

The Case of a Livewire Information System

Dr. Ashwani Kumar was assigned the task of developing a computer based Management Information System (MIS) by the Deputy General Manager (DGM) of commercial department. The department was following manual system thus far. Dr. Kumar had joined the department back recently after study leave. A young colleague who met Dr. Kumar winked and told him in his usual jovial manner “You can’t design an effective computer based information system here”. Dr. Kumar could not interpret his joke, until he some experience of it himself.

The company had acquired another company recently, which had a very formal system of recording all transaction, performance data etc. at every stage and function, thanks to elaborate paper work that was transferred from British collaborator. The parent company had Russian collaboration and due to language difficulties the paper work of a formal system was not transferred. The information system in parts at least was very informal and oral.

Mr. Yogesh was transferred as senior commercial engineer from Indore plant of the acquired company. He replaced Mr. Rastogi, a commercial engineer and trusted assistant of the DGM in the motor sales section. One day the DGM called Mr. Yogesh and asked:

DGM : “Mr. Yogesh, what is the outturn (production) of Motors in the last month?”
Mr. Yogesh: “Sir, I will check the files and let you know.”
DGM : “What is this, you don’t know? I can’t tolerate it. I want livewire information system. Call Mr. Rastogi.”

Mr. Rastogi enters.

DGM :”Mr. Rastogi, what is the outturn of Motors in the previous month?”
Mr. Rastogi: (turning pages of his diary), “Sir, it was 24 motors.”
DGN :”See Mr. Yogesh. I want efficient livewire executive like Mr. Rastogi.”

Sitting by side of Mr. Rastogi, Dr. Kumar noticed, the page Mr. Rastogi referred was a blank one. How could Mr. Rastogi have information, when he was not even dealing motors sales now?

Dr. Kumar continued his efforts to design computer based MIS. The company supplied various equipments for thermal and hydro power plants, motors, control and other equipment to industrial customers. Components and assemblies varied in size and value, from few thousand to few millions of rupees. Their number supplied annually ran into thousands. Dr. Kumar designed computer programmes which required collection of data from production departments, multiply it with rates for each item to get monetary value of the items produced during the month, aggregate them account head-wise, fitted the formula for cumulative production, and put alongside the budgeted figures, calculating variances to arrive at final production report.

To have the trial run he asked Foreman of a workshop to give figures of production of various components and assemblies for the previous month. The Foreman enquired, “Which one Sir?”. Dr. Kumar was a bit surprised and asked, “Are there more than one figures?”. The Foreman replied, “Yes Sir, You want actual or what we are declaring? Every month we declare production in the month, which is not necessarily actual one”. Dr. Kumar was taken a back and asked, “Give me actual figures”. On receiving the information he completed final report and gave the print out to the DGM.

The DGM was quite annoyed after seeing the report and told Dr. Kumar:

“What? The achievement last month is only 70% of Budget. I can’t take it to the Executive Director. He will kill me. Do something to make it at least 90%”.

Dr. Kumar was perplexed at DGM’s response. He wondered how to do what DGM asked for, given that there were thousands of components and assemblies. Declaring total production at aggregate level close to budget might be working in manual system, but how to manipulate it in a computerized system was beyond his comprehension.

No wonder when a new General Manager from the acquired company took over the reign of the plant, in his first address to the executive he said, “You people have declared so much so that if we have to make up the deficit between actual and declared, we have to declare one whole year as a production holiday”.