

INFORMATION PLAN WORKBOOK

PLANNING SECTION

Version 1.2

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PREFACE

This workbook is a part of a larger new venture planning tools development program. Its primary objective is to assist in the development of new business without large development staffs. While these workbook are targeted toward the business development process, we hope that the workbooks within the Planning Section will have applicable to existing businesses as well.

The tools consist of a series of workbooks designed to provide a check list of key issues that need to be addressed during the development of most business concepts. We believe that the process of venture development is an active one. While much of the workbook's focus is on data collection, analysis and planning, we believe, activities should be dedicated to "hands on work" with the product, the process, and the potential customers. We hope these tools will focus activities on "what must be done".

We intend that this workbook and all others in the series will be "evergreen". New versions of the workbooks are expected to be published periodically, reflecting constructive comments by users. This workbook reflects the efforts of many individuals who have provided ideas and comments.

The philosophy expressed in this workbook reflects that of the authors and not of the organizations or corporations involved.

We wish to thank Michael White for reviewing the manuscript and making several useful suggestions.

INTRODUCTION

This is the *Information Plan Workbook*. It is designed as one of the tools for defining Venture Ideas as legitimate Business Venture Candidates and to assist in the preparation of the Business Plan. This workbook is compatible with the *Business Planning Guide*.

This *Information Plan Workbook* represents a fifth of the Planning Section, or Step three of a detailed four-step process for taking an Idea to a Venture. The major steps are Definition, Analysis, Planning, Venturing. The other four workbooks of the Planning Section are the *Operations & Quality Plan*; *Marketing & Sales Planning*; *Competitive & Strategic Plan*; and *Product Position, Promotion and Distribution Plan*.

The workbooks within the Planning Section takes different perspectives on the planning process. This *Information Plan Workbook* focuses on the sources and needs for information and the systems to support it use. It is activity oriented. The *Marketing & Sales Plan Workbook* focuses on the actions of the customer. The *Operations and Quality Plan Workbook* focuses on production and delivering quality. The *Competitive and Strategic Plan Workbook* focuses on competition and long term opportunities. The *Product Position, Promotion & Distribution Workbook* focuses on the marketing activities required to bring the product to the customer.

No single perspective is likely to give a total picture of the business situation or the activities required for it be successful. Each workbook focuses on different aspects and approaches to planning critical business activities. It is the collection of approaches that should yield an overall view of planning.

It is not expected that you will have immediate answers to all the questions in this workbook. Developing adequate information is part of the analysis process.

Good luck. It is not supposed to be easy.

DEVELOPMENT

DEFINITION

ANALYSIS

PLANNING

VENTURING

Business Ideas

New Venture Workbook

New Venture Evaluation Workbook

Product Offering & Quality Workbook
Operations Development Workbook

Venture Analysis Workbook

Marketing & Sales Plan
Information Plan
Competitive & Strategic Plan
Product Position & Promotion./ Distribution Plan
Operations & Quality Plan

Business Plan Guide

Ventures



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I. BUSINESS DEFINITION

We assume before you start this section, that you completed earlier workbooks and have reviewed your entries. In those workbook the business concept should have been defined. Much information is likely to have accumulated since that definition was formulated. Business concepts evolve. Do not feel constrained by the previous definitions.

This section asks you to define your Venture Candidate as a refined Business Definition. There are two sub-sections, covering Products and Markets.

A. Products

What products and services do you intend to sell?

This description should be as specific or as general as this stage of development will permit. Try to be as specific as possible. The product definition limits the range of the business that will be considered. The more specific the product is, the easier it is to define the means of production. Recognize that the character of the products may change as the business is redefined during the development process.

At a minimum, specify the use of the product and service to the customer and user.

B. Markets**To whom will you sell the products and services and who will use them?**

The identities of buyers, specifiers, and users of the products and services are critical for defining the business. It should be noted that the buyers, specifiers and users may be different individuals with widely different needs. All are considered to be customers.

