**Global Business Plan Project**

**8. Creating a Global Management Information System**

**Learning Goals**

1. To identify information needs for global business operations
2. To recommend features for an international management information system

**Purpose**

Computers and other technology have intensified the importance of information in all organizations. Raw data converted to useful information makes managerial decision-making easier in the areas of financial planning, marketing, inventory, and human resources. In this module, your goal is to identify and organize the information needs of a global business operation.

**Resources**

Web links:

* Global Edge CyberSite: <http://globaledge.msu.edu/>
* Business Around the World Atlas: <https://highered.mcgraw-hill.com/sites/0078137217/student_view0/business_around_the_world.html>

**Conduct Research**

Based on the global business opportunity identified in Module 1 (or a different international business enterprise or idea), research information related to the following:

1. GLOBAL INFORMATION NEEDS

Identify the types of reports and other data that would provide managers with the information necessary for organizational decision-making. (Common categories of management information include financial documents, inventory data, sales and marketing reports, and human resource records.)

1. GLOBAL INFORMATION SOURCES

List the main:

1. external and
2. internal sources of data for your global business enterprise.

(External sources include government agencies, financial institutions, trade associations, suppliers, and customers. Internal sources include research information, accounting data, employee records, sales figures, and inventory reports.)

1. TECHNOLOGY FOR MANAGING INFORMATION

Describe computer systems and other technology that would facilitate the processing, reporting, and use of information for international business operations. (For example, a global computer network may be used to record and report inventory and sales from various branch offices.)

**Supplementary Activity**

Develop a suggested format for a web site (with information and interactive features) that would communicate to customers, suppliers, investors, and prospective employees some of the benefits and opportunities of your global business enterprise.

**E-Commerce Application**

Identify examples of two types of websites:

1. Those adapted for viewing in other countries, and
2. Those that originate in other countries.

Analyze and compare these types of sites to better understand web design and information systems in other countries.

**Prepare Summary**

In a separate Word document, prepare a summary report consisting of the following components:

1. An overview of information needs for the proposed global business enterprise.
2. A description of information sources and technology that would be used in a global information system for the situation.
3. A visual synopsis of a proposed global management system that identifies:
   1. input sources,
   2. processing activities, and
   3. output reports that would serve the decision-making needs of managers within the organization.

**View Sample Report**

The following project segments are EXAMPLES and SAMPLE MATERIALS. Please note:

1. These samples were selected from several student team projects at one school and are not intended to represent a particular level of quality, and DO NOT represent a complete project.
2. The accuracy of content, data, and clarity of writing are NOT guaranteed; and
3. These samples may NOT BE DUPLICATED.

Technology will be a vital factor in the development of our harbor. Everything from improved transportation to cheaper products will enhance the profits of our harbors because of the lower outside influences on countries to trade within our harbor, thus creating a larger market of opportunity.

*Positive Aspects of the B2B E-Commerce Approach*

The media hype associated with the Internet has served to raise awareness of e-procurement among all levels of industry. This increased awareness brings with it a growing list of expected changes. InfoAmericas surveys reveal that the following trends have already begun to change Latin America’s convoluted distribution channels.

1. *Expanded Supplier Base*

Selection and choice have grown tremendously thanks to freer trade in the Americas. B2B e-commerce will accelerate this process, especially in trade-friendly Mexico and in non-physical products such as information and services.

1. *Shrinking Distribution Chain*

Latin America’s inefficient communication, financing, and distribution systems helped build a milti-layered distribution chain filled with privileged wholesalers who add little value to their customers or their suppliers. Their days are numbered as manufacturers and distributors come together through e-commerce.

1. *Lower Prices*

Open trade helps lower the cost of inputs for many assemblers, and the cost of finished goods for many distributors, by inciting greater competition. More efficient distribution could knock out one or two layers of middlemen, dropping prices by up to 40 percent.

1. *Faster Product Delivery*

Buen Salud is already in the beginning stages of developing a sophisticated integrated e-procurement system that keeps our manufacturing and distributing facilities in touch with the stores that sell our product in order to make inventory assessments more rapid and more accurate. This level of information enables all suppliers in a chain to react to changes in demand. Achieving such integration in other industries, let alone in Latin America, will take many years to achieve. But large food retailers in Latin America have already begun to connect their suppliers to their inventory levels on-line, helping to reduce delivery times and inventory costs.

*Negative Aspects to the B2B Approach in Latin America*

1. *Product Returns*

About 25 percent of on-line product orders in Latin America involve a serious data entry error that can jeopardize the order, be it a wrong address, or an incorrect product selection. Much of this is due to the heavy traffic on US sites in English by purchasing managers whose first language is Spanish or Portuguese. If a buyer incorrectly purchases the wrong product, whose fault is it? Who pays the shipping and handling? How does the product cross the border again?

1. *Clearing Customs*

Traditionally, importers bore the responsibility of preparing the documents needed to clear customs and the American supplier just shipped the good to the nearest US border crossing. With exporters now turned onto Latin America en masse, the burden has shifted. Exporters must now take on the burden of border crossing or employ the talents of an experienced and expensive logistics company to take care of this function.

1. *Payment*

Brazilian banks lead the way in the development of e-commerce payment tools, but many foreign suppliers are unfamiliar with them. Established supplier-buyer relationships can rely on direct billing, but first time or infrequent customers may not be able to negotiate such terms. On-line credit checks of Latin American buyers is still a theory, not a practice. So buyers must resort to credit cards, or more likely wire transfers, which can take up to four days to complete. Credit card security is always an issue, although the majority of Latin American managers would rather give their credit card number to a US website than the restaurant where they eat lunch.