

# [Is setup](https://assignbuster.com/is-setup/)

FYC was established in 1947 as ergonomic furniture manufacturing company. It has gradually expanded its business with 16 branches across US and increased its line of products to include commercial and residential furniture. It had also introduced ‘ mail orders’ in early 1980s. It imports like timber from Canada and South East Asia and some other hardware like hinges, saw, fasteners etc. from China. The biggest store in each city also houses a ‘ clearance floor’ that stores rejected, used or out dated furniture that need to be cleared through discount sales. In the recent times, the sales have been decreasing and the new CEO has contributed it to the lack of technology in its operation. It is observed that an effective computer based information system would greatly improve and improvise the delays in the various operations of the firm and help give it a competitive advantage.
I agree with the CEO because the current functioning of the firm delays the access to vital information for efficient decision making vis-à-vis various managerial decision making. There is lack of effective communication amongst the various branches which increases the overhead costs considerably. The diverse units of FYC need to be linked through effective system that would facilitate sharing of information within the departments and within the branches.
Access to information represents the basic precondition for success of a firm (Drucker, 1998). Access to information is vital part of organizational management processes as it not only promotes efficiency and knowledge based discharge of duties by the employees but it a great tool for the management to exploit the available information to improve its performance. It would also facilitate timely and regular communication amongst the employees and branches. Information provides wide ranging knowledge about the existing and emerging paradigms of the business world which may have considerable impact on the organizational performance outcomes. Hence, organizations need to develop a comprehensive information system that would promote and accelerate the organizational aims and objectives. Use of IS would facilitate higher level of efficiency and organizational growth which would offset a competitive advantage over their rivals.
Information system development is the new methodology of storing and manipulating strategic business information that are designed to improve the overall business prospects. The ISD has been evolved to encompass various spheres of the business including administration, management, productions, accounts and other areas which are intrinsically linked to produce the desired outcome of efficiency, quality and profits. FYC needs to adopt various new approaches to ISD like MIS (management information system), payroll, AIS (accounting information system), Networking through website development. It would link the various business processes and optimizing the performance.
The application of ISD in the various other areas like sales and marketing has also helped to identify the strengths and weaknesses of the management strategies followed thus facilitating improvements and enhancing overall performance. The collation of information, using integrated approach to the ISD and its acceptance as a major factor for decision making has been acknowledged as one of the biggest asset. Indeed, by incorporating IS as intrinsic part of its management strategy, FYC would greatly enhance its operational efficiency, employee productivity, customer satisfaction and hordes of other such processes which are important for decision making in the concerned areas.
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Reference
Drucker, P. F. Next information revolution. Forbes, 24 August, 1998. Database: Academic Search Elite.