If the product will be purchased more than once, either through a distributor or through subsequent processing where the identity of the product is maintained, (i.e. a Dacron Shirt) all customers should be identified. If the product loses its identity (i.e. sulfuric acid in a metal pickling process) subsequent elements of the use channel need not be identified.

If feasible, key perceived customer benefits should be identified along with the customers.

II. OPERATIONS

This section focuses on the information and accounting systems that are necessary to conduct business. The intent to this section is to assure that appropriate accounting and monitoring systems are in place for effective running of the business.

We suggest that you consult the business systems organization in filling out this section as well as operational management. Reviewing this section and others in the workbook with the financial control function is also recommended.

A. Invoicing

How do we process orders?

The method of processing of orders can be critical for the success of the business. It determines the reliability and timeliness of product delivery process. Indicate how the orders are processed, from receipt to execution of the order.

How do we bill our customers?

How do we assure that the billing is correct?

The business of business is making money. Billing customers is the way its done. Describe the billing and invoicing process. Indicate the control system in place to assure that the quantity and terms are correct.

B. Paying Bills**How do we pay bills?**

Indicate what systems are available and in place for the payment of bills for all aspects of the business. Include manufacturing, marketing, sales, and out-pocket expenses.

How do we assure that the bills are paid on time?

Indicate what procedures exist to assure the bills are paid on time.

How do we assure that they are correct?

Indicate the control systems in place to assure that bills are not paid more than once and at the appropriate level. Identify how vendor contractual arrangements are verified against their bills.

C. Cashing Checks

How are checks handled?

How do we record payment?

Indicate what provisions have been made to deposit checks and transfer funds into the business. Proper recording of checks and fund transfers are critical for controlling the finances of the business. A system should be in place to track who has paid, when they paid, and how much is still owed.

D. Shipping Product

What documents are needed for shipping product?

How will we obtain them?

Documentation is usually needed to ship product. These documents include standard bills of landing, packing slips, and legal shipping documents. Legal requirements may include: inspection documentation, safety information, and tax (duty) forms. Indicate what documentation is needed and how it will be obtained. Identify who is responsible to obtain this documentation.

E. Tax Documents

What tax exception documentation are needed?

How will they be obtained?

Tax exception and qualification may be critical for profitable operations. Identify what tax benefits are to be derived from this business and indicate the necessary documentation to obtain those benefits. Specify the policies and procedures that will be undertaken to maintain proper tax documentation. We assume procedures to handle standard income and property taxes exist for this business. Systems should be available to handle any extraordinary tax provisions which apply to this business.

Specify systems to obtain and record documents verifying payment of import duties and export fees, if appropriate. Taxes

F. Reporting & Monitoring

1. Outlays

How do we assure that outlays are correct and justified?

How do we track direct expenses?

Tight cost control can be critical for the success of a business. Indicate the provisions made to track outlays and direct expenses for this business. Identify who get the reports and the expected delay between incurred costs and issued reports.

F. Reporting & Monitoring

2. Allocated Expenses

How do we track allocated expenses?

Allocated expenses are charges imposed on the business by the Department or the Corporation. These are effectively taxes imposed from outside the organization. They are negotiated and therefore, must be reviewed and checked by the business management. Indicate how allocated expenses are itemized and reported. Identify the delay between incurred charges and the issued report.

F. Reporting & Monitoring

3. Finished Products Inventory

How do we know what product is available for sale and where?

How do we know what product will be available and when?

Describe the reporting system for inventory control. Indicate how we know how much and where each type of product is located. Describe the forecasting and product scheduling system with the reporting mechanism. Identify who gets the reports and the delay between the availability of data and the issuing of reports.

F. Reporting & Monitoring

4. Feed Stocks

How do we know how vulnerable we are to supply cut off?

How do we know how much product could be produced?

Describe the tracking system for feed stocks. Identify who gets the reports and the delay between the availability of data and the issuing of reports.

