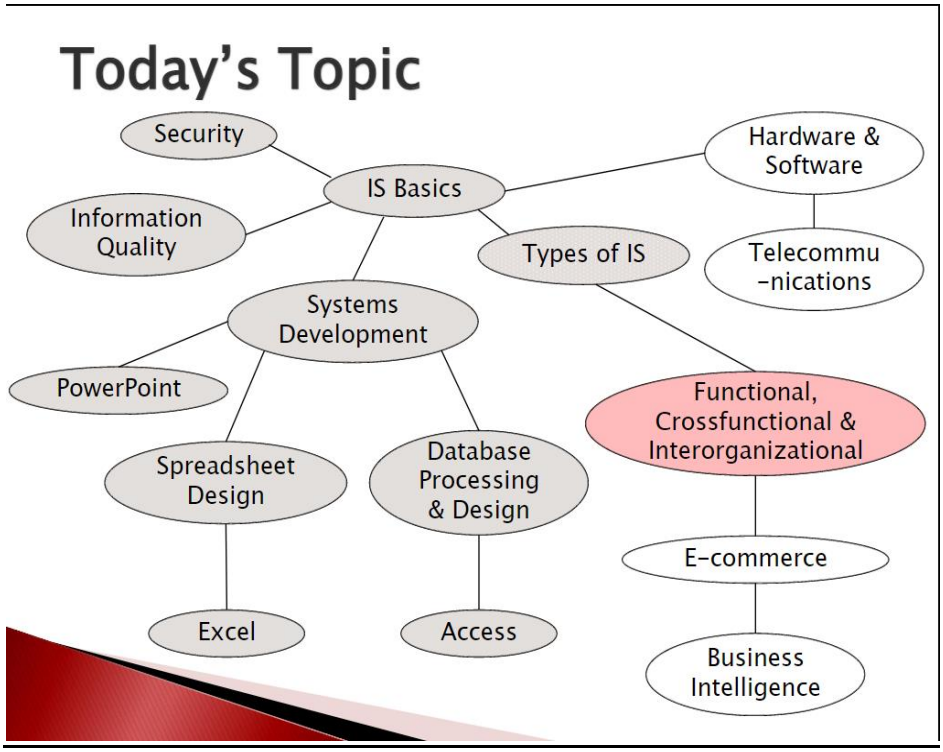
UNIT-II

FUNCTIONAL INFORMATION SYSTEMS



FIS is based on the various business functions such as Production , Marketing , Finance and HR etc. These departments or functions are known as functional areas of business. Each functional area requires applications to perform all information processing related to the function.

The popular functional areas of the business organizations are :-

- Financial information system
- Marketing information system
- Production/ Marketing information system
- Human resource information system

1. **Financial information system:-** FIS is a sub-system of organizational management information system. This sub-system supports the decision-making process of financial functions at the level of an organization .
2. **Marketing information system:-** This sub system of MIS provides information about various functions of the marketing system of an organization. Marketing is

another functional area of the business organization ,which is engaged in marketing (selling)of its products to its customers.

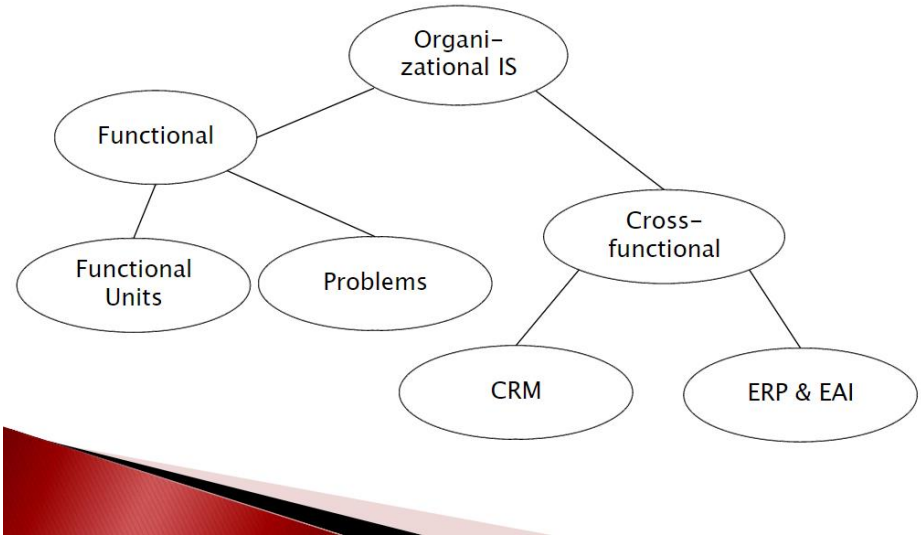
Important functions of the *marketing process* include the following :-

