

SUMMARY OF MODULE 1

1. Data and information are not synonymous. Information is processed data. Data may be processed by performing arithmetic operations on them. Data may also be processed by reorganizing them by applying appropriate rules such as sorting, merging, selection, matching, filtering etc.
2. Information requirements for managing organizations may be classified as strategic, tactical and operational.
3. Strategic information is needed for long range planning. It is less structured and difficult to obtain by processing raw data.
4. Tactical information is used to take short range decisions and for better control of the functioning of the organization. It requires complex and ingenious processing of data.
5. Operational information is used for day-to-day management of organizations. It is obtained by simple processing of data, it is well structured, and more voluminous.
6. Statutory information consists of reports to be sent to government by law.
7. Management of organizations is divided functionally. Depending on the size of the organization, each function maybe delegated to different managers.
8. Large organizations would have a hierarchical management structure with top level managers, middle level managers and line managers.
9. Top level managers are expected to make policies and need strategic information. Middle level mangers direct and control the functioning of organization to achieve optimal performance and need tactical information. Line managers supervise day-

to-day operations and steer operations to meet targets set by middle level managers. They need operational information.

10. The primary functional areas of many organizations are: Human Resource Development, Production, Materials, Finance, Marketing and Research, Design and Development.

11. Organizations are divided into many departments, each with a specific set of functions.

12. Even though an organization may have some specialized functions, many functions such as Accounts, Human resource development, Stores, Purchase are common among organizations.

13. Each function in an organization needs operational, tactical and strategic information.

14. The information given to managers must be accurate, complete and trustworthy. It must also be upto date and timely. It must be relevant, brief, attractively presented and its significance understandable.

15. Operational data is codified and stored in a Master file (or a central data base).

16. A request for retrieving a record from a Master file is called a *transaction*.

17. The method of processing data in which transactions are grouped together and processed as a batch is called *batch processing*.

18. The method of processing data in which transactions are processed by a computer as and when they arise is called *On-Line Transaction Processing (OLTP)*.

19. Routine data processing systems (DPS) are used to obtain operational information. These are normally repetitive. We may call this operational information system.

20. Data abstracted from routine data processing are further processed using well thought out rules to obtain tactical information. Such systems are called *Management Information Systems* (MIS).
21. Information from multiple sources in an organization are normally presented in summarised forms such as graphs and charts to aid top management to take strategic decisions. Such systems are called *Decision Support Systems* (DSS).
22. Data used in operational data processing is normally stored in many organizations as back up or for legal reasons. These are called data archives.
23. The archived data may be analysed to obtain tactical and strategic information. This is called data mining.