

MANAGEMENT INFORMATION SYSTEMS:
WHY THEY FAIL, AND POSSIBLE SOLUTIONS

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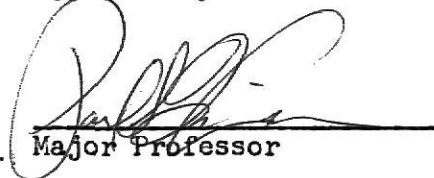
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CHAPTER I

Introduction

Even during the time of first generation computers, man was using them to improve his life by relieving him from the tedium of routine, repetitive tasks. As man learned and technology provided more powerful computers, their applications have broadened, until today few areas remain untouched. One of the newer, and more difficult, areas of application is the utilization of computers in the management environment. The ability of the computer to store, process, and retrieve large quantities of information about costs, populations, inventories, people, etc. has brought with it the desire to computerize management's information system. Unfortunately, desire is not enough. The purpose of this paper is to present some methods by which the desire for management information can be converted into a workable, effective computerized information system. Some of the reasons for the lack of success of early systems will also be discussed to provide guidelines for improvements.

Early Development of Management Information Systems

The third generation of computers brought, with its larger storage capabilities and faster processing times, promises of a "total information system,"--a system that would provide to management any and all information needed at the push of a button. In 1963 "Business Week" reported (4) that Lockheed would have a complete information system within three years. The information system would contain all of the information that management might need to make any type of decision. The theory and equipment necessary to build a complete management information system (MIS) was available then. Yet today Lockheed has no such workable system. Rather than being commonplace, effective workable computerized management systems are hard to find.

Computers have paid off handsomely in keeping track of fine details of production, orders, and payments. When used as production machines the rewards have been great. These were not, however, management information systems. Instead of simplifying the management process as was expected, the computer added complexities and imposed a constantly changing set of demands on the managers it was supposed to help. Integrating computer functions into a smooth-running system (1) has turned out to be more difficult than expected.

Reasons for Failure

The road to a totally integrated MIS, which computer salesmen and data processing managers keep insisting is just around the corner, has been hard hit by washouts and abrupt detours. The computer industry is partially to blame for the failure of the MIS. In the past it followed a more or less random path, investigating anything that looked interesting, always confident that whatever it found would be salable to the business world. The business world also is not without its share of blame. Computers and their managers, the computer scientists, do not speak the same language as the business manager. The business manager (5) often will not, if for no other reason than pride, learn the language of the computer. The same man who would never turn a plumber loose to "fix the plumbing" in his home without further description of what was needed, will tell a computer scientist or a data processing manager to "build an information system" The results are what should be expected when not enough guidance is given to the designer. He builds the system to his understood specifications which may not merge with the desires of management.

In many cases the organization of the company itself has kept the computer from being utilized fully. Since computers were first used in the accounting department of most companies, their growth and use has