

Information Technology in Business Administration

Introduction

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Information Technology (IT) refers to techniques used in business for transmitting, storing, manipulating and retrieving all kinds of data, including speech, text, movie, graphics and reports of events such as equipment malfunction, intrusion etc. Typically, Information Technology relates to the hardware and software that businesses use to manage and operate a range of business processes. Most businesses network their computers so that information can be shared. With more innovation in technology, new businesses are created. With more business, technology comes to the rescue by making things easier.

Examples of the use of IT in business include:

- Storing information about products such as stock control using sophisticated databases.
- Making business calculations such as costing and profit calculations using spreadsheets.
- Providing advertising and promotional literature using computer graphics packages.
- Processing information, writing letters, and other documents using word processing packages.
- Internal communication using fax, e-mail and other methods of communication including telephone linking.
- Using presentation software such as Power Point to make colorful presentations.
- Creating websites as a promotional and informational tool for an organization.

Time saving

IT applications are everywhere in the modern business and their great advantage is the way that they can lower costs. One way that costs can be lowered is in time saving. For example, time is saved in the retrieval of information from a database or website. Rapid searches can be carried out by simply cueing in a key word such as the name of a customer or a component.

Another way that time can be saved is in the rapid duplication of information. For example, an e-mail can be sent to all of the relevant members of an organization simply by creating a pre-prepared mailing list for all communications of a certain type. Material can be rapidly edited and altered using modern desktop computers. Information Technology enables the

global communication of information, as well as the global retrieval of information from databases and websites regardless of geographical distance.

Communication

Communication has always been an important aspect of business, even long before information technology came along. However, with the rise of computers and the internet, communication has been redefined. As a result, communication is one of the most important IT roles in the organization. It has now become possible to contact anyone no matter what part of the world they are in. When it comes to business, this capability is quite useful.

The IT department allows the organization to achieve communication at very high speeds through multiple channels:

Email: You can easily send your employees an email when you need to communicate something without having to see them in person. Email is also a great channel for sending official communication to clients and leaves a clean ‘virtual’ paper trail which allows you to keep a steady record of correspondence.

Video Conferencing: Video conferencing is a great way to communicate with a faraway team and being able to see them at the same time. It’s easier to have remote meetings and even collaborate on a project together. With video conferencing, you might as well be in the same room.

Collaboration Software: Collaboration software allows teams to work together on projects in a manner that is both efficient and fast. With the right collaboration software, you can cut project times by up to half and do away with needless meetings since everything can be done in a virtual meeting room.

Social Media: Social media not only allows your employees to keep up to date with the latest industry information but also presents a fun way to wind down and socialize.

Data Management

This is another one of the IT department functions that make it indispensable. With the increasing complexity of the world of business comes an increasing amount of data that businesses have to deal with. This data also comes in multiple dimensions. A business will see traffic in many different kinds of data, including text data, audio data, and video data, among others.

In order to control this data, a business will need an IT department to run something called a database. The database will allow the business to do three things:

Store Data: By putting the data in a storable format, a database allows you to store vast amounts of data in a small space. Long gone are the days when data had to be stored on paper and other bulky mediums. In an age where information is power, it helps to be able to hold a lot of it conveniently.

Manage Data: Data isn't very useful in its original form, known as raw data. It needs to be sorted into a meaningful form that can be meaningfully deciphered and used to make decisions in the business. The IT department provides the tools with which this data can be managed, including analyzing it and drawing conclusions from it.

Access Data: No matter what kind of data your business needs to store, that data is valuable and needs to be controlled so that only the right people can have access to it. The IT department provides the security measures that will safeguard that data and prevent unauthorized access to it.

Marketing

Marketing has been a core aspect of business for as long as businesses have been around. With the rise of computers and the internet, marketing campaigns are becoming increasingly digital. The IT department can help with the marketing functions of a business in numerous ways:

Content Creation: You can create advertising and sales copy on a computer using word processing software. You can also create beautiful graphical ads using powerful computers with graphics capabilities.

Online Advertising: Social media is becoming increasingly important to advertising and, since it lives on the internet, what better department to help you with your efforts than the IT department? By launching social media marketing campaigns, the IT department can improve sales and increase revenue. It can also launch marketing campaigns for the business on other platforms, such as Google AdWords.

Ecommerce: With more and more businesses going online, the use of computers has become invaluable to how you conduct your business and sell your products and services. The IT department would be instrumental in the processing of orders made on your online store.

Marketing Research: With the rise of search engines, it is now possible to conduct research online about consumer trends and the most profitable opportunities. The IT department can also be instrumental in this.

Process Improvement

It can prove to be quite important in the improvement of processes and efficiency in order to save the company money. A small business could save on printing and copying costs by relying purely on paperless communication. Collaboration software and video conferencing would save on logistics expenses which would have been incurred every time different teams needed to meet and work together. It would also save on time as not much time would be wasted on transit.

The Human Resources department can become more efficient because of the IT department since training sessions can be done online and communication with employees can be done without the need for paper. The result is massive savings on both time and cost.

Enterprise Resource Planning

Enterprise resource planning is all about linking the different functions of an organization, such as accounting, human resources, manufacturing, and sales, using software systems. These systems can help in operations as well as strategic decision making. For a small business, the reduced complexity means these systems can be installed one module at a time and can be scaled, as the need arises.

Information and Communication Technology-ICT

Information

Information is one of your most important assets. An ICT infrastructure enables you to process, store, secure and manage information so that it is available to the decision makers in your organization. The ability to make effective decisions and respond quickly to change is a key element in meeting business goals. It makes an important contribution to the success of product launches or expansion programs and helps you take advantage of market opportunities.

Collaboration

An ICT infrastructure underpins effective collaboration inside and outside your organization. Teams working on projects such as new product development can work together easily, even when team members are in different locations. Using collaboration tools such as video conferencing, email, instant messaging and web conferencing, your teams can make decisions and get new products to market quickly, helping you to meet your strategic marketing goals. Your teams can also collaborate with suppliers and other external groups, such as research laboratories or universities, giving you access to expertise and skills that can improve your ability to innovate.

Business Processes

Streamlining business processes with an ICT infrastructure can help you achieve cost reduction and productivity goals, as well as improving customer service. Linking an inventory management system to a call center database, for example, can help customer service staff deal quickly with delivery inquiries and order processing. Having data storage systems linked to a network helps staff access critical business information quickly so that they can make effective decisions and respond rapidly to change in the marketplace.

Export

If international expansion is one of your business goals, an ICT infrastructure can help you to manage your export activities more effectively. Secure networks enable your international branches or distributors to communicate effectively and share market, production and logistics data easily. Management teams in different locations can hold essential meetings by video conference or teleconference to maintain regular communication while minimizing travel costs.