

Chapter II

Linking Information to Business Strategies and Decision Making

Tracing business benefits back to ICT systems can be difficult. But when it comes to professional sports events such as the America's Cup, the systems used by sailing teams for navigation and diagnostics can make the difference between first place and the long walk home (Interview with Eric Ernst, ICT Manager for America's Cup Team Victory Challenge, August, 2007).

In essence, the collection of data and information is driven by the necessity of getting an insight from its analysis. The results of analysis are useful in making informed decisions for the purpose of delivering superior products and services, satisfying and locking-in existing customers, and attraction potential ones (Maguire and Suluo, 2007).

INTRODUCTION

The ultimate reason why organizations develop information systems is so that their employees can make good decisions. If firms did not make decisions there would be no pressing need to implement systems. We must always make sure that

we do not lose sight of this fact. An organization should make it their business to document what decisions are made in the course of their business. It will be very important to prioritise these decisions. Which decisions are crucial to the organization? Do we need up-to-the-minute information before we can make a decision on that issue? What level of accuracy do we need before deciding on that point? i.e. quality assurance.

QUALITIES OF GOOD INFORMATION

- Accuracy
- Completeness
- Relevance
- Clarity
- Timeliness
- Reliability
- Communicated appropriately
- Correct Volume
- Acceptable Cost

Better Information leads to better **decision-making**. Inaccurate Information leads to ineffective decision-making. The organization's database or data warehouse must be accurate at all times. The firm must put sufficient resources into this area to ensure the integrity of its data. Making the wrong decisions can be dangerous for the organization and can lead to serious financial losses.

A number of criteria put forward by Henry Mintzberg (1974) over thirty years ago are still relevant today:

- In an ideal management information system (MIS), the rate of information bombarding the manager would be carefully controlled.
- Concentration on intelligent filtering of information is a key responsibility of the MIS.
- Careful determination of channels is necessary in MIS design.
- Stored information must be conveniently available to the manager.
- The information specialist must be sensitive to the manager's personal and organizational needs.

Decisions are made at different levels within the organization, i.e. Strategic Planning, Management Control & Operational Control. Herbert Simon was right to focus on the different decision-making modes that confront organizations:

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