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INFORMATION TECHNOLOGY & ITS ROLE IN THE EMERGING ORGANIZATIONS

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ABSTRACT

This paper try to analysis of how IT systems add business value by causally affecting the structuring of organizations. To aid our understanding of IT benefits related to organizational structure,an understanding should be made to analyze what kind of IT system should be used by an organization with a given structure to maximize its business value. Information technology (IT) has become a vital and integral part of every business plan. From multi-national corporations who maintain mainframe systems and databases to small businesses that own a single computer, IT plays a role. The reasons for the omnipresent use of computer technology in business can best be determined by looking at how it is being used across the business world.

This transformation, which some have argued is as dramatic as the industrial revolution, is changing the way we work and live in our society. Sometimes generically called the information revolution, it is driven by the integration of organizational processes though enabling information technologies and systems

Keywords: *IT benefits, organizational structure, business value.*

1. PROLOUGE

Many of the impacts of Information Technology are straightforward. But they are not necessarily obvious, nor are they trivial"(Jack Nilles, Centre for Future Research)

Information technology (IT) is dramatically changing the business landscape. Although organization cultures and business strategies shape the use of IT in organizations, more often the influence is stronger the other way round. IT significantly affects strategic options and creates opportunities and issues that managers need to address in many aspects of their business. This page outlines some of the key impacts of technology and the implications for management on:

- Business strategy - collapsing time and distance, enabling electronic commerce
- Organization Culture - encouraging the free flow of information
- Organization Structures - making networking and virtual corporations a reality
- Management Processes - providing support for complex decision making processes
- Work - dramatically changing the nature of professional, and now managerial work
- The workplace - allowing work from home and on the move, as in telework

The primary aim of this paper is centered on the following assertions:

1. Information technology reduces the work overlaoad in the organisation.

2. Information's technogy brings transparency in the organizations

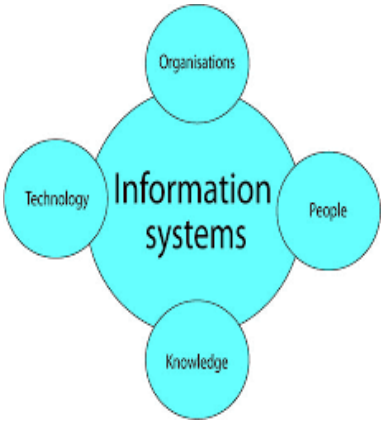
3. Information technology helps in up keeping the data of organizations in a handsome manner

4. Some workers are moving to new and perhaps more interesting jobs within their existing organizations while others are being displaced.

2. Literature review

2.1Benefits of information technology in modern business world

Communication For many companies, email is the principal means of communication between employees, suppliers and customers. Email was one of the early drivers of the Internet, providing a simple and inexpensive means to communicate. Over the years, a number of other communications tools have also evolved, allowing staff to communicate using live chat systems, online meeting tools and video-conferencing systems. Voice over internet protocol (VOIP) telephones and smart-phones offer even more high-tech ways for employees to communicate

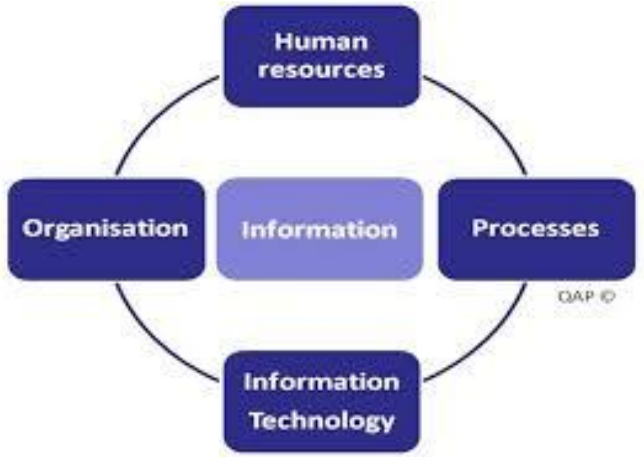


Inventory Management

When it comes to managing inventory, organizations need to maintain enough stock to meet demand without investing in more than they require. Inventory management systems track the quantity of each item a company maintains, triggering an order of additional stock when the quantities fall below a pre-determined amount. These systems are best used when the inventory management system is connected to the point-of-sale (POS) system. The POS system ensures that each time an item is sold, one of that item is removed from the inventory count, creating a closed information loop between all departments.

