

# [Case study on management of information systems](https://assignbuster.com/case-study-on-management-of-information-systems/)

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\n[toc title="Table of Contents"]\n

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1. [1. Critical Issues facing Wachovia Company](#1-critical-issues-facing-wachovia-company) \n \t
2. [2. Effect of speed on fundamental business decisions](#2-effect-of-speed-on-fundamental-business-decisions) \n \t
3. [3. Good judgment verses speed](#3-good-judgment-verses-speed) \n \t
4. [4. Business Process Engineering](#4-business-process-engineering) \n \t
5. [References:](#references) \n

\n[/toc]\n \n

## 1. Critical Issues facing Wachovia Company

The Wachovia Company is facing critical issues in several areas. There is processing delay of individual orders for buying and selling of securities resulting to the company engaging in massive transactions. This ends up affecting the market prices of products. This may work to the disadvantage of the company, hence costing it millions of shillings. In every subsequent minute there would also be cancellation of orders. The company currently is not maximizing on the opportunity to make profit from these orders. There is also delay in pricing for either revenue protection or revenue gain. It took 16 hours for the staff to get reports from the system. The company is losing its competitive edge due to these transaction delays caused by slow delivery of information. In addition to enabling business efficiency, faster information systems give companies a competitive advantage (Avison, 1995). The company is also no able to provide its customers with the best price data on buying and selling prices. To have transparent and fair markets, the company needs to ensure their customers have access to the same timely information as the customers of other markets.

## 2. Effect of speed on fundamental business decisions

Speed is an important factor in the stock exchange companies. Where the transmission of information is slow the company may incur huge losses in terms of opportunities lost when transacting buy and sell orders. Due to delays in information processing the company makes the wrong pricing decisions. This has been proved by the new system of Wachovia Company. Now that that the pricing of transactions for revenue protection or revenue gain is done in milliseconds and not in seconds as it was previously the company is experiencing high profits. The processing capacity has tripled at a 33% of the costs leading to a nine fold financial profit. The processing speed is high since in the new system information reaches the processor at a high speed. There is now demand for E-trading in the market as speed is required. Floor traders are being phased as companies seek to gain competitive advantage with faster systems.

## 3. Good judgment verses speed

Wachovia’s decision to invest in faster processing systems does not have to affect the good judgment of the company when making business decisions. Even when a company has speed, the managers will still need to make strategic decisions based on the data collected. With the great speed however the company has an advantage of makes informed and effective decisions (Management-hub Editors, 1995). They have information on new orders every second. With lack of timely information poor decisions are made. Information systems managers are constantly tasked with the role of providing strategic information for the company (Vincent, 2010).

## 4. Business Process Engineering

At times for a company to achieve great returns there has to be engage in business process re-engineering (Davenport, 1993). The company should engage in re-engineering the whole process of order management. The company should analyze the whole process starting from the beginning to end processes. This involves looking at the customers and suppliers and the mediums used to communicate to them. The company like other companies should engage in e-trading using their website and intranet as mediums of communication to all the stakeholders. The company through the faster systems to ensure there is information integrity. The information should be relevant and correct as at that time.

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