Unit 26: Managing Business Information

Unit code: D/502/5457

QCF Level 3:   BTEC National

Credit value: 10

Guided learning hours: 60

● Aim and purpose

The aim of this unit is to enable learners to understand the importance of providing accurate business information to support decision making in an organisation, and to develop the skills and knowledge needed to manipulate data management software to produce information in a suitable format.

● Unit introduction

The phrase 'information economy' identifies the importance that organisations attach to information as they go about their day-to-day business. Courier companies can locate all shipments at any time and keep their customers fully informed of a consignment's whereabouts and its scheduled delivery time. Supermarkets can identify fast selling lines and restock quickly. Managers' diaries can be synchronised and teleconference meetings can be set up with participants from around the word.

It is important, therefore, for learners to appreciate that business information is used to obtain a competitive advantage and promote efficiency, and it is obtained from various sources. Organisations generate information internally through their business activities, recording details of products purchased, made and sold, and the associated costs. The size, composition and cost of the workforce are known. The business environment changes constantly and organisations need to respond to these changes in order to adapt their practices and survive. Markets, technology and business cultures are evolving continuously. For example Reuters moved from being a financial information provider and news agency to now also providing electronic trading systems – both hardware and software. Businesses use the information they have to manage what is currently happening in the organisation but also to plan for the future and ensure their survival.

The first part of this unit explores the importance of business information and looks at its purpose and uses for business decision making. Factors that influence this such as legal issues, are investigated. The second part of the unit focuses on how technological change has provided an infrastructure for processing information that now provides organisations with a wide range of accurate and up-to-date information. Learners will have the opportunity to develop skills and knowledge in manipulating information in data management software to produce information in suitable formats to help with decision making.

● Learning outcomes

On completion of this unit a learner should:

1 Understand the importance of information to organisations

2 Know how organisations use business information

3 Be able to maintain an information system

4 Be able to produce information to support decision making in organisations.

Unit content

1 Understand the importance of information to organisations

Characteristics: type of information (qualitative, quantitative, primary, secondary); quality of information (valid, complete, accurate, timely, fit-for-purpose, accessible, cost-effective, intelligible)

Sources of information: internal (financial, personnel, marketing, purchasing, sales, manufacturing); external (government, trade groupings, commercially provided, databases, research)

2 Know how organisations use business information

Purposes: record transactions and activity; monitor activity; control activity; coordinate activity; plan activity; analysis (patterns, trends); prediction (extrapolation, what if?)

Information use: operational support; decision making (operational, tactical, strategic); administration; promote efficiency; develop competitive advantage; increase market share; legal issues (the Data Protection Act 1998, the Freedom of Information Act 2000, the Computer Misuse Act 1990); ethical issues (privacy, access, organisational IT protocols, codes of practice from the Information Commissioner's Office (ICO) and the British Computer Society (BCS))

3 Be able to maintain an information system

Input data: insert; delete; amend; data types (alpha, numeric); records; files; securing data

Manipulate data using software: add; subtract; combine; extract; combine; link; software, eg database, spreadsheet, accounting

4 Be able to produce information to support decision making in organisations

Information format: written; tabular; graphical; images; paper based; presentation; electronic; screen based (email, diary, calendar); communication channels; audience needs; communication protocols

Decision making: operational; tactical; strategic

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the characteristics of the information needed in a selected organisation	**M1** explain how business information is used for different purposes in a selected organisation	**D1** recommend how a selected organisation could improve the quality of its business information to support decision making.
P2 explain the sources of information needed in a selected organisation		
P3 describe how information is used for different purposes in a selected organisation [RL, CT]	**M2** compare the features of different types of software used in producing information to support business activities	
P4 describe the legal issues an organisation must consider in using business information	**M3** analyse information produced in different formats to support business decision making.	
P5 input and manipulate the data entered into data management software [CT, TW, SM]		
P6 produce information in suitable formats to support business decision making. [IE, CT, SM]		

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

Managing information is an important activity in any organisation and it uses increasingly sophisticated technology, both hardware and software. Effective information management means using information to ensure organisations meet their objectives, ensuring efficient day-to-day operations or meeting longer-term goals. Setting up and running meetings that resolve basic customer service problems requires the use and management of information in much the same way as a board meeting to make a strategic decision to change the direction of a business's operations.

The unit is designed to be taught using practical activities and examples that may draw on some learners' own experiences of employment. Learners do not have to have been employed or be employed. When they become part of a workforce they will be generating, using and managing information to make decisions about routine, non-routine, short-term and medium-term aspects of their work.

This unit considers the importance of information to organisations. The majority of the workforce is employed in the information economy. Initially, learners will learn how organisations need good quality information from a range of sources to carry out everything from routine and repetitive tasks that support everyday activity to non-routine one-off tasks that are concerned with future events. Information comes from a variety of sources.