- The marketing identification function
- The purchase motivation function
- The product adjustment function
- The physical distribution function
- The communication function
- The post –transaction function

3. **Production/ Marketing information system :-** manufacturing or production information system provides information on production / operation activities of an organization and thus facilitates the decision –making process of production manage process of an organization . The main decision to be taken in manufacturing system is product design.
4. **Human Resource Information System:**- this functional information system supports the functions of human resource management of an organization . The human resource management function ,in its narrow sense , it also known as personnel management . The function involves :

- Manpower planning
- Staffing
- Training and development
- Performance evaluation, and
- Separation activites

Functional & Cross-functional



Characteristics of Functional Information System

1. CHARACTERISTCS

- Many small changes in a large database
- Systematic records (mostly numerical)
- Routine actions & updating .
- Data preparation is a large & important effort

EQUIPMENTS REQUIREMENTS OF FUNCTIONAL INFORMATION SYSTEMS

- Large auxiliary storage
- Dual use files
- Moderate input / output requirements
- Flexible printing capacity
- Offline data entry
- Often difficult to define the problem
- Needs fast random access to large storage capacity
- Organization of computer storage is difficult
- Versatile inquiry stations desirable

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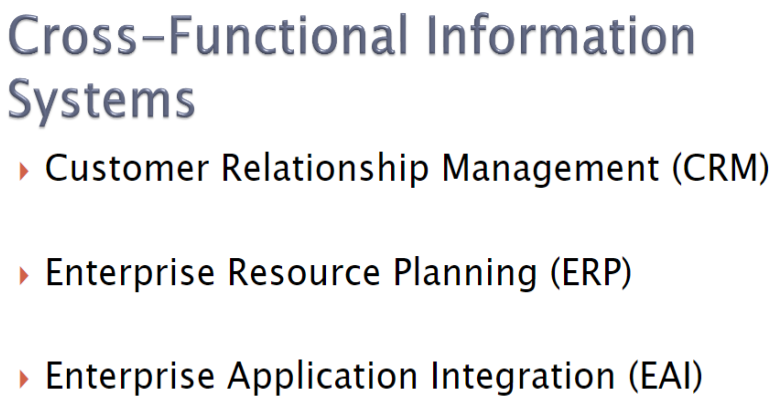
CROSS-FUNCTIONAL INFORMATION SYSTEM



Cross –functional systems were designed to integrate the activities of the entire business process and are called so because they "CROSS" departmental boundaries .

Changing over to a cross-functional system from a functional one can be problematic at times, as it involves the coordination of activities across multiple departments, with the users changing over to a cross-functional system from a functional one can be problematic at times, as it involves the coordination of activities across multiple departments, with the users changing the way that they work. There is no clear line of authority, and fierce peer competition can often lead to interdepartmental rivalries that hinders the development of the new system.

EXAMPLES OF CROSS FUNCTIONAL SYSTEM

1. **Enterprise Resource Planning (ERP)** is an integrated computer-based system used to manage internal and external resources, including tangible assets, financial resources, materials, and human resources. Its purpose is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders. Built on a centralized database and normally utilizing a common computing platform, ERP systems consolidate all business operations into a uniform and enterprise-wide system environment. An ERP system can either reside on a centralized server or be distributed across modular hardware and software units that provide "services" and communicate

on a local area network. The distributed design allows a business to assemble modules from different vendors without the need for the placement of multiple copies of complex and expensive computer systems in areas which will not use their full capacity.

What is Customer Relationship Management (CRM)?

