

## *Management Information System*

Management is a man created institution, being an integral part of culture and as such must make a contribution of service to society. The philosophical foundation and value systems continue to provide understanding to various management activities. Professional management means that its appointments are made on the basis of open competition and are not restricted to a caste, region or any personal consideration. Modern organisation ought to be evaluated for itself as a structure that permits decentralised operations with centralised review and control. Each operating division is expected to be a profit centre in itself. It is a well known fact that highly motivated people are the most important asset. Such people need opportunities to demonstrate their ability. A well developed system of goals and rewards that compensate superior performers beyond salary levels. Integrity has its own reward and it depends upon the integrity of each one of its employees.

Long range production planning and control is indispensable for achieving its objectives on a sustained policy. The planning process enables its managers to participate in the future of the economy. It seeks diversification in areas of high technology. In marketing emphasis remains on consumer orientation which is continuously involved in identifying consumer need and planning industrial projects that would meet them. It is essential to make a good return on investment, one should have faith in high quality, reasonable margins of profits and a large turnover.

The Information system deals with the following Check list :

- (a) Market data:  
... Analysis of current and projected market shares:

- ... Sales forecasts for major products and equipment;
  - ... Innovations in marketing advertising and sales promotion;
  - ... Analysis of customer buying habits and preferences;
  - ... Analysis for past performance and product profitability
  - ... Plant productivity and manpower utilisation.
- (b) Sales and marketing performance;
- ... Sales invoiced (actual vs. forecast).
  - ... Orders booked and order backlog;
  - ... Profit margins, actual vs. forecast;
  - ... Sales expenses, actual vs budgeted;
- (c) Production performance;
- ... Actual output vs. planned output, plantwise;
  - ... Orders on hand plant-wise;
  - ... Actual manufacturing expenses vs. budgeted expenses;
  - ... Manufacturing Statistics, Plant utilisation, scrap, rework, overtime, etc.
- (d) Material and inventory control;
- ... Actual level stocks vs. planned stocks, storewise and category wise;
  - ... Work in progress ;
  - ... Performance measures ;
- (e) Personnel status and performance ;
- ... Company personnel status report, plant-wise and category/ skill-wise.
  - ... New recruits vs. requisitions ;
  - ... Personnel statistics, staff turnover, absenteeism, promotions, etc.
- (f) Financial performance ;
- ... Profitability and overhead recovery ;
  - ... Cost over/under-runs, and variance analysis ;
- (g) Technological trends and forecasts ;
- ... Major break through in process and technologies ;
  - ... Equipment design trends ;
  - ... Predicted obsolescence of products and services.

(h) Competitive information ;

... Past performance, present activities and future plans of the major competitors ;

... Planned development and launching of new products and facilities ;

(i) Overall company performance :

... Financial performance, profit and loss, and balance sheet ;

... Company budget performance and utilisation ;

... Progress of capital expenditure projects ;

... Company performance statistics.

Management information system has been arousing increased interest in recent years not only with the processing of information by computers for accounting purposes and also the use of information for control purposes. Another problem in trying to understand information system technology is the communication gap that exists. This communication gap has become more evident now that it concerns systems that have impact on management decisions. Thus much remains to be done before these systems become operational on a broad scale.

## REFERENCES

1. Dudeja Dr. V.D., Professional Management, 1982.
2. —do— Manual of Textile Management, 1983.

### Question Box :

1. What are the objectives and scope of Management Information system ?