F. Reporting & Monitoring

5. Consolidations

How do we assure that the accounts for this business can be consolidated with those of the Department and the Corporation?

Indicate how the accounting systems for this business interact with those of the Department and the Corporation. Identify the ways that the accounts will be made to agree and who is responsible for the consolidation and reconciliation.

F. Reporting & Monitoring

6. Budgeting

How do we determine what resources are needed for programs?

How do we determine that expenditures are in line with the budget?

Describe the budgeting process. Indicate how forecasts are made, and required expenditures estimated. Identify who is responsible and the schedule of the budgeting process.

G. Controls

1. System Procedures

How are the information systems procedures documented?

The information systems consist of all accounting, control, and monitoring systems used to conduct this business. Indicate how the procedures for the information systems are documented. Identify who is responsible for the maintenance of the documentation and where the documentation is kept available.

G. Controls

2. Security

What procedures are being used to prevent unauthorized access to business information?

Describe the security procedures regarding limiting access and identify who is responsible for procedures. Identify responsibility for determining who should have access. Indicate if the specific business procedures contains security procedures and identify where the documented procedures are available.

G. Controls

3. System Protection

What procedures are being used to prevent the loss of business information?

Describe the data and systems protection procedures including backup schedules. Identify who is responsible for procedures and its implementation. Indicate if the specific business procedures contains data and systems protection and identify where the documented procedures are available.

G. Controls

4. Special Controls

What items in this business need special control (i.e. cash, precious metals, controlled substances)?

How are they controlled?

What documentation is available?

Each business has its own critical elements, either information or materials. These elements should be protected. Indicate what are the unique critical elements in this business that need protection. Describe the protection procedures and how they are documented. Identify who is responsible for the protection.

G. Controls

5. Compliance

a. Control Procedures

How does the staff have access to the system control procedures?

How do we assure that the system control procedures are followed?

5. Compliance

b. Business Practices

How are the business policies and practices documented?

How does the staff have access to them?

Business practices consists of all procedures for the conduct of the business. Indicate how the practices are documented, who is responsible, and the documents can be accessed.

How do we assure that the business policies and practices are followed?

5. Compliance

c. Comptroller & Audit Division

What review procedures has been developed to assure compliance with Departmental and Corporate guidelines?

Assessment of compliance with Departmental control guidelines is the responsibility of the Departmental Comptroller; for the Corporate guidelines, it is the internal auditing function. The responsibility for the conduct of the business and compliance with all aspects of the business must reside with the business management. Indicate what review procedures have been established to assure compliance. Indicate what arrangement has been made to obtain Departmental, Divisional, and Corporate input into the review procedures.

III. BUSINESS INFORMATION

This section focuses on the gathering and use of business information. Adequate business information is critical for making good business choices and obtaining organizational support. Systems for standard information, such as sales reporting and call reports are discussed as well as the need for special information about your customers and competitors.

We recommend that you consult your operational personnel, marketing research and the marketing communication professionals for assistance in completing this section.

A. Market Information

1. Sales Information

How do we know who is buying our products and services?

It is important for the business to know, not only, the companies who buy the product but their characteristics and individual identities. There are a variety of approaches to obtain information on our customers (i.e. warranty cards, surveys, etc.). Indicate how sales information is obtained and how it is to be reported.

Who gets the sales information reports and when?

Identify who is responsible for sales reporting and who gets the reports. Indicate the expected delay between the availability of basic data and the issuance of the report.

A. Market Information

2. Call Reports

How do we know what the customers are doing?**How do we know what our sales and customer technical staff are doing?**

Call reports are the basic technique to determine what is going on in both sales and technical service activities. Prompt and thorough reporting can be critical for effective management. Indicate the nature of the call reporting being done by the sales and field technical staff. Discuss field management reviewing procedures to verify sales information.

Who gets the sales information reports and when?

