

4

CORPORATE SYSTEMS

Chapter Summary

The main Information Systems used by medium and large organizations are an essential part of their business processes. They may be developed *in-house*, bought in as a package system, or the processing can be outsourced to a third party. To illustrate the nature of such systems this chapter looks at two widely used systems types:

- ◆ Payroll: All organizations have to pay their staff, but many outsource the function to a specialist bureau. The organization has to update the standing data for the payroll system: details of the staff, rates of pay and any variances that apply that week or month. Once all the data is updated the payroll can be run, producing the payment and payslip for the staff while also calculating pensions, tax and national insurance. To pay a large number of staff, reliably and on time, requires a well-designed and efficiently run system.
- ◆ Order processing: Many organizations have significant order processing functions. At the retail end of the supply chain the business has to order in stock to put into its shop. Further down the supply chain, organizations both take in orders from their customers and send out replenishment orders to their suppliers. The order processing system has to hold data on the products and normally on customers and suppliers. The system processes incoming orders to produce picking lists, delivery notes and invoices. On the replenishment side, it issues replenishment orders and then processes goods-in and invoices.

Payroll and order processing are just two of the systems that an organization might use – they have been selected to illustrate the nature of Information Systems, their complexity and some of the issues that arise when such systems are designed.

