

Managing Information in Organizations

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Chapter 2 Role of Information Systems in Organizations

Link 2.3 Answers to Cloze Exercise 2.1

Information is needed in organizations to inform DECISIONS and TRIGGER events. Information can be CAPTURED from external sources, such as CUSTOMERS, suppliers and competitors. It can also be CREATED internally within the main business processes. Information has a LIFE cycle which comprises three main stages CREATION, EXISTENCE and TERMINATION. In the first stage, information is captured or created. In the second stage, information is used and MAINTAINED. In the final stage, information is ARCHIVED and destroyed. A RETENTION period defines how long information needs to be kept in an organization. Archived information should be STORED in the same way as the live information so that it can be RESTORED when needed. Storing information incurs costs of the physical STORAGE medium and increases the time and cost incurred in RETRIEVING information. Security procedures are needed to protect information from being accessed or changed by UNAUTHORIZED personnel. An AUDIT trail records who modified the information and when it was modified. The value of information to a business depends on the CHARACTERISTICS of information such as the information's accuracy and the APPROPRIATENESS of the information to the task in which it is to be used. Improving the accuracy of information incurs COSTS and may not improve the quality of the information. An information ARCHITECTURE provides a high-level model of the ENTITIES about which the organization needs to manage information. It also shows the RELATIONSHIPS between information. Information management defines the information needs of the organization and formulates information POLICIES to manage information effectively in the organization.