Identify who is responsible for sales call report summaries and who gets the reports. Indicate the expected delay between the sales calls and the issuance of the report.

A. Market Information

3. Library & Syndicated Sources

How do we know what the industry is doing?

Who is responsible for collecting industry data?

Indicate the standard sources of information and any industry tracking programs in place. Identify who is responsible for the industry information reports and tracking studies.

Who gets the industry information reports and when?

Identify who gets the reports and for what they are used. Indicate the expected delay between the available data and the issuance of the report.

B. Marketing and Customer Information (Research)

1. Customer Benefits & Behavior

How do we know what the customer values?

How do we know how he makes decisions?

Knowing customer values can be critical for product development and Quality programs. Assurance of effective business development and the maintenance of the current business require understanding our customers. Because of inherent biases and orientation, we can not rely solely on the sales force for reliable customer information. Indicate how the information is obtained.

Who gets this information?

How can will this information be used?

Identify who gets the reports and for what they are used.

B. Marketing Research

2. Customer Perception

How do we know what the customers think of us and the competition?

How can we use this information to position our products?

Customer perceptions of our product and competitors can be critical in estimating: (1) product potential; (2) business vulnerability to competition; and (3) pricing strategy. Because of inherent biases and orientation, we can not rely solely on the sales force for reliable customer information. Indicate how the information is obtained.

Who gets this information?

How will this information be used?

Identify who gets the reports and for what they are used. Indicate the expected delay between the available data and the issuance of the report.

B. Marketing Research

3. Customer Expectations and Quality

How do we know what our customers expect from us and our product?

How do we know what we can do to change those expectations?

"Quality" is the meeting and exceeding of customers expectations. To assure business quality, the expectations of existing and potential customers must be determined. Those expectations change and must be tracked. Because of inherent biases and orientation, we can not rely solely on the sales force for reliable customer information. Indicate how the information is obtained.¹

Who gets this information?

How will this information be used?

Identify who gets the reports and for what they are used. Indicate the expected delay between the available data and the issuance of the report.

¹ Customer expectations and quality are discussed in the *Product Offering and Quality Workbook* and the *Operations and Quality Plan Workbook*. This item is included to bring the marketing research and information gathering functions together.

B. Marketing Research

4. Responsibility

Who is responsible for marketing information?

Market and marketing research require special skills to assure quality data collection and analysis. Identify who in the organization is responsible to assure that the market and marketing information are valid and that the most value is obtained from that information.

What resources are available for obtaining information?

Indicate what resources and funds have been allocated for data collection and analysis.

C. Testing

1. Concepts

How are new product and service ideas tested?

New business concepts have to be tested with customers. Describe the testing procedures for new product concepts. Indicate who are to be tested, what standards are used; and how success is determined. Identify who is responsible for new product testing.

How do we determine the customers' intent to buy the product?**How do we relate the intention with expected purchases?**

Indicate how the size of the market is determined and the willingness of the customers to purchase the product. Describe the procedures used to determine acceptable price and terms.

C. Testing

2. Advertising & Promotion

How do we know that advertisements, displays, and sales aids will be effective?

Testing promotional materials is critical for effective programs. Indicate how materials are tested before use. Identify who is responsible for testing and for approval.²

How do we know when they have been effective?

Determining the effectiveness of promotional programs is usually not simple. Their impact is often confounded by other activities concurrently underway. Indicate the methods for estimating program effectiveness and identify who is responsible for determining the effectiveness of programs.

² Advertising and Promotion is covered in the *Product Position, Promotion, and Distribution Plan Workbook*. This item is included to bring the marketing research and information gathering functions together.

C. Testing

3. Marketing and Promotion Tests

How to we know that marketing, sales and promotional campaigns will be effective?

New marketing campaigns should be tested with customers. Describe the testing procedures for new campaigns. Indicate who are to be tested; what standards are used; and how success is determined. Identify who is responsible for testing.