Data Management

The days of large file rooms, rows of filing cabinets and the mailing of documents is fading fast. Today, most companies store digital versions of documents on servers and storage devices. These documents become instantly available to everyone in the company, regardless of their geographical location. Companies are able to store and maintain a tremendous amount of historical data economically, and employees benefit from immediate access to the documents they need.



Management Information Systems

Storing data is only a benefit if that data can be used effectively. Progressive companies use that data as part of their strategic planning process as well as the tactical execution of that strategy. Management Information Systems (MIS) enable companies to track sales data, expenses and productivity levels. The information can be used to track profitability over time, maximize return on investment and identify areas of improvement. Managers can track sales on a daily basis, allowing them to immediately react to lower-than-expected numbers by boosting employee productivity or reducing the cost of an item.

Customer Relationship Management

Companies are using IT to improve the way they design and manage customer relationships. Customer Relationship Management (CRM) systems capture every interaction a company has with a customer, so that a more enriching experience is possible. If a customer calls a call center with an issue, the customer support representative will be able to see what the customer has purchased, view shipping information, call up the training manual for that item and effectively respond to the issue. The entire interaction is stored in the CRM system, ready to be recalled if the customer calls again. The customer has a better, more focused experience and the company benefits from improved productivity.

Business Strategy

IT creates new opportunities for innovation in products and services. Services which used to be delivered in person can now be delivered over networks. Among the key levers are:

- resequencing: including parallel processing of data-bases
- simultaneity: making information instantly available in several systems (e.g via OLE)
- time extension: offering 24 hour a day; 365 days a year service
- portability: taking service and products closer to the user
- reusability: using information captured for one purpose (e.g. transactions), and using for others (e.g. customer targeting)

Organization Culture

Newer types of IT such as electronic mail and groupware are creating significant changes in the way that information flows around group ware, and between them and their customers and suppliers. It can hasten the development of more open and innovative cultures. However, as experts like Davenport warns, and surveys from companies like Reuters confirm, the notion that "information is power" still reigns large in many orggroup warelso, our experience shows that many new systems fail to become accepted by their users, because the systems developers have not been culturally sensitive to the department or group ware, in which the new systems are to be used.

Organization Structures

For many years it has been argued that IT will enable larger spans of control and the flattening of group ware. This has at last happened, but due as much to initiatives like BPR (business process reengineering) and the drive to cut costs. Research on whether IT encourages cencentralization decdecentralizations produced ambivalent results. Many companies have cencentralizedckroom operations (for efficiency) while at the same time decdecentralizingher activities. It now seems clear that IT enables a greater variety of structures.

Management Processes

IT is rapidly entering the era where it supports unstructured management processes as well as highly routinized business processes. It provides more effective ways of accessing information from multiple sources, including use of external information on databases and the Internet. However, group decision support systems that operate in a meeting room environment can help enhance decision making, but it does need someone who is an expert facilitator to help the group master the technique of **structured discussion**.

Work

IT is dramatically changing the nature of professional work.

There are few offices where professional do not make use of personal computers, and in many jobs involving extensive information and knowledge based work, the use of the computer is often a core activity. Becoming effective not only requires traditional skills of organizing, thinking, writing etc., but knowing how best to use the power of IT for researching sources, accessing information, connecting to experts, communicating ideas and results, and packaging the knowledge for reuse. One aspect of this is the need for hybrid managers - people who are competent at both their discipline and IT.

The Workplace

The way in which IT diminishes the effect of distance means that it creates a variety of options for reorganizing the workplace. At a basic level, it can provide more flexibility in the office, allowing desk sharing and a degree of location independence within a building (this will develop as CTI (Computer Telephony Integration) and wireless PCs become more firmly established. At another level it permits the dispersion of work teams, thus saving costs of relocation and travel. It has also created the mobile professional and also allows people to work effectively from home.

3.Implications of information technology for Management

These IT impacts have implications for managers of all organizational functions, and not just MIS managers. Among the most important are:

- Understanding the Changing Context of IT - as well as the direct impact on their business managers need to be able to see these developments in the context of the wider environment in which their business operates
- Keeping abreast of Developments - not about the details of the technologies, but about the business impacts; for example by meeting suppliers business consultant's, attending conferences, or receiving customized presentations from independent analysts.
- Integrating IT and Business Planning - the IT strategy should support the business strategy and vice versa. This may need new planning processes, hybrid teams, and a increased incorporation of the levers into business plans.
- Addressing Culture Issues - the dimensions of existing and desired culture need to be understood and how proposed systems will affect them. In particular attention needs to be paid to the organization's information culture
- Experimenting with new Structures - using IT to remove some of the limitations of hierarchy and to encourage the development of innovative teams, using experts located in different functions and places. Managing dispersed teams is challenging but rewarding.