- Customer-centric philosophy
- Cross-functional IS
- Provides all employees with tools needed to respond to any customer need
- Thorough data collection

2. **COMPANIES THAT USES CROSS FUNCTIONAL INFORMATION SYSTEM**

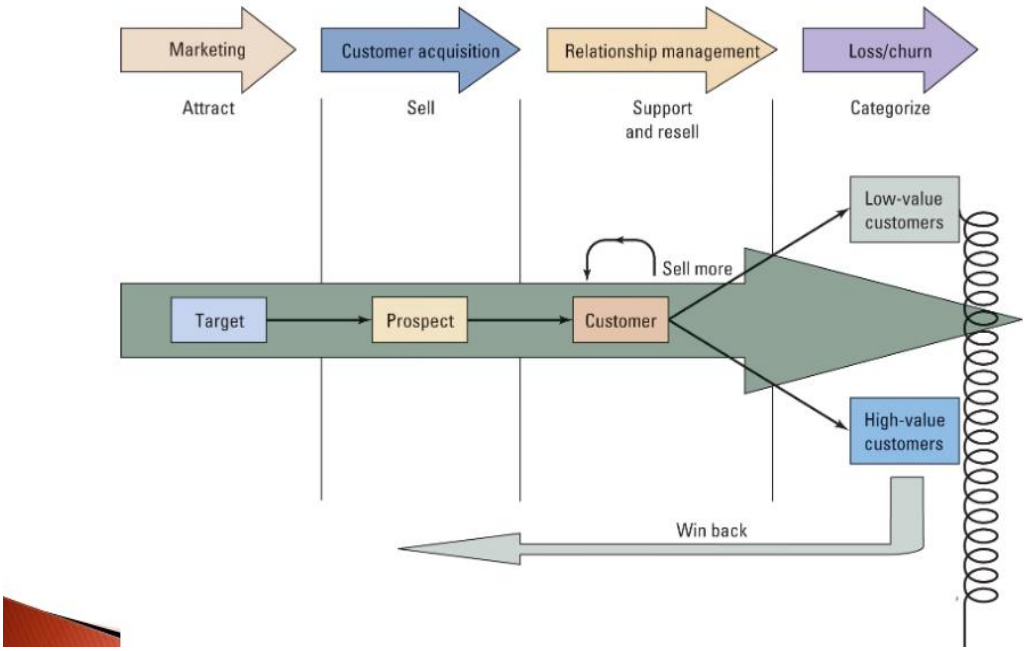
INTRODUCTION:-

Cross-Functional Enterprise Applications‡

Many companies today are using information technology to develop integrated cross-functional enterprise systems that cross the boundaries of traditional business functions in order to reengineer and improve vital business processes all across the enterprise.‡

Many companies first moved from functional mainframe legacy

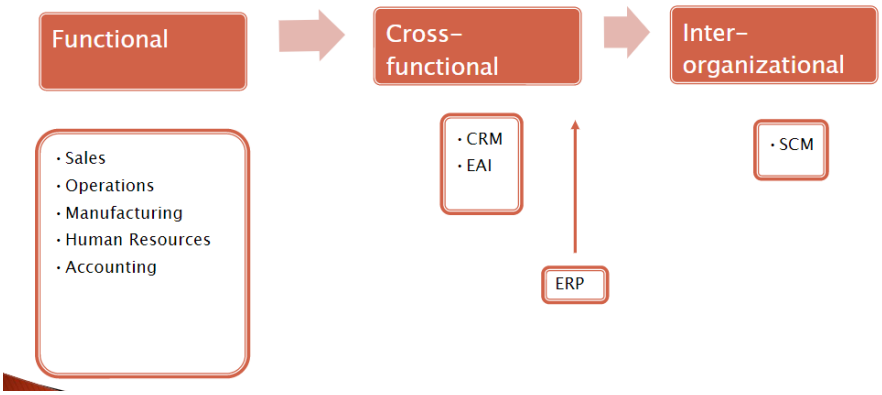
What is the CRM Customer Life Cycle?



What is Enterprise Application Integration (EAI)?

- Integrates existing information systems with software interfaces for the purposes of:
  - sharing data
  - increasing communication
  - making a gradual transition to ERP

Functional, Cross-functional & Interorganizational



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