How to we know when they have been effective?

Determining the effectiveness of promotional programs is usually not simple. Their impact is often confounded by other activities concurrently underway. Indicate the methods for estimating program effectiveness and identify who is responsible for determining the effectiveness of programs.

C. Testing

4. New Product Introduction

How do we introduce new products?

New product introduction can be complex. Roll out of new products can be done locally, regionally, nationally, or on a global basis. Indicate how new product variants will be introduced to the market.

How do we monitor the acceptance?

How do we forecast sales?

Monitoring sales and customer acceptance is a key problem for new product introduction. Inventory growth and promotional campaigns can confound estimates of actual sales. Indicate how sales of new products are to be monitored and how sales forecasts are obtained.

D. Competitive Information

1. Potential Competitor Identification

How do we obtain information on their capabilities?

Identify who is responsible for competitive intelligence. Indicate the sources of information and the reporting system to identify a changing market condition.³

How do we obtain information on competitors' capabilities?

³ Competitive strategy is covered in the *Strategic and Competitive Plan Workbook*. Integration of competitive intelligence is a critical function of long term program development and is covered here as part of the information plans of the business.

D. Competitive Information

2. Monitoring Action

How do we know what our competition is doing?

How do we determine their intent?

It is critical to determine what the competition is doing, his capabilities, and also his intent. Competitive strategy should rely on the understanding of what the competitors are likely to do. Describe the continuing competitive intelligence program. Identify who is responsible.⁴

⁴ Competitive strategy is covered in the *Strategic and Competitive Plan Workbook*. Integration of competitive intelligence is a critical function of long term program development and is covered here as part of the information plans of the business.

D. Competitive Information

3. Product Testing

How do we obtain competitive products?

How do we test them?

Indicate the issues which must be addressed regarding competitive products. Particularly, note whether patent violations need to be monitored. Identify who receives competitive product testing results and who is responsible for prompt testing and reporting.

How do we know what customers think of the competitive products?

Laboratory tests are usually insufficient to assess competitive products. Customer reaction is usually critical for the evaluation. Customer reaction should include both their impression of the product and their experience with it. Indicate the sources of information and identify the degree to which it is exclusive information.

IV. INFORMATION SYSTEMS

This section focuses on the computerization and automation of the business. Improved decision making and productivity can be derived from this activity, but it must be controlled and coordinated.

We recommend that you consult your computer systems experts in completing this section. They should be critical in determining the difficulty associated with each of the proposed tasks. We also suggest that the internal auditing function review the subsection involved in auditing management information systems. Reviewing this section with your operational personnel is critical both to determine that the programs required are actually desired and to obtain support for the path forward.

A. Management Information Systems

1. Integrated Information System

What are the needs for an integrated information system?

What specific data should be collected and compiled?

The integrated information system is a computer based system designed to interconnect groups of data. Generally, business cost accounting systems need to be integrated. The Quality information system, including product testing and complaint information may need to be integrated. Indicate what information needs to be compiled across functions, the specific data needed and their source.

When must such a system be available?

A. Management Information Systems

2. Data and Reports

What specific data must be centrally kept?

Centralization of data is critical for multiple users. Indicate the data that must be central stored and accessed by multiple users. Identify who must have access to the data in terms of function.

What type of reports must be routinely produced by the system?

Standard reports are generally compiled from routinely collected data. Indicate for each major report: (1) the purpose, (2) the structure, (3) who receives it, and (4) who is responsible for its generation.

A. Management Information Systems

3. Connectivity & Standards

How must the systems be connected?

What data need to be merged?

Communications between computers and computer languages can be complicated and should be designed into the systems (not imposed upon them). Indicate which systems will need to be interconnected in order to exchange data and how much data will be transferred.

What standard hardware and software are intended to assure compatibility?

The selection of standards for computers, languages, and system software is critical to assure compatibility and connectivity. Identify the packages and computer systems selected as standard for central data storage and the overall management information system.

