

Impacts of IS and IT on Finance

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- Involvement of IS and IT in the businesses has the changed the way business operates and deliver products to customers and changes in many sectors.
- Industries with the huge innovations have seen with the use of IS and IT within the financial world.
- Following are few areas where IT has greatly impacted in financial services.

- Financial reporting
- Online Banking
- Reducing the human error or fraudulent activity
- able to run a business with low cost than ever before
- Decreasing cost and increasing functionality (automation)
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Impacts of IS and IT on other organizational sectors

- IT plays a vital role and an integral part in the large from multi national businesses who maintain main frame computers for their systems and databases to small businesses that owns a single computer.
- Following are few sections that how IT has been used across the business world.

Different types of tools and applications has been used by organizations to communicate with its internal and external stakeholders. Email Internet to connect with everyone live chat system Online meeting Video conferencing VOIP telephones and smart phones

1. Communication between employees, suppliers and consumers

2. Inventory management system (IMS)

- Organization has to maintain inventory management system to make sure the stock levels are up to date and able to meet future customer demands.
- Inventory management system track the quantity of each item the company maintains.
- It trigger an order of an additional stock when the quantities fall below a pre determined amount.
- These are always best to use by interconnecting with a point of sale (POS) systems.

2. Inventory management system (IMS)

- The POS system ensures that each time an item is sold, the item is removed from the inventory count and makes clear loop between all departments.
- It sends alerts to the required users on the current stock availability so that they can make swift decisions to meet customer demands.

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3. Data management system

- Storing of data and information has been changed from traditional file systems to storing large amount of data and information using data storage servers and devices.
- The major benefit of this system is users are able to retrieve data and required information at any time on their own convenient regardless of the geographical location.
- Organizations are able to store tremendous amount of historical data with a low cost employees benefits from immediate access to this when they need.

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4. Management information system

- Storage of data and information will only not give benefits to the organization if those data and information was not used well for strategic planning and for the execution of tactical level.
- To solve this problem only MIS takes a major role in this. MIS enable companies to track sales data, expenses and productivity levels.
- This information can be used to track profitability over time and maximize ROI and help to identify areas of improvements.
- Managers can track sales targets on daily basis and able to make proactive decisions by boosting employee productivity of\r reducing the cost.

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CRM is an important tool that organization must use and manage to find out how their customers interact with the product and services the organization offer.

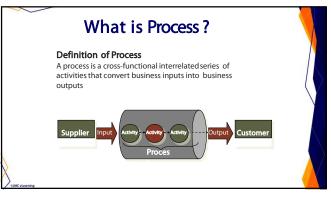
A good CRM should capture every interaction a company has with a customer.

For an example a customer calls the call center and connects to the agent. The agent must have readily available information about the customer and his/her historical transaction details and product/service training manuals to effectively respond to the customer issue.



 All this information should be readily available in the CRM system. Also it should be linked with the other systems such as billing, purchase, loyalty etc. so that even if the customer calls back again the agent should be able to respond more focused and in a better way.

• This will increase the customer satisfaction as well as benefits the organization from improved productivity.



What is a Business Process

A group of logically related tasks that use the firm's resources to provide customer-oriented results in support of the organization's objectives3

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Competitive advantages of business processes

ICT and its related communication devices plays integral part of the organization to carry out the day to day operation. Ex: PC, laptop, network devices etc

These communication devices helps the employees to communicate with customers, partners, and do transactions , share documents and files, browse online and to do various electronic transcations.

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Ways that technology could be better used

- 1. To improve service delivery to customers Importance of customer service customer service frontline staff Improving customer experience by
 - providing certain service online
 - e commerce facilities
 - Chabot services
 - chabot scrvice.

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innovations comes with cost effective options in-house application development



- become preferred vendor/service provider
- Help of ICT is required.



Ways that technology could be better used

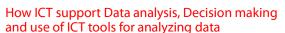
4. To improve your organization's overall performance

ICT helps the organization to re evaluate their progress, performance and service improvements.

It also helps to identify new services, quality standards. This may be particularly applicable for small and medium sized business. Because many of them have limited resources and might looking for take their operations next level.

Rework on existing process and use technology how best can be optimized and achieve desired outcome.

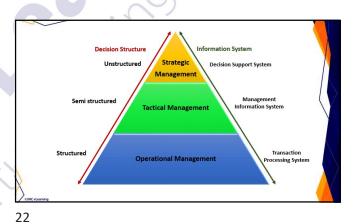
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- Decision making is an integral part of any organization irrespective of small family businesses or a huge multi national corporation.
- They need to make decision in order to ensure continued operation.
- Business managers need to focus on decision making as a constant process because to ensure continued growth and achievement of business goals.
- Initially decision making was done managers using their limited knowledge and some plain guess work.
- Today use of technology and business data make the decision making process more easier.



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How ICT support Data analysis, Decision making and use of ICT tools for analyzing data

- Following are some of the IS helps for decision making process at different management levels.
- 1. Process control system
- 2. Transaction processing system (TPS)
- 3. Office automation system
- 4. Management information system
- 5. Decision support system
- 6. Expert/Executive support system

Process control system (PCS)

• This includes data collection and data distribution system that collects and stores data from various sources. This helps to provide required data at the various stages of a process.

 $\mathsf{Ex}:\mathsf{A}$ nuclear power plant PCS helps to detect and identify the temperature , pressure levels at different stages of the nuclear

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Ex : Payroll system , sales order entry , airline reservation system, employee records.

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Office automation system

Office automation systems are computer based information systems that collect, process, store and transmit electronic messages, documents and other forms of communications among individuals, work groups and organizations.

Ex : MS excel, power point, graphics related softwares etc.

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- MIS is a computer based information system consist with hardware and softwares that serve as the backbone of an organization operation.
- MIS gathers data from multiple online systems, analyze information and reports the data to an aid in decision making.

Decision Support System (DSS)

- Interactive software based system.
- Helps managers in decision making.
- Access large volume of information generated through various systems such as office automation system , TPS etc.
- DSS uses summery information, patterns, trends using analytical models.

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Executive Support System (ESS)

- Used by senior managers
- Provides easy access to internal and external information relevant to organizational needs.
- Uses easy to use graphical user interfaces.
- Offer strong report drill down facilities.
- Top level managers able to analyze, compare and highlight trends in important variables for them to monitor the performance and identify opportunities and problems.

Information Systems in society

- Technology has become a part of our day to day life
- IS made a major impact on Business world.
- Communicating to some one in remote places become ease.
- New technologies created societies to a new phase.

Write short notes on following

- Globalization
- The role of IT in globalization
- The birth of new jobs
- The digital divide
- Ethical use of information systems
- Challenges of IT towards individual privacy

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• Future trends in information systems

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