

The Role of Information Technology in the Business Sector

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ABSTRACT:-

Information Technology (IT) is among the relevant factor assisting the business to penetrate in a new market for being innovative and generating new product and services which help the growth of the business and company the business sector produces products and services for profit. Information technology describes any technology used to create, process and disseminate information that is critical to business performance. Information technology is important to the business sector as a management tool to optimize the processing of information to produce goods and services for profit. The revolution of IT and internet facilitates the outstanding performance of the economy in business sector, through the exchanges of information by using internet and electronic devices facilitate accessibility of doing business between companies globally. This study tries to analyse the role of IT in business and the performance of the economy. The empirical findings show that the role of IT in business is tremendous.

Keywords: *Information Technology (IT), Business, e-commerce (e-business), company, Organization.*

I. INTRODUCTION

Computers and information systems are essential parts of every business today. Like accounting and legal, every business needs to invest in technology to compete. Technology is both a cost of doing business, and an opportunity to do more business. Most people I talk with recognize the necessity of having a computer, an email address, and a web site, but still look at the upfront cost more than other issues.

Information Technology

IT (information technology) is a term that encompasses all forms of technology used to create, store, exchange, and use information in its various forms. It's a convenient term for including both telephony and computer technology in the same word. It is the technology that is driving what has often been called "the information revolution." In other words, Information technology is the technology involving the development, maintenance, and use of computer systems, software, and networks for the processing and distribution of data. It is a Set of tools, processes, and methodologies and associated equipment employed to collect, process, and present information. In broad terms, IT also includes office automation, multimedia, and telecommunications.

Business

Business is a process whereby an individual/group of people offering or sells goods or services for the aim of gaining profit. Business starts with the desire of humans to meet the requirements that are impossible by themselves. Therefore, comes the desire to interact and help each other. In development, humans have a variety of needs and interests that continue to grow. So it is not enough to give and take, humans, try a system that brings benefits to fulfil the instincts of individuals to prosper themselves. Business becomes a structured system for getting welfare in life (Juan, 1991). High profits in any business obtained when there are cooperation and proper organised management, so the business is now it has a close relationship with the company, which is an organisation that runs to get benefits for its members. The company structured in a structured manner, and there is a clear division of labour within a company. Regulators in the company are known as managers, and the implementers are known as employees (Nikoloski, 2014).

Electronic business (E-commerce)

E-business is an electronic media-based business system like radio and television. Since the e-business system is better known by the wider community when the internet employed as an electronic media, the broad community assumes that e-business is an internet-based business as its medium. The development of e-business continues to change with the availability of electronic devices, like mobile phones and tablets. On cell phone or tablet systems, internet access is wireless, and this supports the ameliorate of new protocols such as the Wireless Application Protocol (WAP), which is an internet application without using a cable so that by using a cell phone or tablet, users can access the internet in when and wherever there available(Oetomo, 2001 & Shaqiri, 2015). According to Mohan Sawhney (Indrajit, 2002, Rudianto, & Zainuddin, 2007), e-business is: "the

use of electronic networks and associated technologies to enable, improve, enhance, transform, or invent a business process or business system to create superior value for current potential customers.”In principle, the definition clearly shows how electronic and digital technology function as a medium for achieving business processes and systems (exchanges of goods and services) that are far better compared to conventional methods, especially seen from the benefits that can be felt by those concerned (stakeholders).

II. OBJECTIVES OF THE STUDY:

1. To analyse the role of information technology in business.
2. To study the impact of information technology in different activities of the business.

III. RESEARCH METHODOLOGY:

The data for this research paper is totally secondary in nature. An attempt has been made to study the role of information technology in business excellence. Data has been collected from various newspapers, journals and websites related to information technology.

IV. RESULTS AND DISCUSSION:-

The information system is significant in many companies/organisation; the main components included are hardware, software, brain ware (human resources), and network. These types of equipment are applicable to improve and raise work productivity, efficiency, effectiveness, and assist in the achievement of the organisation’s goals. Through the utilisation of organisational information systems, internet technology has become an arena of exploration of experts and practitioners — several business opportunities created due to this. Since the internet works as a business facility in the 1990s, the activities of various companies seemed never to stop. Virtual shops are open 24 hours to exchange information and transactions. The using of information systems and internet technology by business organisations has given birth to e-business. There are 3.9 billion internet users in the world, up to over 3.65 billion in the last year (ITU, 2018). According to internet world stats data shows that Asia has the highest number of internet users around globally. More than 2 billion of Asia’s people are using the internet. Due to this fact indicate that most Asian companies using internet services in their business activities, like paying bills, transfer money, exchange of information and communication. The second region which has most numbers of internet user in Europe, in 2018, Europe had more than 700 million internet users compared to Africa, which had more than 450 million internet users. The Middle East and Oceania/Australia. Region has a lower number of internet users.