A. Management Information Systems

4. Security and Protection

What procedures and devices are being used to prevent unauthorized access to sensitive materials?¹

The security of company information is critically important. Indicate how sensitive material will be secured in the management information systems automations system and how compliance will be assured.

What procedures and devices are being used to prevent the loss of information?

What backup procedures are being used?

How and where are the backup files being stored?

The value of company information is derived from having it available when needed. Indicate how company information held in the management information systems will be protected from loss. Identify the schedule for backing up internal disks and assuring that they are stored safely against damage and theft.

¹ Security and protection of data are covered in the standards documents that should be prepared by each business site.

A. Management Information Systems

5. Auditing Facilities

What reports and files must be kept to assure that the system can be audited?

Critical systems are deemed "Audit Critical" if the information is important for the financial health of the firm. Accounting systems are usually considered Audit Critical. Facilities to enable auditing must be included. Indicate which systems should be audited and what reports, and files must be available.²

What provision has been made to review the systems design with Departmental and Corporate auditing personnel?

Auditing often requires special provisions including assuring the existence of "audit trails". The auditing provisions should be reviewed with the Department's Comptrollers office and with the internal auditing function.

² The selection of *Audit Critical* functions should be made with consultation with the internal auditing function.

A. Management Information Systems

6. Data Flow Diagrams

What information should be stored?

How will it be stored?

Describe the management information system by a flow diagram showing the major logic steps and the trail of data entering and leaving each step of the process.

A. Management Information Systems

7. Support

Who will support and maintain the management information system?

Support and maintenance include all activities needed to keep the system running. Report generation may be the responsibility of users or the support staff depending on the needs of the organization. Indicate the role of the support and maintenance staff for the system. Identify who is responsible.

A. Management Information Systems

8. Training

How much training does your staff need and want?

Who will provide the training?

Indicate what training should be provided for the users and the support staff for the system. Indicate if new languages or equipment will be used in the system. Identify who will provide the training and on what basis. If an outside vendor is to be used, indicate which vendor and why.

A. Management Information Systems

9. Resources

Who will develop the Management Information System?

Identify who will develop the management information system. This should include the design, the coding, testing, documentation and initial training. The identity should be a person as well as an organization. The development of systems tends to be a personal endeavor. It is often important to maintain contact with the individual who develops the system. Indicate how long the developer will be available for changes and upgrades.

How much will it cost?

Indicate total "life time costs" for the system. These include: (1) development, (2) documentation, (3) maintenance, (4) training, and (5) upgrading, and (6) use.³

³ The business systems group should be able to help in the estimation of total costs.

A. Management Information Systems

10. Responsibility

Who is responsible for the development of the Management Information System?

Management information systems typically involve several functions in the business and organizations. Indicate who or what organization is responsible for development of the various Management Information Systems. Identify who is responsible for approving specifications and system design.

Who is responsible for running of the Management Information System?

Responsibility for the design may be separated from that of running the system. It is important that the two functions are coordinated in order to assure final satisfaction. Indicate who will be responsible for running the systems.

B. Decision Support Systems

1. Planning Needs

What systems are needed to improve the planning process?

How would the system improve the planning operations?

Decision Support Systems, DSS, consists of packages and programs that aid the decision making process. Usually these systems are computer based. Other decision support tools may be included. In the planning functions, DSS include forecasting and business modeling tools.

Indicate the Decision Support System needs in planning. Do not include general purpose computer packages such as LOTUS 1-2-3 unless special spreadsheets or programs must be written by non-users or where extensive effort is required.

B. Decision Support Systems

2. Operations

What systems are needed to improve the operations?

How would these systems improve the operations?

In operations, DSS include forecasting, statistical analysis, report generation, and control.

Indicate the Decision Support System needs in operations. Do not include general purpose computer packages such as spreadsheets, database managers, and statistical packages, unless special programs must be developed by non-users and where extensive effort is required.⁴

⁴ Operational needs for monitoring and control are covered in *Operations and Quality Workbook*.

