UNIT – 8

CONTEMPORARY MANAGEMENT PRACTICES

Management Information Systems: MIS refer to the process of covering the application of people technology and procedures to solve business problems.

MIS distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization.

It is also commonly used to refer to the group information management methods tied to the automation or support of human decision making.

Ex: Decision support systems, expert systems earlier, when computers were newly launched, business computers were use for the practical business of computing the **Payroll** and keeping track of account payable and receivable. As applications were developed that provided managers with information about sales, inventories and other data that would help in managing the enterprise, the term "MIS" arose to describe there kind of applications.

Definition: It can be defined as "Research in the information systems field examines more than that the technological system, or just the social system, or even the two side by side, in addition, it investigates the phenomena that emerge when the two interact".

End – use Computing: This term broadly meaning that there are no intermediary services for making use of computer, the end-user acquires the hardware and software and run their applications without the services of the specialist IS department

Factors for its growth:

Growth of Micro Computers

Dissatisfaction (delays, poor quality of centralized application systems built by the IT specialist.

Increase in computer literacy among end-users

Materials Requirement Planning (MRP): MRP is a software base production planning and inventory control system used to manage manufacturing processes.

[Objectives]:

> To ensure the availability of materials and products for production, delivery to customers.
> To maintain the lowest possible level of inventory
>
> To plan manufacturing activities, delivery schedules and purchasing activities.

Just – In – Time (JIT): When components arrive as and when required in a manufacturing operating by workers. It is called just-in-time.

Some we would at a stroke eliminate any inventory of parts, they would simply arrive just-in-time. Similarly we could produce finished goods just-in-time to be handed to a customer who wants them. So at conceptual extremes. JIT has no need for inventory or stock, either of raw materials or work in progress or finished goods.

Total Quality Management: It is term first coined by the U.S Naval air systems command to describer, its Japanese-style management approach to quality improvement. It is a management approach to long-term success through customer satisfaction.

In a TQM effort, all members of an organization participate in improving processes, products, services and the culture in which they work.

Six Sigma: Six sigma is a set of practices developed by Motorola to systematically improve processes by eliminating defects. A defect is defined as non-conformity of a product or service to its specifications.

Six Sigma refers to the ability of highly capable processes to produce output within specification. In particular processes that operate with Six Sigma quality produce at defect level below 3.4 defects per million opportunities.

The statistical representation of six sigma quantitatively how a process is performing. To achieve six sigma, a process must not produce more than 3.4 defects per million opportunities. A six sigma defect is defined as anything outside of customer specification. A six sigma opportunity is then the total quantity of chances for a defect.

Definition: Six Sigma at any organizations simply means a measure of quality that strives for near perfection. Six sigma is a disciplined, data-driven approach and methodology for eliminating defects in any process from manufacturing to transactional and from product to service.

Capability Maturing Model: Capability maturity Model (CMM) is a collection of instructions an organization can follow with the purpose to gain better control over its software development process.

The CMM ranks software development organizations in a hierarchy of five levels each with a progressively greater capability of producing quality software. Each level is described as a level of maturity. Those 5 levels are equipped with different number of instruction to follow.

Level – 1 - **Initial :** At maturity level-1 processes are usually ad hoc and the organization usually does not provide a stable environment

Level – 2 - **Repeatable:** At this maturity level-2, software development successes are repeatable. The organization may use some basic project management to track cost and schedule.

Level – 3 - **Defined:** A maturity level-3, processes are well characterized and understood, and are described in standards procedure, tools, and methods.

Level – 4 - **Managed:** Using precise measurement, management can effectively control the software development effort. In particular, management can identify ways to adjust and adopt

the process to particular projects without measurable losses of quality or deviations from specifications.

Level – 5   -   **Optimizing:** This maturity level focuses on continually improving process

performance through both incremental and innovative technological improvement.

Supply Chain Management: It is the process of planning, implementing and controlling the operations of the supply chain as efficiently as possible supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point-of-origin to point-of consumption.

Enterprise Resource Planning (ERP): It integrate all data can processes of an organization into a unified system. A typical ERP system will use multiple components of computer software and hardware to achieve the integration 4 key ingredient of most ERP systems is the use of a unified database to store date.

ERP systems cover all basic functions of an organization, regardless of the organizations business, non-profit organization, non-governmental organization or government.

Performance Management: Performance   Management is
communication. This is done by creating a climate in which a continuing dialogue between managers and the members of their teams takes place to define expectations and share information on the organizations mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved

--- By Armstrong & Murlis (1994).

Performance Management is about managing the organization. It is a natural process of management, not a system or technique.

--- By Fowler (1990).

Business Process Outsourcing (BPO): BPO refers to a decision to sub-contract some or all non-core processes. The main motive for business process outsourcing is allow the company to invest more time, money and human resources into core activities and building strategies, which fuel company growth.

The global market to day is highly competitive and ever-changing. A company must focus on improving productivity and yet, cut down costs. There, a lot of tasks that use up precious time, resources and energy, are being outsourced. BPOs or the units to which work is being outsourced, are flexible, quicker, cheaper and very efficient.

BPO is the contracting of specific business task, such as payroll to a tird-party service provider.

BPO is often divided into two categories.

1) Back Office Outsourcing: This includes internal business functions such as billing or purchasing.

2) Front Office Outsourcing: This includes customer-related services such as marketing or technical support.

Business Process Re-engineering (BPR):

Definition: The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality service and speed.

--- By Hammer and Champy

BPR is a management approach aiming at improvements by means of elevating efficiency and effectiveness of the processes that exist within and across organizations. They key to BPR is for organizations to look at their business processes form a "clean slate" perspective and determine how they can best construct these processes to improve how they conduct business.

Bench Marking: A process of searching for, identifying, and using ides, techniques and improvement of other companies/situations in its own activities.

Definition: A systematic and ongoing process of improving performance by measuring a product, service or process against a partner that has mastered it.

- In short – comparing methods against the best to identify changes.
- A quality management tool that includes a set of practices aimed at improving product and service quality

Bench marking involves measuring the performance of the organization, team or individuals against the best practice for the industry, function or particular activity.

Balance scorecard: It is a management system that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and result. When full deployed, the balance scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise

The balance scorecard suggests that we view the organization from four perspectives'
and to develop metrics.

- □ The learning and growth perspective
- □ The business process perspective
- □ The customer perspective
- □ The financial perspective.