Table 1. Internet Users in the World (In Millions)

Year	Asia	Europe	North America	Latin America/ Caribbean	Africa	Middle East	Australia
2009	764.4	425.8	259.6	186.9	86.2	58.3	21.1
2010	825.1	475.1	266.2	204.4	110.9	63.24	21.3
2011	1016.8	500.72	273.07	235.82	113.88	77.02	23.93
2012	1076.68	518.51	273.79	254.92	167.34	90	24.29
2013	1265.11	566.26	300.29	302.01	240.15	103.83	24.8
2015	1563.21	604.12	313.86	333.12	313.26	115.82	27.1
2016	1792.16	614.98	320.07	384.75	339.28	132.59	27.54
2017	1938.08	659.63	320.06	404.27	388.38	146.97	28.18
2018	2062.14	704.83	345.66	438.25	455.84	164.04	28.44

Source: Internet World Stats

Therefore, being connected to the internet, companies and organisations have the opportunity to conduct research faster based on the business company does. Form websites that promote their commodities monitor consumer behaviour and advancing of video conferencing.

FUNCTIONS OF I.T IN BUSINESS

The role of information technology systems in a business environment can be classified into four broad categories. These categories include function performance, communication through networking, management and enterprise roles. Information technology provides commercial and industrial systems for businesses. These systems enable businesses to function effectively and efficiently.

1. Function I.T Systems

Function IT systems are applications that allow individuals to function effectively in the workplace. Examples of common IT systems that enhance workplace functions are word processor applications, spreadsheet applications, statistical analysis software and computer aided design (CAD) programs. Employees can work and perform their task individually or collectively using these specialized software technologies.

2. Network I.T Systems

Network IT systems allow effective communication within and outside an organisation. Examples range from simple e-mail (electronic mail) to blogs, wiki sites, IM (instant messaging) and electronic conferencing systems. These types of technologies promote interaction and collaboration among working groups and also facilitate quick information flow at all levels.

3. Management I.T systems

Management IT systems (MITS) can be defined as planned applications that are designed to process data and transform the processed data into useful information for management decision making. In a typical scenario, management operates at different levels and so it is possible to apply management information systems at these varied levels. Basic examples of management information systems are human resources management systems, financial management information systems and marketing management information systems.

4. Enterprise I.T Systems

Enterprise IT systems are technologies designed to integrate and manage entire business processes for large organisations. Typically, enterprise application software is hosted on large servers over a computer network. Transmission of information can either be internal or external.

Examples of enterprise information systems may be accounting software, health care specific software or Electronic .Data Interchange (EDI). Another good example of software application within this category is Customer relationship management software (CRM).

APPLICATIONS OF I.T IN BUSINESS

1. EDI (Electronic Data Interchange):-

It facilitates exchange of orders between different businesses and allows Just in Time stock ordering. Other businesses place orders electronically once production schedules have been set for the next period. With computerised stock control, businesses should be able to check stock levels almost on a real-time basis. Stock checks are still required to reconcile stock levels that may be incorrect due to faults in scanning or because of pilferage or other wastage.

2. CAD/CAM - Computer Aided Design/Computer Aided Manufacture:-

Computer Aided Design and Computer Aided Manufacture are two systems that tend to work together. Computer Aided Design helps design products on computers, rather than having to create endless drawings. The system can create realistic 3D images of the finished product. CAD also allows virtual testing of the product before it is actually made, dramatically reducing lead times and minimising waste in new product development. CAM uses computers to control tooling such as CNC and other robotised machinery.

3. Project Management:-

The key Project Management tool that appears in A-level Business Studies is Critical Path Analysis (CPA), also known as Network Analysis – see separate Tutor2U revision note for details of CPA. Project Planning software, such as Microsoft Project, allows project managers to enter tasks, lead times, dependencies and staff skills and availability, even allowing for holiday, and the system will produce an optimised work schedule. Any student who has attempted to produce even a simple CPA will appreciate how helpful such a software package would be!

4. MRP/ERP – Management Resource Planning/Enterprise Resource Planning:-

These are names for computer systems that attempt to manage the whole company and draw together all aspects of its operations and administration. In practice, this is a considerable challenge and the software firms that offer this service tend to do so by integrating a number of existing systems to allow them to talk to one another by exchanging data. Students with a particular interest in ICT might wish to do their own research about ‘middleware’ and XML, a set of data standards that software developers adopt to help with systems integration.

PRECAUTIONS AND PREVENTIVE ACTIONS WHILE USING I.T:-

1. Make backups of all software including operating system, so if a virus attack has been made, you can retrieve, save copies of your files and software.
2. Inform all users that the risk of infection grows exponentially when people exchange floppy disks, download web material or open e-mail attachments without caution.
3. Scan all programs that might be executed and files before opening them.
4. Have anti-virus software installed and updated regularly to detect and disinfect viruses.

V. CONCLUSION:-

It can be concluded from all above study that information technology plays a vital role in business Sector. This article shows that several recent developments in the IT market converge into an infrastructure that meets business requirements for an integrated, flexible business performance management. We all are stupefied by the way technology has changed our lives. None of us would have imagined, few decades ago, that there will be something like Google that would give us information about anything and everything we want. It improves the quality of work, saves time and reduces cost. It also helps in the optimum utilization of scarce resources. With the help of IT, a Business can achieve its heights easily. Without IT, today’s business cannot survive.

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