

Background

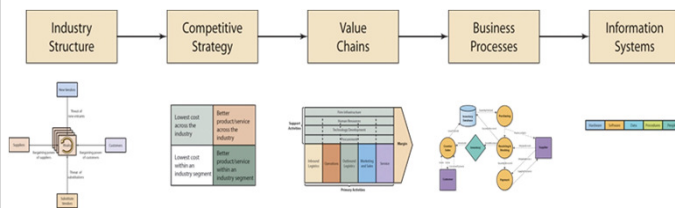
... Business 101

Management Information Systems

COURSE (core concepts)

Information Systems & Competitive Advantage

Organizational Strategy Determines Information Systems



Management Information Systems

COURSE



Define:

- what is 'business'
- how are 'computers' used in a 'business' environment

5

Management Information Systems

BUSINESS

Any endeavor or enterprise that achieves a goal through the effort of a person or persons that involves a monetary component.

SERVICE

PRODUCT

6

Management Information Systems

BUSINESS

FOR-PROFIT

NON-PROFIT

GOVERNMENT

7

Management Information Systems

BUSINESS

All business operates on the same basic principle.

Business requires money in order to operate

\$\$\$

8

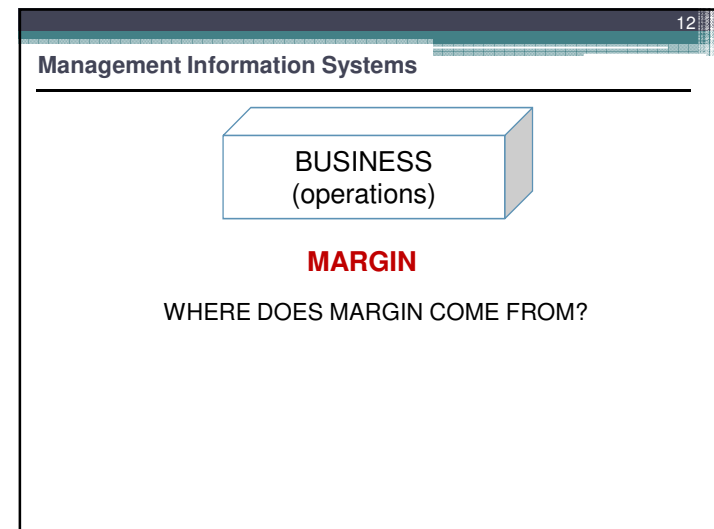
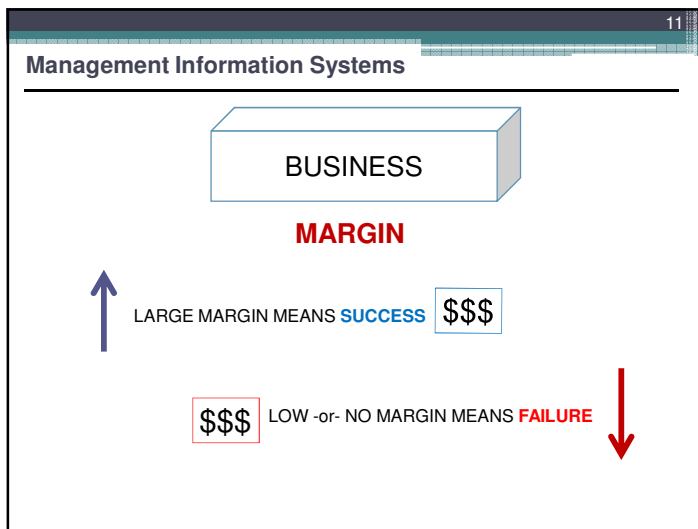
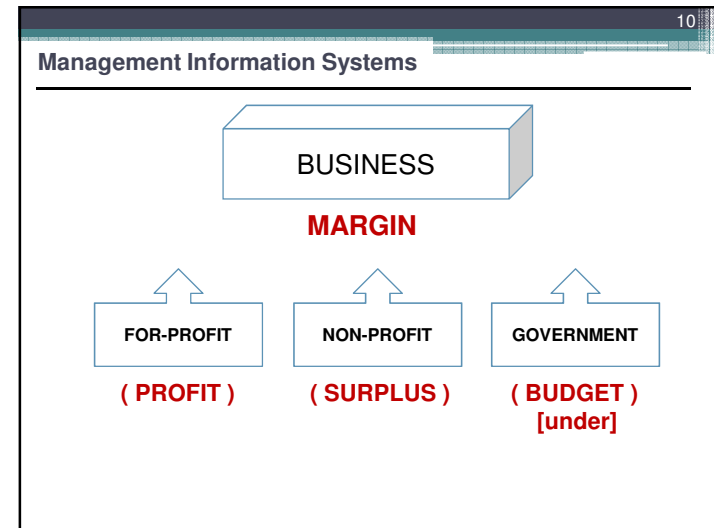
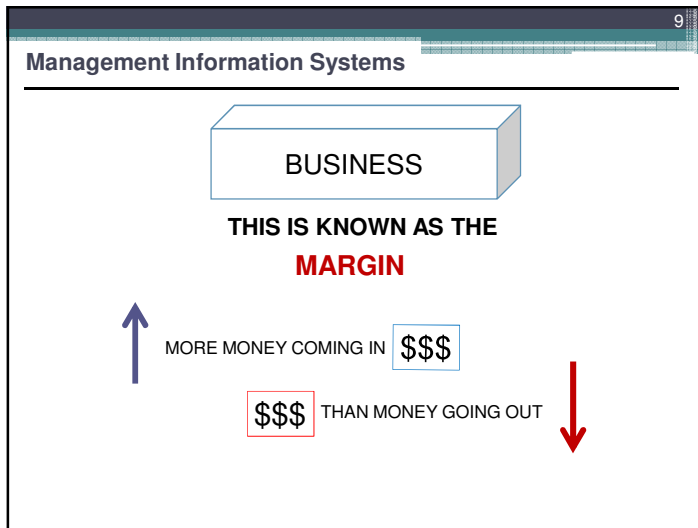
Management Information Systems

