

Decision support system and harvard cooperative society

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Information Systems and Knowledge Management

From his office window overlooking the main floor of the Harvard Cooperative Society, CEO Jerry Murphy can glance down and see customers shopping. They make their way through the narrow aisles of the crowded department store, picking up a sweatshirt here, trying on a baseball cap there, checking out the endless array of merchandise that bears the Harvard University insignia.

Watching Murphy, you can well imagine the Co-op's founders, who started the store in 1882, peering through the tiny windowpanes to keep an eye on the shop floor. Was the Harvard Square store attracting steady traffic? Were the college students buying enough books and supplies for the Co-op to make a profit? Back then, it was tough to answer those questions precisely. The owners had to watch and wait, relying only on their gut feelings to know how things were going from minute to minute.

Now, more than a hundred years later, Murphy can tell you, own to the last stock-keeping unit, how he's doing at any given moment. His window on the business is the PC that sits on his desk. All day long it delivers up-to-the-minute, easy-to-read electronic reports on what's selling and what's not, which items are running low in inventory and which have fallen short of forecast.

In a matter of seconds, the computer can report gross margins for any product or supplier, and Murphy can decide whether the margins are fat

enough to justify keeping the supplier or product on board. We were in the 1800s, and we had to move ahead," he says of the \$55 million business.

Questions

1. What is a decision support system? What advantages does a decision support system have for a business like the Harvard Cooperative Society?
2. How would the decision support system of a business like the Harvard Cooperative Society differ from that of a major corporation?
3. Briefly outline the components of the Harvard Cooperative Society's decision support system.