Lecture 1: Introduction

Purpose of a Business: add value by producing g/s through division of labour & collaboration to achieve a greater goal

- Efficient: allocation of resources from input, throughput to output (right way = cost savings)
- Effectiveness: right things = quality when combined with efficiency makes profit

Internal Organisation of a Business

- Process organization: organised flow of value through the organisation from supplier to customer (inbound logistics, operations, manufacturing, sales, outbound logistics)
- Functional organization:
    - Horizontal – specialisation by different functions creating value
    - Vertical – hierarchical chain of command for decision-making

- Businesses operate as part of a supply chain comprised of suppliers, manufacturers, distributors, retailers & customers

Information System: IT is raw technology but IS includes people & procedures

- Hardware (IT): computers, routers
- Software (IT): reservation program such as SABRE
- Data (IT): flight schedules, customer payment details, frequent flyer accounts
- Procedures: selection of fare, travel class, meal
- People: customers, travel agents, airline staff

Business Information Systems: development & use of IS to help achieve business goals & objectives

- Key Elements: business goals/objectives, IS, information, business processes, development & use, change, innovation & transformation

- Development & Use of IS:
    - Systems meet business needs
    - Understanding of its operation & impact on organisation as a whole
    - Consider users' needs
    - Training provisions to learn its language

- Competitive advantage with IS:
    - Emails, websites & instant messaging do not provide a competitive advantage
    - Innovative applications that use emerging technology to creatively solve problems provide a competitive advantage using IS
    - Development of innovative IS requires business knowledge + IT experts

Lecture 2: Business Processes

Business Processes/Systems: structured network of activities supported by resources, facilities & information interacting to achieve some business function (input -> higher value output)

- Characteristics of well-designed BP:
  - Complete: contains all activities necessary to achieve goal
  - Minimal: barely sufficient for efficiency
  - Well-structured: activities organised in logical sequence
  - Embedded: logically connected with other BPs in organisation
  - Outcome: effectiveness providing customer value & efficiency enabling low costs

- Components of BP:
  - Activities: transforming resources & information
  - Decisions: yes/no answers
  - Roles: sets of procedures
  - Resources: people, facilities, computer programs assigned to roles
  - Repositories: collected data
  - Data flow: movement of data item from one activity to another

- Abstraction: BP on different organisational levels e.g. divisional or work level

Core Value Creation	Granular Activities
1. Source 2. Produce 3. Sell 4. Ship 5. Provide service	1. Receive PO 2. Check credit 3. Approve Credit 4. Assign Job

- Examples of Systems:
  - Sales: flows of information & documents e.g. purchase orders
  - Production: flows of materials/products e.g. within & across businesses
  - Accounting: flows of money e.g. payments

Business Infrastructure: repetitive use of IS gets standardised over time to become part of infrastructure driving efficiency (BP & IS = two sides of same coin)

IS supports BPs	IT influence on BPs
- Integrated or independent IT systems - Prompting a new design for a new IT system - Prompting change in BPs (as is v to be) - Automation or complement manual work	- Accuracy of databases - Automation - Streamlined/faster handover of ERP - More efficient lowering cost