

Information networks as enterprise glue

Business, Decision Making



Information networks as enterprise glue Name: Course: Date: Information networks as enterprise glue Information networks are responsible for data transfer within an organization hence they enable organizations to obtain, manipulate and dispatch data.

They therefore lead to acquisition of data that is meaningful to the organization, hence enhancing its competitiveness in the market. Through information systems, key organizational functions are enhanced, leading to better performance by the organization. Information systems play a major role in the success of an organization in that they allow fast and efficient transfer of data and information within and outside the organization (Hayles, 2007). Thus, information systems act as the enterprise glue by enabling the dispatching of information within and outside the organization, which enables the organization to carry out its operations efficiently. Functions enhanced by information networks include business planning and simulation (Hayles, 2007). This is done by studying world markets by the help of computer information systems.

This enables the organization to recognize the trends in the world markets. It also enables the organization to have the ability to make predictions about the direction that the market will take and formulate business strategies and policies that will take advantage of these patterns identified (Hayles, 2007). The information obtained will also make it easier to carry out enterprise resource management at all levels of the organization, which will result in the realization of greater profits at economical levels due to the level of informed planning incorporated.

Through studying the trends and implementation of business simulation, the organization identifies tactics, and responses employed by their competitors, hence are able to come up with unique strategies that take advantage of the information gathered. Yet another strategic enterprise management activity made possible by the incorporation of information networks in organizations is performance monitoring (Hayles, 2007). Once the strategies and policies have been put in place, key performance indicators can be set to identify the efficiency of the strategies established. This can be software to monitor the progress of activities at every level of the organization and a communications network to transfer the information to key decision makers.

This makes the process of decision making easier, as compiling of results from the various level of the organizations becomes increasingly achievable. The information networks established for performance monitoring can be set up in a way that suits the organizations strategic operations. Information networks are also indispensable in transacting key functions in an organization such as business information collection (Hayles, 2007). Data is collected from the enterprise resource planning system to establish the efficiency of the operations.

The data is synthesized in a manner in which it can be used during decision-making. Information networks are responsible for this transfer of data within the organization. Information networks also make the process of communicating decisions to subsidiaries and organizational branches easy and fast. This enables operations to move at a higher speed.

It may however be responsible for hindering innovation. This is because contacting the higher-level decision makers becomes easier; hence, when the lower management faces obstacles, instead of thinking up of solutions, they contact the higher management (Nobel, 2010). This leads to centralization in decision-making and overdependence on higher-level decisions. Information networks are relevant since they are flexible in their set up, and are not limited to specific methods of operation. Information systems can be implemented in a manner where they support both the bottom-up decision-making and the top-down decision-making systems in an organization.

By determination of business operations at the managerial and lower link levels of an organization, decisions can be made in the bottom-up method. This is because the lower level will be better positioned to observe client needs and reactions to services and goods offered and will observe customer reactions in a one-on-one level (Nobel, 2010). Thus, they can be able to communicate with the higher level, based on their observation, through the information networks set up, thus playing a major part in the decisions made. Information networks set ups such as emails and instant messaging will enhance this communication between the lower levels of management and the higher-level decision makers. When enterprise resource management systems are employed, it has a significant impact on the top-down decision-making system of an organization. This is because the higher-level management sets goals to be achieved and a financial budget limit within which the activities should be implemented. Hence, the networks software installed in such a system works at monitoring the resources

utilized at each level of prediction and service provision towards achieving the set target (Nobel, 2010). This enables communication between the various levels of production ensuring that there is minimum wastage and maximum utilization of the resources (Nobel, 2010).

The software in this decision-making system enables coordination between the various sectors of the organization, which leads to high efficiency. Therefore, information systems enable the higher-level management to communicate their goals to the entire organization and communicate the organizational strategies to key stakeholders. Hence information networks work at decentralizing decision making as computer systems are implemented to aid the lower level workers to make decisions affecting operations at their levels, reducing the necessity of them having to consult with the higher management levels (Nobel, 2010). This is made possible with the aid of computer software designed at aiding in the designing and manufacturing levels.

In addition, by the help of big data, where the organization obtains large masses of data related to their operations from the world markets, the organization can study the market trends and note a diversion in the market when it occurs. Yet another advantage of big data that organizations derive is its ability to obtain valuable information from a large mass of stored data within the organization itself. Thus by implementing the use of big data, organizations are able to store large volumes of data and are able to identify a trend from the data which is important in strategy formation and decision making (Webster, 2011). Therefore, information obtained from big data can

be used by organizations to form conclusions, as the analysis made will be from a large base of information.

If the information gained is well analyzed, it can lead to the organizations making decisions about the future that will be expectant of future circumstances and formulate strategies that will differ from those of their competitors (Hayles, 2007). The information used however, must be fully relevant to the operations of the organization and must be carefully analyzed.