

## **Management Information System (MIS)**

### **What is an MIS?**

An organization's management information system is one that takes in both internal and external data and then converts that data into useful information that allows management to make decisions.

All organizations need information with which to make decisions. The type of information they need will depend on the purpose and role of the organization.

Some companies are vast, for instance a supermarket chain has millions of customers and consequently the data they hold is also vast.

To handle this deluge of information it needs to be summarized, collated, graphed and charted, Trends need to be noted, competitor actions need to be understood, opportunities and threats need to be discussed.

All this is handled by a management information system.

The MIS usually consists of two parts;

- One or more computer systems that hold, analyses and present data.
- A human component in the form of one or more analysts that make sense of the information along with understanding what needs to be collected.

Usually an organization has someone responsible for collating information that helps management make decisions.

It might be a single person keeping a sales spreadsheet up to date or it might be an entire department with a team of analysts and a manager along with a huge data information system supporting them.

### **Creating an MIS**

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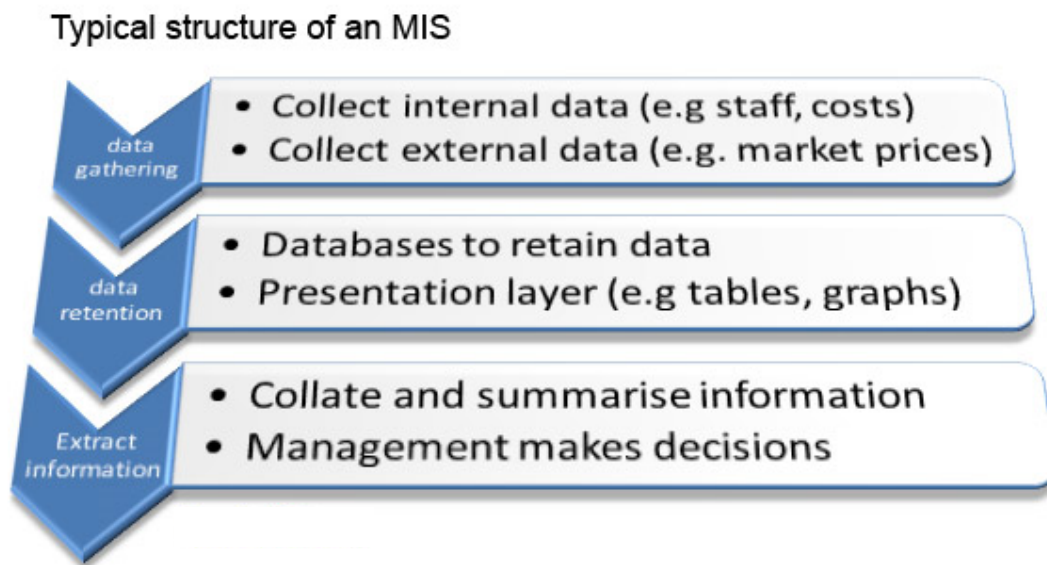
An MIS needs to address these points;

- What decisions does management need to make.
- How often do they need to discuss them.
- What information do they need to support those decisions.
- What systems need to be in place to handle the data.
- What staff needs to be in place to make sense of the data.
- What training and expertise do they need to be efficient.
- What are the standard reports needed.
- What budget is available for the MIS and its maintenance.

Answering these questions helps shape the MIS that the organization needs and what it can afford.

### **How an MIS is organized**

The diagram below shows the shape of a typical Management Information System



This shows that every MIS needs to have a means of gathering data. Systems then need to be in place to retain that data.

The data system should include facilities to present data in a human friendly manner such as tabulation and graphing.

The MIS staff will then collate reports in an agreed standard format.

Eventually, management is presented with the information and makes decisions based upon it.