All organisations generate large amounts of information that arise from normal activities. They also gather information from the environment they operate in. Information is put to a variety of uses. Management of information provides the basis for decision making that will support the achievement of business objectives. It is just as important to have information about how many staff are needed to work the scanners at an airport as it is to have information about where to build a new runway and terminal building to meet traffic forecasts for 20 years ahead. BAA is concerned to make good decisions that support effective customer service irrespective of whether it is at peak time next week or in the year 2020.

Learners will need to be able to use an information system. The unit does not require learners to design and build a database, or any other type of business information system, but to use an existing data management system. A database, spreadsheet or accounting system should be configured ready for use and populated with some initial records. Learners will show that they can use a computer-based information management system by adding, deleting, updating and amending records. They should enter transaction data. Once data is in the system, learners should access the data manipulation and reporting facilities to generate information and present it in suitable formats to support organisational decision making. Learners should be able to move information from one application to another. A centre may create an inventory management system that can be maintained and have transactions applied to it. Learners can produce reports and other information from the system to use in support of a business decision. Learners may prepare for a meeting by scheduling it in an electronic planner and producing the agenda, which is emailed to participants with associated papers. They can then prepare and circulate the minutes. Learners can make the argument for a business decision by using presentation graphics derived from the information in a database or other sources.

Successful use of business information will ultimately help an organisation with its decision making and strategies.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and structure of the programme/assignments
Theory components of characteristics of information
Learner research on sources of information in organisations
Group work
Assignment 1 – How Does an Organisation Obtain and Use Information?
Theory components on uses of information in business
Learner research of legal issues regarding information
Group work
Theory components of inputting and maintaining databases
Learner activities manipulating databases and producing information
Group work
Theory components of decision making
Theory components of suitability of information formats
Learner activities preparing information for business purposes
Assignment 2 – Producing Information to Support Business Decisions
Supervised assignment time
Non-supervised study time and completion of assignments

Assessment

Evidence for assessment will be generated from the learning programme. Use will be made of practical activities that require problems to be investigated and information to be manipulated and managed. Assessment might use two assignments and cover the clusters of criteria indicated below as being linked.

For P1, learners must examine how an organisation can obtain and use information. Information is the basis for successful decision making and it comes from internal and external sources. Information arises automatically from business transactions but it also needs also to be sought from external sources. For it to be useful to a manager, information must satisfy a number of criteria. Supermarkets gather information about the shopping habits of their customers. People willingly provide personal details about themselves in exchange for a loyalty card. Inspection of the till receipt indicates the range of data gathered, date, time, checkout number, method of payment, goods purchased, promotions used (BOGOFs, coupon redemption) and so on. A detailed, complete, instant, accurate and cost-effectively produced picture of the transaction is built up. This will be supplemented with qualitative information from customer satisfaction surveys and mystery shoppers. This information is augmented by information from external sources about disposable income, lifestyles, regulatory issues and competitor activity. The evidence is likely to be in the form of a report that results from an investigation into an organisation. (P1, P2, P3, M1 and D1 are linked.)

For P2 learners will need to select an organisation and explain the sources of information it needs. Learners could describe what internal information can be used to assist an organisation in making changes to its staffing.

For P3, learners will need to look at an organisation and consider how it uses information. Learners will need to know how the information gathered is used by managers, whether it be for monitoring, controlling, coordinating or planning. The information is used to make decisions. In the case of the supermarket transactions, it will be clear that immediate decisions are made as a consequence of the information generated, whether it is opening another till, reviewing the success of promotional activities, declining a method of payment or re-ordering depleted stocks. The evidence is likely to be in the form of a report resulting from an investigation into an organisation. (P1, P2, P3, M1 and D1 are linked.)

For P4, learners will need to show that they recognise the legal constraints associated with how organisations use information. (P1, P2, P3, M1 and D1 are linked.)

For P5, learners will undertake a series of practical tasks. A system will already have been set up and populated with some records. Learners will add, delete, update and amend records in the system. They will record transactions of different types on the system. Data management systems all provide facilities for the manipulation of data and the production of new information. Learners will use these features to create and extract information. An inventory management system would allow new stock items to be added and old ones deleted. Records could be amended with new valuations and descriptions. Purchases and sales can be recorded. Costs of sales and rates of turnover for different products could be calculated. Information can be sent to other applications. The evidence will be generated through practical work. (P4, P5, M2, M3 and D1 are linked.)

For P6, learners will need to generate reports and other outputs from the data management system. The reports must be clear and contain information that can be used to support a business decision. Learners will be given a problem and expected to use the information in the system to support a business decision. Information can be presented in different ways. A meeting to discuss the information can be set up using an electronic organiser with details of the item to be discussed and supporting information circulated by email. The proposed decisions must be supported by the information presented. The evidence will be generated through practical work. (P4, P5, M2, M3 and D1 are linked.)

For M1, learners must explain why business information is important to the success of an organisation. The growth of Tesco in the UK has depended, in part, on using the full range of business information to make good decisions to enable business growth. Greenfield developments have slowed as a result of government legislation so the company has moved into convenience stores. It was the first to build individual customer profiles as a way of tailoring its promotions. Compared to its rivals, it is rarely out of stock as sales information is closely monitored and timely action is taken to replenish empty shelves.