BUSINESS

All businesses have a single goal.

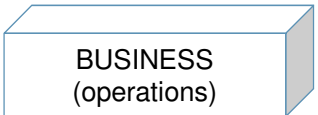
↑ MORE MONEY COMING IN \$\$\$

\$\$\$ THAN MONEY GOING OUT ↓



13

Management Information Systems



BUSINESS
(operations)

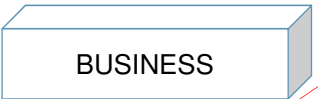
OPERATIONS

Facets of business: like a diamond

- What does it take for a business to operate ?
- What are all the components (parts) of a business?
- How does a business actually work ?

14

Management Information Systems

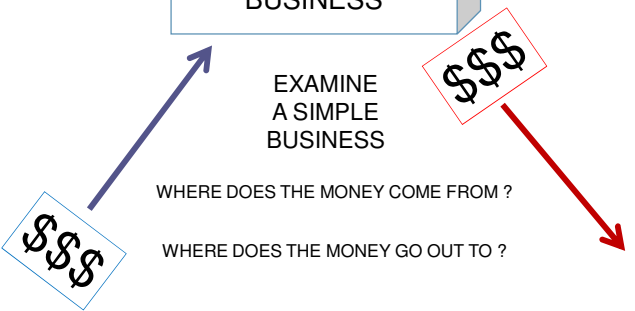


BUSINESS

EXAMINE
A SIMPLE
BUSINESS

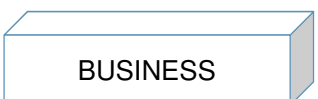
WHERE DOES THE MONEY COME FROM ?

WHERE DOES THE MONEY GO OUT TO ?



15


Management Information Systems



BUSINESS

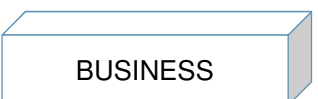
GOAL: Create a business:

- You have come up with a great idea for a business.
- You are going to start small with you being the only employee.
- It must be a Service !



16

Management Information Systems



BUSINESS

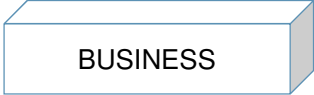
GOAL: Create a business:

Examples:

- Dog Walking
- House Sitting
- Car Transportation

17

Management Information Systems



BUSINESS

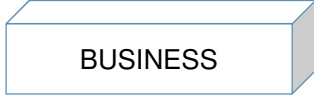
GOAL: Create a business:

First Question:

- is it feasible ?
- i.e. will make money
- i.e. is it worth your time and investment ?

18

Management Information Systems



BUSINESS

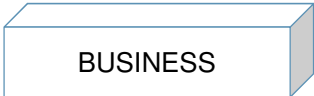
GOAL: Create a business:

First Question:

- is it feasible ?
- How to tell ?
(or at least, how to make an informed guess ?)
- Third Rule of Business
“ Nobody Knows Nothing ”

19

Management Information Systems



BUSINESS

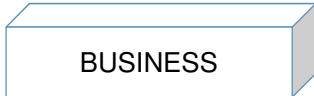
GOAL: Create a business:

First Question:

- is it feasible ?
- How much money (\$\$\$) will I need to bring in
in order to make this a viable entity?

20

Management Information Systems



BUSINESS

GOAL: Create a business:

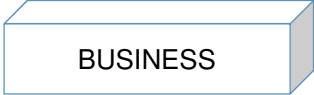
- How much money (\$\$\$) will I need to bring in
in order to make this a viable entity?

Rephrased:

- How much will be needed to run the business?
- What are my costs
(what will I have to pay for - i.e. money out)?

