

Maintaining Strategic Information Systems

Reema Shanbhag

P.G.Department of Studies in Commerce, K.L.E's J.G.College of Commerce,
Vidyanagar, Hubballi

ABSTRACT: The purpose of this research paper is to analyze the strategic information system (SIS) in business strategies. Strategic information system helps organizations to develop their generic strategy in order to maintain competitive advantages. On the other side, it also focuses on the types of strategic information system and highlights the uses of strategic information in maintaining the business by gaining competitiveness. There are several instances of strategic information systems which have help the organization to create and maintain the resources in this competitive market over the past years and has allocated several effective benefits and simply continued to provide survival of the organizations which have used these systems. To give the maximum performance of the firms financially in a fluctuating market, the correlation between strategic management and information system is significant fundamentally.

INTRODUCTION

A Strategic Information System is a computer system that implements business strategies; they are those systems where information services resources are applied to strategic business opportunities in such a way that the computer systems affect the organization's products and business operations. Strategic information systems are always systems that are developed in response to corporate business initiative. A strategic information system is mainly developed to respond to the corporate world and many business initiatives. They are used for giving the hire advantage of competition to the organization. It may deliver a service or product that is at a lower price, differentiated and mainly concentrate on a demanding market section, or which is innovative.

Information system strategy is an essential feature in corporate and information technology(IT) world. In a nut shell, it helps firms and companies to allocate, store, process data and move the data and information they develop and receive. It also enables and provides various and services for aiding the firms to apply metrics and analytical tools in their information repositories function and allowing them to recognize the resourceful opportunities for expansion and simple ways enhance operations and supply efficiency. Thus a better data management allowing with more effective data presentation and analysis.

Strategic information system provides a connection between demands of organization and latest information technology. This tactic helps an organization to get hold of the market by utilizing information tech to meet its challenging requirements to the continuous variation in the corporate environment. It is critical aspect of an organization for its growth and expansion. With the system information strategy, it ensures that the information system functions accordingly and supports the business goals and objectives of the organization at the different levels.

BACKGROUND:

The concept of Strategic information System was first introduced into the field of information system in 1982-83 by Dr. Charles Wiseman, President of newly formed consultancy called "Competitive Applications", who gave a series of public lectures on SIS in NYC sponsored by the Datamation Institute, a subsidiary of Datamation Magazine. They are those systems where information services resources are applied to strategic business opportunities.

Strategic information systems are always systems that are developed in response to corporate business initiative; they mechanize operations for better efficiency, control, and effectiveness.

Types of Information System strategies:

1. **Operations support system:** In a firm, data execution is performed by the user end, which is later processed to generate useful data products and services like reports, which are utilized by different users. Such a strategy is called operation support. The primary purpose of this system is to keep a check on transactions, operations, control, chain supply, and management. It also helps to facilitate internal and external talks, and it updates the central main database of the organization. The operation support system is further divided into three systems which are:
 - Transaction Processing System (TPS)
 - Process Control System
 - Enterprise Collaboration System

2. **Management Support System:** Firms require accurate data in a specific format to understand the decisions of the organizations. Management support system strategy enables the effective decision and task operation process more manageable for the managers. They are essentially divided into a different strategy like management, decision, accounting and expert information system. These systems facilitate and provide precise information and data to the manager for easy routines, decision-making processes. Decision support system which helps to solve particular issues related problems.

Uses of Strategic information system:

- **Creating hurdles for the entry of a competitor:** In this, a firm uses information systems to supply products and services that are hard to duplicate or that are used primarily to aid highly specialized networks of business. This strategy stops the entry of competitors in the market as they find the cost of giving such services at a very high price.
- **Improving marketing by generating database:** Information system also gives the firms and organization an edge over their competition by generating stronger databases to enhance their sales and marketing tactics. It treats existing information as a useful resource. For instance, a business firm may use its updated databases to monitor the purchase of the customers and to locate many segments of the market.
- **Locking customers and suppliers:** It is an essential way of getting the advantage of competition by making the customers and suppliers permanent. In this information systems strategy are implemented to provide benefits to the customer and the suppliers so that it may change their mind and it becomes hard for them to switch over.
- **Lowering the costs of the products:** It may help the firms lower their costs and allowing them to give products and services at a much smaller cost than their competitors. Thus such a strategy can provide the expansion and growth of the firm.
- **Leveraging technology in the value chain:** In this way, the organizations pinpoint the particular activities in the business, where competitive market strategies can be applied and where the strategical information systems can be more effective.

Maintaining a Strategic Information System (SIS):

Strategic information systems are designed to establish a profitable and sustainable position against the competitive forces in an industry. Due to advances in systems development it has become increasingly difficult to maintain an advantage for an extended period. Experience also indicates that information systems, by themselves, can rarely provide a sustainable competitive advantage.

- ❖ **For gaining competitive advantage:** A Strategic Information System can offer competitive advantage to maintain in an organization by the following ways:

- 1) **Creating barriers to competitor's entry:** In this strategy, an organization uses information systems to provide products or services that are difficult to duplicate or that are used to serve highly specialized markets. This prevents the entry of competitors as they find the cost for adopting a similar strategy very high.
- 2) **Generating databases to improve marketing:** An information system also provides companies an edge over their competition by generating databases to improve their sales and marketing strategies. Such systems treat existing information as a resource. For example, an organization may use its databases to monitor the purchase made by its customers, to identify different segments of the market, etc.
- 3) **'Locking in' customers and suppliers:** Another way of gaining competitive advantage is by locking in customers and suppliers. In this concept, information systems are used to provide such advantages to a customer or a supplier, that it becomes difficult for them to switch over to a competitor. For example, an organization may develop its information system and give many benefits to its customers, like reliable order filling, reduced transaction costs, increased management support and faster delivery service.
- 4) **Lowering the costs of the products:** strategic information systems may also help organizations lower their internal costs, allowing them to deliver products and services at a lower price than their competitors can provide. Thus such information systems can contribute to the survival and growth of the organization. For example, airlines use information systems strategically to lower costs so that they may counter competitor's discount fares.
- 5) **Leveraging technology in the value chain:** This approach pinpoints specific activities in the business where competitive strategies can be best applied and where information systems are likely to have a greater strategic impact. This model advocates that information technology can best be used to gain competitive advantages by identifying specific, critical leverage points.

Reference

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Student of M.Com IVSem., KLE's J.G.College of Commerce, P.G.Department of Studies in Commerce, Vidyanagar, Hubballi, Karnataka.