Importance of a Good Information Management System

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All companies use information to set strategies and accomplish business objectives. But how many CEOs and CIOs would say they are satisfied that their companies get maximum value from information? Not many. How many have a systematic plan for evolving their information capabilities to the next level? Fewer still

Every business, program or system must address well-defined objectives, which will add value, either directly to the bottom line or toward the achievement of the organization's goals and objectives. Good management information objectives usually fall into one of three categories:

• Service (effective and efficient),

• Profit (or cost-avoidance, and

• Social (moral, ethical and legal) responsibility.

A good management information system will only reap the benefits if the companies gain insight to better align strategies and identify critical relationships and gaps along four key company dimensions – people, process, culture and infrastructure.

A good information system provides a framework for companies to evaluate themselves relative to these dimensions. By understanding and improving alignment with these critical dimensions, companies can maximize the value and impact of information as a strategic corporate asset to gain competitive advantage. The following are the most important reasons to have a good management information system:

1. To control the creation and growth of recordsDespite decades of using various non-paper storage media, the amount of paper in our offices continues to escalate. An effective records information system addresses both creation control (limits the generation of records or copies not required to operate the business) and records retention (a system for destroying useless records or retiring inactive records), thus stabilizing the growth of records in all formats.

2. To reduce operating costsRecordkeeping requires administrative dollars for filing equipment, space in offices, and staffing to maintain an organized filing system (or to search for lost records when there is no organized system).It costs considerably less per linear foot of records to store inactive records in a Data Records Center versus in the office. [Multiply that by 30% to 50% of the records in an office that doesn't have a records management program in place], and there is an opportunity to effect some

cost savings in space and equipment, and an opportunity to utilize staff more productively - just by implementing a records management program.   3. To improve efficiency and productivityTime spent searching for missing or misfiled records is non-productive. A good records management program (e.g. a document system) can help any organization upgrade its recordkeeping systems so that information retrieval is enhanced, with corresponding improvements in office efficiency and productivity. A well designed and operated filing system with an effective index can facilitate retrieval and deliver information to users as quickly as they need it.Moreover, a well managed information system acting as a corporate asset enables organizations to objectively evaluate their use of information and accurately lay out a roadmap for improvements that optimize business returns.

4. To assimilate new records management technologiesA good records management program provides an organization with the capability to assimilate new technologies and take advantage of their many benefits. Investments in new computer systems whether this is financial, business or otherwise, don't solve filing problems unless current manual recordkeeping or bookkeeping systems are analyzed (and occasionally, overhauled) before automation is applied.

5. To ensure regulatory complianceIn terms of recordkeeping requirements, China is a heavily regulated country. These laws can create major compliance problems for businesses and government agencies since they can be difficult to locate, interpret and apply. The only way an organization can be reasonably sure that it is in full compliance with laws and regulations is by operating a good management information system which takes responsibility for regulatory compliance, while working closely with the local authorities. Failure to comply with laws and regulations could result in severe fines, penalties or other legal consequences.

6. To minimize litigation risksBusiness organizations implement management information systems and programs in order to reduce the risks associated with litigation and potential penalties. This can be equally true in Government agencies. For example, a consistently applied records management program can reduce the liabilities associated with document disposal by providing for their systematic, routine disposal in the normal course of business.

7. To safeguard vital informationEvery organization, public or private, needs a comprehensive program for protecting its vital records and information from catastrophe or disaster, because every organization is vulnerable to loss. Operated as part of a good management information system, vital records programs preserve the integrity and confidentiality of the most important records and safeguard the vital information assets according to a "Plan" to protect the records. This is especially the case for financial information whereby ERP (Enterprise Resource Planning) systems are being deployed in large companies.

8. To support better management decision makingIn today's business environment, the manager that has the relevant data first often wins, either by making the decision ahead of the competition, or by making a better, more informed decision. A good management information system can help ensure that managers and executives have the information they need when they need it.

By implementing an enterprise-wide file organization, including indexing and retrieval capability, managers can obtain and assemble pertinent information quickly for current decisions and future business planning purposes. Likewise, implementing a good ERP system to take account of all the business' processes both financial and operational will give an organization more advantages than one who was operating a manual based system.

9. To preserve the corporate memoryAn organization's files, records and financial data contain its institutional memory, an irreplaceable asset that is often overlooked. Every business day, you create the records, which could become background data for future management decisions and planning.

10. To foster professionalism in running the business - A business office with files, documents and financial data askew, stacked on top of file cabinets and in boxes everywhere, creates a poor working environment. The perceptions of customers and the public, and "image" and "morale" of the staff, though hard to quantify in cost-benefit terms, may be among the best reasons to establish a good management information system.