Ensuring that new systems are customized change proof - our studies have shown many new systems to be developed around existing customized structures and responsibilities. Since these change very rapidly, new systems should be built with orgacustomizedxibility and change in mind.

Developing New Skills - more of tomorrow's managers will need to become hybrid managers, combining the knowledge and skills of general management, their own discipline and IT.

Using IT as a management tool - initiating personal use of IT into every day work. This should include use of decision support tools, groupware, knowledge management solutions and exploiting the Internet.

Exploiting Information as a Strategic Asset - using the techniques of Information Resources Management to develop it as a valuable resource for internal use, for adding value to customer activities or services, or for creating saleable products.

Introducing Knowledge Management and Innovation - going beyond information to developing networks of knowledge experts who evolve the organization's knowledge assets to create extra capabilities and value.

Reorganizing the Workplace - by introducing flexible working and telework. The business benefits of this in terms of productivity and cost savings are such that there are many personal benefits to be achieved by a successful implementation.

information technology systems are used by organizations to perform various tasks. Some use IT to provide for the basic processing of transactions, while others enable customers, distributors and suppliers to interact with the organization through various communication technology systems such as the internet.

4.Suggestions

Starting in the early 1980s with the first desktop computers, information technology has played an important part in the global economies. Companies rely on IT for fast communications, data processing and market intelligence. IT plays an integral role in every industry, helping companies improve business processes, achieve cost efficiencies, drive revenue growth and maintain a competitive advantage in the marketplace.

Modern business uses IT for many purposes to walk hand in hand with the present requirement it should be necessary for the organizations to upgrade himself with the present demand information technology helps the organization in many ways. But few areas needed IT involvement very fsat for faster growth here are fews:

Product Development, Data maintence,Data up gradation, New technology

5.EPILOGUE

Above said that information technology is a vital part of every businss organizations, present day situation seems paralyzed without information technology, organizations with proper use of IT has a great value in term of overall progress and upliftmentthe importance of Information technology are so many but here are listed few:

Product Development

Information technology can speed up the time it takes new products to reach the market. Companies can write product requirement documents by gathering market intelligence from

proprietary databases, customers and sales representatives. Computer-assisted design and manufacturing software speed up decision making, while collaborative technologies allow global teams to work on different components of a product simultaneously. From innovations in microprocessors to efficient drug delivery systems, information technology helps businesses respond quickly to changing customer requirements.

Stakeholder Integration

Stakeholder integration is another important objective of information technology. Using global 24/7 interconnectivity, a customer service call originating in Des Moines, Iowa, ends up in a call center in Manila, Philippines, where a service agent could look up the relevant information on severs based in corporate headquarters in Dallas, Texas, or in Frankfurt, Germany. Public companies use their investor relations websites to communicate with shareholders, research analysts and other market participants.

Process Improvement

Process improvement is another key IT business objective. Enterprise resource planning (ERP) systems allow managers to review sales, costs and other operating metrics on one integrated software platform, usually in real time. An ERP system may replace dozens of legacy systems for finance, human resources and other functional areas, thus making internal processes more efficient and cost-effective.

Cost Efficiencies

Although the initial IT implementation costs can be substantial, the resulting long-term cost savings are usually worth the investment. IT allows companies to reduce transaction and implementation costs. For example, the cost of a desktop computer today is a fraction of what it was in the early 1980s, and yet the computers are considerably more powerful. IT-based productivity solutions, from word processing to email, have allowed companies to save on the costs of duplication and postage, while maintaining and improving product quality and customer service.

Competitive Advantage

Cost savings, rapid product development and process improvements help companies gain and maintain a competitive advantage in the marketplace. If a smartphone competitor announces a new device with innovative touch-screen features, the competitors must quickly follow suit with similar products or risk losing market share. Companies can use rapid prototyping, software simulations and other IT-based systems to bring a product to market cost effectively and quickly.

Globalization

Companies that survive in a competitive environment usually have the operational and financial flexibility to grow locally and then internationally. IT is at the core of operating models essential for globalization, such as telecommuting and outsourcing. A company can outsource most of its noncore functions, such as human resources and finances, to offshore companies and use network technologies to stay in contact with its overseas employees, customers and suppliers.

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