

1. Principle & approach
 - (1) Establish a sense of urgency
 - (2) Form a leadership team
 - (3) Create and communicate a vision

Lecture 2: System Development Lifecycle and Systems Documentation

- **System Development Lifecycle**

Investigation → Analysis → Design → Implementation → Maintenance and review

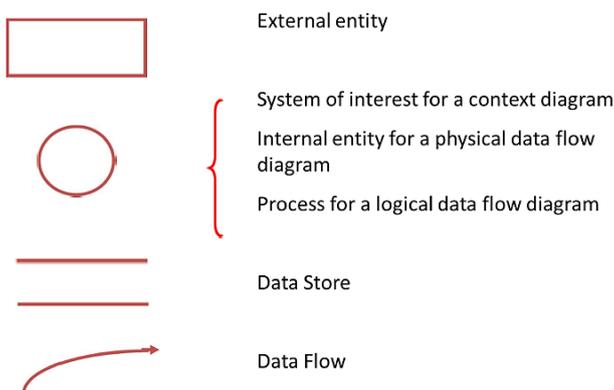
- **Systems documentations**

1. Process map: A simple graphical representation of a business process
2. Data flow diagrams: Graphical representations of the data flows occur within a system
3. Systems flowcharts: more detail, processes performed within the system, who is involved in the system

- **Data flow diagrams (DFD)**

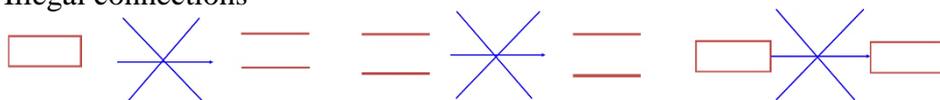
1. Three types:
 - (1) A context diagram
 - (2) A physical diagram: people & places
 - (3) A logical diagram: activities & processes

2. Symbols:



3. Rules:

- (1) Only one bubble/ system of interest (a context diagram)
- (2) Bubbles need numbering
- (3) Balance rule: data flows must be equal between level 0 and level 1
- (4) No physical data flow of goods
- (5) Illegal connections



Lecture 3: The Revenue Cycle

- **Definition:**

All events that are involved in the exchange of goods and services with customers, including the collection of payment for those goods and services.

- **Objectives (2 major elements):** Excellent customer service must be provided at all times

1. Sales phase: the front end of the cycle, client facing, the sales transaction takes place
→ ensure effectively conduct, record and monitor sales of goods and services, and arrange the prompt supply of goods and services.
2. Accounts receivable phase: the ‘back-office’ or ‘back-end’ processing of the cycle
→ ensure payments for goods and services are correctly received, recorded and banked

- **Strategic Implications**

1. The level of sales drives all other activity levels within the organization
2. In order to survive and prosper an organization → must not only remain profitable → also must be able to achieve positive cash flows
3. Product differentiation: provide a competitive advantage by providing superior customer service → opportunities to sustain higher product pricing
4. Cost leadership: an alternative competitive advantage is the potential to control costs → ensure that the revenue cycle is efficient and effective → an opportunity to price goods and services at a level → undercuts less efficient competitors → ↑ market share

- **Revenue Process Activities**

Process the sales order → Pick, pack and ship the goods → Bill the customer → Receive and record payment

1. Process customer order

Activity	Usually conducted by	Activity description	Typical risks encountered	Common controls
Check inventory levels	Sales officer	Decide if sufficient stock is available to proceed with the order by comparing the goods available to the goods requested by the customer.	Poor decision making – allowing an order to proceed when goods are not available, or rejecting an order when goods are available.	Maintaining accurate and timely perpetual inventory records Periodically conducting physical inventory checks