For M2, learners should compare the facilities in different types of software used in producing business information. Manipulating numerical information might be easier using a spreadsheet rather than a database. Word processing might be better for tabulating report information when compared to a spreadsheet.

For M3, learners should explain the significance to an organisation of the information that has been obtained from an information system. The proposed decision must be supported by an understanding of the information generated.

For D1, learners must reach justified conclusions about how an organisation might improve the quality of the business information it generates. Tracking fast and slow moving sales will suggest to a retailer how to adjust its product range. Monitoring staff absence will allow absenteeism patterns to be identified and absence reduced. Improving the quality of information will improve the business. Learners must make judgements about the value of the different ways of presenting information to interested parties. A senior manager will be likely to understand information presented in a formal report. A junior assistant may be better able to assimilate information presented in a visual format. A poor choice of format hinders communication of the message.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, P3, M1, D1	How Does an Organisation Obtain and Use Information?	Brief from a new business start-up wanting advice on.	Prepare a group presentation on the purpose and types of information used in an organisation.
P4, P5, M2, M3, D1	Producing Information to Support Business Decisions	Brief expanded to include the input and manipulation of data to produce reports for a specified business purpose.	Produce a portfolio of evidence with: Records of different transactions carried out for a data management system, including insertion and deletion. Copies of reports produced to support a business decision.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Providing Business Support	Business Resources
Verbal and Non-Verbal Communication in Business Contexts	Business Communication

This unit links to the Level 3 National Occupational Standards for Business and Administration, particularly Units 301, 308 and 310.

This unit also links to the Level 3 National Occupational Standards for Management and Leadership, particularly Units A1, E4, E9 and E10.

Essential resources

Centres need to have access to a suitable data management system such as an inventory management system, to enable learners to manipulate information and produce reports and other information that can be used in support of a business decision.

Employer engagement and vocational contexts

Visits to businesses will be essential for delivery of this unit in order that learners can investigate how information is used in an organisation and the types of information systems used to support business activities.

Indicative reading for learners

Textbooks

There is no one title that covers all of the content. There are some widely available titles that cover some of the areas but these are targeted at Level 4, however they may be useful for this unit.

BPP – *HNC/HND BTEC Core Unit 7: Management Information Systems: Business Course Book*
(BPP Publishing Ltd, 2002) ISBN 0751770647

Lucey T – *Management Information Systems* (Thomson Learning, 2004) ISBN 1844801268

Learners should be able to use the online help provided in software packages and information contained in tutorial guides such as:

Wang W – *Office 2007 for Dummies* (John Wiley & Sons, 2006) ISBN 0470009233

Websites

www.bcs.org	The British Computer Society
www.ico.gov.uk	The Information Commissioner's Office with links to guides on the Data Protection Act 1998, Freedom of Information Act 2000
www.opsi.gov.uk/acts/acts	Computer Misuse Act 1990

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are …
Independent enquirers	producing information in suitable formats to support business decision making
Creative thinkers	generating ideas
Reflective learners	reflecting on the impact of information on business
Team workers	working with others in a group environment
Self-managers	organising time and resources and prioritising actions whether working on their own or in a group
Effective participators	taking part in group activities, working with colleagues, supervisors and managers.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are …
Independent enquirers	planning and carrying out research into the characteristics and sources of information used within an organisation exploring how information is used for different purpose
Creative thinkers	generating ideas and exploring possibilities through producing information in suitable formats for business decision making
Reflective learners	evaluating their experiences after manipulating data and producing reports
Team workers	carrying out the data management tasks in collaboration with others taking responsibility for producing reports for a business purpose
Self-managers	showing initiative, commitment and perseverance when manipulating data to produce business reports]
Effective participators	discussing issues of concern and seeking resolution when producing reports for specific purposes.

Functional Skills – Level 2

Skill	When learners are …
ICT – Use ICT systems	
Manage information storage to enable efficient retrieval	inputting and manipulating data management systems
Follow and understand the need for safety and security practices	researching the legal issues associated with accessing and storing business information
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	researching how business information is used for a range of purposes
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	researching the type and source of information that an organisation needs
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: • text and tables • images • numbers • records	manipulating data entered into data management software
Bring together information to suit content and purpose	producing information in a suitable format to support business decisions
Present information in ways that are fit for purpose and audience	producing information in a suitable format to support business decisions
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	researching data management systems in an organisation
Mathematics	
Identify the situation or problem and the mathematical methods needed to tackle it	manipulating data to produce information for a specific business purpose
Select and apply a range of skills to find solutions	manipulating the data entered into data management software
Use appropriate checking procedures and evaluate their effectiveness at each stage	manipulating the data entered into data management software
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	producing information in a suitable format to support business decisions
Draw conclusions and provide mathematical justifications	

Skill	When learners are ...
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	describing the types and sources of business information an organisation needs
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	researching types and sources of business information producing reports
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	producing information in a suitable format to support business decisions.