it. They were no point of doing the business plan if you are not going to follow it.

**Marketing** is completely different from other functional areas. This mainly deals with promoting the business. Therefore, they would need different softwares and hardware to complete the tasks set. The **softwares** that Marketing would need is all applications of Adobe. This is necessary, because the task could differ e.g. creating a website, leaflets etc. Without any of the softwares named, the department would not be able to complete the specific task. The **hardware** can be different. You can create your websites on a laptop or iPad. This way, you can show customers what they think of your website. The **human input** is important, especially for Marketing. The ‘whole world’ could see your brand. If they do think that it is not good enough, you will lose customers. Employees need to be creative and smart whilst thinking of the brand image and website design. It is important for everybody in the department to contribute with the work.

**Finance** manages all the money such as:

* *Wages of employees*
* *Create financial accounts*
* *Pay creditors*
* *Profit*
* *Rent*
* *Income of business*
* *Outcome of business*

They manage all of the mentioned above. This links to ***Marketing, and Government.***

**Marketing** links to finance, because if the Marketing department market their product through leafleting, they would need to contact Finance department to sort out the payment.

**Government** links to finance, because they need to tax all the employees’ salaries. They would need the information of how much they get yearly so the government could contact the finance department of how much the employees needs to be paid. **Quantitative** means number-based. For example, in business cash flow can be an example as it’s number-based. This links to my business by the cash flow being number-based. It gives data for the income of the business and the outcome of the business. This is updated every month. For example, outcome is when the business is giving out money such as; wages to employees, electricity/water/gas bills, repayment of loans.

2012

2011

2013

These graphs indicate what is the outcome and income of the business. As these go in order from 2011 to 2013. It is important we know how much income is coming into the business and how much is going out of the business. Income can be sales, loans and anything that is received to the business. Outcome is wages, raw material, loan (paying back), renting (paying) and anything that the manager is paying for something. In 2011, we have an income of £25,000 and £4500. This is important because to make profit, the income needs to always be higher than the outcome. This is good for a starter business because they have made more than expected. In 2012, we spend more than last year, but it was successful as we make profit. We spent £23,000 and received £30,000. However, we spend over-than expected and we made a loss. This is important because we need to know how much we spent and how much we receive. The only issue that can go wrong in the future is that if this continues, the business could be a failure. For example, next year we spend 60% and we only receive 40% income. The solution to this problem could be that we analyse with the finance department and the accountant of where we went wrong, where we could cut back and save more money for the future.

[](http://www.google.co.uk/url?sa=i&source=images&cd=&cad=rja&docid=NRdbDQmTNfFTeM&tbnid=knhS9eZf0jr16M:&ved=0CAgQjRwwAA&url=http://www.propertyaspects.co.uk/cost-effective/&ei=T_k6UpDDK4ee7Aav0oDIAg&psig=AFQjCNG9m4sKMWoD4x_MR0-jkX99D_KeYg&ust=1379683023754808)**Accessible-** means if it is available for the target audience that the company has set. For example, if a company decides to sell suits for a company and markets only online. They would be a specific target audience for the people only who have online access. Therefore, they should figure another way, leafleting for example, that can be accessible. If they the information that they are trying to access is not accessible then they would potentially be losing customers.

[](http://www.google.co.uk/url?sa=i&source=images&cd=&cad=rja&docid=oByl1hY9F-kFHM&tbnid=vGgz3jJVRav5SM:&ved=0CAgQjRwwAA&url=http://www.presentermedia.com/index.php?target=closeup&maincat=clipart&id=3921&ei=Zfk6UrjLAaWN7QabiIGgDg&psig=AFQjCNEakwmpPf3IDRi1C9fSV_SGXIVeeA&ust=1379683045068466)**Cost effective** means if a product is made it should come in cheap. For example, if a product is made and there are two types of metal needed, but they work the same. One of them is cheap and the other is not cheap. Cost-effective is when they choose the cheaper hand for the production method to come in cheap. This comes in handy for the manufacturing and production department. If the information were not cost-effective, then they would be simply wasting the money.

For each department the use of hardware, software is going to be different. For Finance, the **software** that they are mainly going to be using is Microsoft Excel. This is because the main reason for the use of Excel is to deal with graphs, charts and number-based information. This is important as each department want to show each future employee of how much they are going to earn. Hardware differs from each functional area. **Hardware** for Finance is vital. For example, if they an employee earns £35,000 a year but on the system it says he/she earns £25,000, they would not have the latest version. They would need to get their numbers straight. They would need the information to be updated on their hardware. **Human input** is essential in any business. If any employees are slacking in their work-set, they would drag their own skills down and the business down with it. If an employee was asked to make a spreadsheet of all the details of every employee in the business and they never completed it, it would delay any work that is related to the employee’s detail.

**Conclusion**

The role of each functional area is important as it shows us what the department does. I have created three graphs and analysed them. We did this to predict any future decisions that can be made from these graphs. For example, if the manager does not pay any attention to the income and outcome, they would not know what to change. The odd readings that I came across is in the Finance department. In 2013, we spent more than we received. The solution we found for this is information is that we will cut out such as, turn the lights off when it is necessary. I can tell whether the data is correct by observing the business for one day. I can check roughly how many sales are made each day. In addition, I stated two characteristics of good information. This is important, as it demonstrates what information the business needs to look at when getting the information. Management Information Systems (MIS) is necessary in any aspect of the business because it can sort out information, edit and enhance it when the user needs it to. It is typically used for managing information and in any business, it is important that information is organised and managed well.