

Review

MANAGING INFORMATION RESOURCES

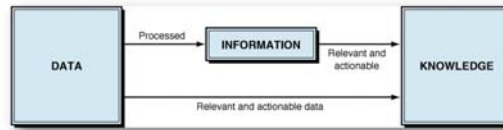


Identify the role of information resources within the international organization

Discuss how information resources can be used to deliver value and help the international organization compete

Differentiate between the concepts of data, information, knowledge and wisdom resources

Explain how decisions are made within international organizations and the role of information in improving decision-making



Key Terms

INFORMATION

"data that has been processed (sorted, summarised, manipulated, filtered) so that it is meaningful to people"

TECHNOLOGY

"a broad concept it literally means the application of science, especially to industrial or commercial objectives"

DATA

Raw facts

TACIT KNOWLEDGE

The knowledge that is usually in the domain of subjective, cognitive, and experiential learning. It is highly personal and hard to formalize.

EXPLICIT KNOWLEDGE

The knowledge that deals with objective, rational, and technical knowledge (data, policies, procedures, software, documents, etc.).

DECISION

commitment of resources

DECISION MAKING

the process of making choices from among several options

DECISION ALTERNATIVES

the choices that the decision maker can make

SEMI STRUCTURED DECISIONS

Decisions where only part of the problem has a clear-cut answer provided by an accepted procedure

STRUCTURED DECISIONS

"Decisions that are repetitive, routine, and have a definite procedure for handling them"

UNSTRUCTURED DECISIONS

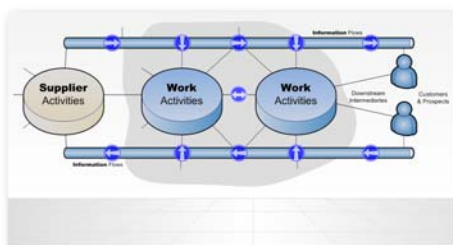
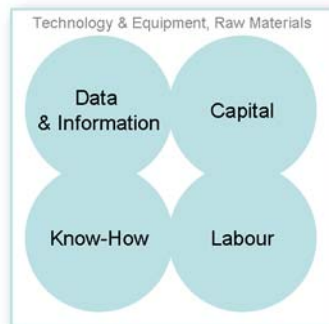
"Unstructured decisions tend to involve complex situations, where the rules governing the decision are complicated or unknown. Such decisions tend to be made infrequently and rely heavily on the experience, judgement and knowledge of the decision maker"

Information resources include data, information, knowledge, and wisdom (DIKW). Data refers to raw facts and Information is the summarization of data. Technology and information/ knowledge represent 'hard' and 'soft' resources available to the organization. Unlike most resources which deplete when used, information and knowledge can be shared, and actually grow through application. It is now widely accepted that winning strategies are more often grounded in the accumulation and creative exploitation of intangibles that are more difficult to replicate.

Key factors of production include- knowledge, collaboration and engagement assets, and time (how quickly value is created). These are the four key resources from which economic activity and competitive advantage are primarily derived and delivered. Improved information flows can improve the quality of decision making, collaboration, planning, coordination and control and internal operations. A firm's resources will be a source of competitive advantage if the resources are valuable, rare, inimitable and not substitutable.

Structure and culture may impact upon the free flow of information within the organization. There are also geographical and time barriers, language and technology barriers and legal constraints. All may impair communications and the sharing of information resources.

There are many challenges associated with knowledge and its use within the international organization. Knowledge, when locked into systems or processes, has higher inherent value than when it can "walk out of the door" in people's heads. Consequently organizations embark on knowledge management programmes in an attempt to ensure knowledge can be accessed, shared and retained. A global company's skill at transferring knowledge across subsidiaries gives these subsidiaries the added benefit of innovations created by their peers.



To compete effectively in global markets, exporters need to develop the capabilities to produce high value-added products and to target more closely their marketing efforts. This requires closer linkages with suppliers and with customers. Partnerships in a value chain encourage a joint approach to problem-solving and lead to cost reductions and quality improvements. The international organization has to develop and maintain smooth, seamless coordination across locations. The worldwide business team needs to foster operational coordination between units performing similar activities as well as those performing complementary activities and the transfer of knowledge and skills across locations.

As business becomes increasingly global, integrated systems show promise for tying together the geographically-dispersed organisation. By far the largest intangible benefit to enterprise integration is the improved availability of information about the organisation that is widely available throughout the company. This increased information visibility enables organizations to make informed decisions in a timely manner. Given the importance of information resources they should be strategically managed. It is widely agreed that the information and knowledge strategy should support ("fit") the organizational strategy.