21

Management Information Systems



BUSINESS

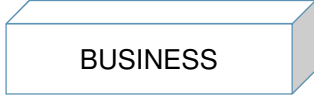
GOAL: Create a business:

- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

WHAT COSTS CAN YOU IDENTIFY ?

22

Management Information Systems



BUSINESS

GOAL: Create a business:

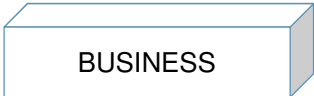
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Salary:

- this is a COST
- it is not margin – it is not profit
- it is only ONE of the costs you have consider.

23

Management Information Systems



BUSINESS

GOAL: Create a business:

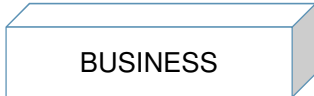
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Raw Material:

- this is a COST
- physical: cloth and ink for tie
- electronic: code and interface.

24

Management Information Systems



BUSINESS

GOAL: Create a business:

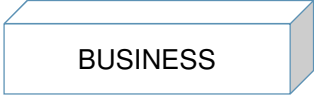
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Equipment:

- this is a COST
- whatever required to manufacture
- platforms to create.

25

Management Information Systems



BUSINESS

GOAL: Create a business:

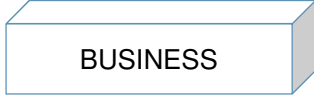
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Logistics:

- this is a COST
- location to conduct business
- infrastructure (secondary supplies – computers).

26

Management Information Systems



BUSINESS

GOAL: Create a business:

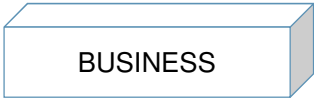
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Sales:

- this is a COST
- advertising
- demonstrations – display of product.

27

Management Information Systems



BUSINESS

GOAL: Create a business:

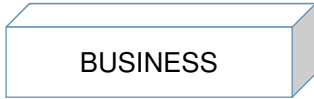
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Distribution:

- this is a COST
- packaging
- delivery and shipping

28

Management Information Systems



BUSINESS

GOAL: Create a business:

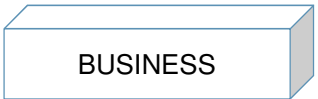
- How much money (\$\$\$) will I need to bring in in order to make this a viable entity?

Support:

- this is a COST
- usability and instructions
- returns and defects.

29

Management Information Systems



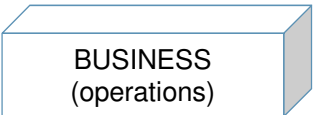
BUSINESS

GOAL: Create a business:

- costs (money out)
- **Salary**
- **Raw Material**
- **Equipment**
- **Logistics**
- **Sales**
- **Distribution**
- **Support**

30

Management Information Systems



**BUSINESS
(operations)**

RUNNING A BUSINESS

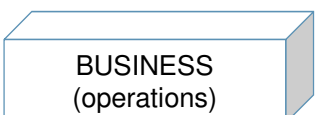
HOW DO YOU 'RUN' A BUSINESS ?

**SIMPLE
TRACK EVERYTHING !**

What to track ?
How to track it ?

31

Management Information Systems



**BUSINESS
(operations)**

TRACKING (WHY ?)

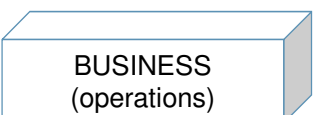
SPOILER ALERT !!

- **DATA:** what you track
- **INFORMATION:** derived from data
- **KNOWLEDGE:** using information

This is actually the core concept of this course

32

Management Information Systems



**BUSINESS
(operations)**

TRACKING (HOW?)

BP (before computers)

- **PAPER / INDEX CARDS:** everything was collected
- **LEDGER BOOKS:** accounting
- **POLICY:** using the information

PURPOSE: track \$\$\$ in versus \$\$\$ out - MARGIN

33

Management Information Systems

BUSINESS
(operations)

TRACKING (NOW?)

AP (after computers)

- **DATABASES:** everything is collected
- **SPREADSHEETS:** accounting
- **IT SYSTEMS:** using the information

PURPOSE: track \$\$\$ in versus \$\$\$ out - MARGIN

34

Management Information Systems

BUSINESS
(operations)

TRACKING (WHAT ?)

- **EASY:** everything
- **HARD:** what is everything ?

It is a process – build – test – adapt

35

Management Information Systems

BUSINESS
(operations)

TRACKING (WHERE ?)

- **COMPUTER:** (obviously ...)
- **MECHANISM:** database
spreadsheets
information tools

It is a process – build – test – adapt

36

Management Information Systems

BUSINESS
(operations)

COMPETITIVE ADVANTAGE

- **HOW CAN COMPUTERS BE USED TO MAKE YOUR ORGANIZATION PERFORM BETTER (BRING IN MORE MONEY) THAN YOUR COMPETITORS**