B. Decision Support Systems

3. Training & Support

What training is needed and wanted?**Who will do the training?**

For the Decision Support Systems to be useful, people must use them. Indicate how much training will be needed and wanted; and how it will be done. Identify who will do the training.

How will these systems be supported?**Who will do the support?**

All programs and packages need to be upgraded and changed. Indicate the degree to which these systems will need support and how that support will be obtained.

B. Decision Support Systems

4. Resources & Responsibility

Who will build these systems?
What resources are available?

Who is responsible to authorize the development of these systems?
Who is responsible to set specifications and supervise development?

C. Office Automation

1. Mission and Objectives

What are the goals, mission, and objectives for automating the office functions for this business?

Office automation is closely associated with the use of personal computers in the office environment. Indicate the overall mission and objectives for office automation. Do not consider home office facilities. Indicate specific economic and performance objectives for the effort.

C. Office Automation

2. Communications

How will information be communicated to other offices, the field staff, plants, customers, and suppliers?

What standards of communications are been adopted?

Why?

One of the most powerful values of office automation is provided by communications. Data and working documents can be shared among offices throughout the country. Indicate the way that the office systems are to be interconnected. Identify if a standard is being used for the communications, (for example, PROFS, All-In-One, or other identified systems).

C. Office Automation

3. Security and Protection

What procedures and devices are being used to prevent unauthorized access to sensitive materials?⁵

The security of company information is critically important. Indicate how sensitive material will be secured in the office automations system and how compliance will be assured.

What procedures and devices are being used to prevent the loss of information?

What backup procedures have being used?

How and where are the backup files being stored?

The value of company information is derived from having it available when needed. Indicate how company information held in the office automation system will be protected from loss. Identify the schedule for backing up internal disks and assuring that they are stored safely against damage and theft.

⁵ Security and protection of data are covered in the standards document that should be prepared by each business site.

C. Office Automation

4. Training & Support

How much training does your staff need and want?

Who will provide the training?

Indicate how much training will be needed and wanted to use the office automation systems; and how training will be accomplished. Identify who will do the training.

Who will support the systems?

Office automation support consists of "on-line" help and maintenance of the system. All programs and packages need to be upgraded and changed and therefore maintained. "Hot-line" assistance consists of personnel readily available to answer questions. Indicate the degree that these systems will need support and who will provide that support.

C. Office Automation

5. Standards

What computer systems and other hardware have been selected?

Why?

In order that the office systems are compatible standards should be established. Indicate what type of personal or work station system or "platform" will be standard. Identify the types of printers, plotters, and other peripherals that will be acceptable.

What software programs and packages have been selected?

Why?

Not all computer packages, even on the same computer, are compatible and allow interchange of data and documents. Furthermore, the way the package works and looks, may be very different. In order to assure compatibility and support, standards are often established in software.⁶ Indicate the standards that will be used for office automation.

⁶ A set of software packages that are to be supported for a specific set of applications on a given set of computers or platforms is referred to as the "*application suites*". The support function is often designed around the definition of the "*applications suites*" that will be served.

C. Office Automation

6. Resources & Responsibility

What resources are available to acquire and support the systems?

Who is responsible for office automation for this business?

D. Sales & Distributed Support

1. Mission and Objective

What are the goals, mission, and objectives for sales and distributed computing support for this business?

Sales and distributed support systems are designed to provide assistance to the sales force, manufacturing and distribution. Communications among these functions are critical to assure Total Quality Management.⁷ Home office systems are included in these systems, as well as computer based promotional systems.⁸ Indicate the long term vision for these systems and the short term goals for immediate implementation.

What are the specific needs for distributed support?

What are the benefits to the business of such an integrated system?

Indicate what specific needs the systems provide and the benefits to the business. Impute a financial value if possible.

⁷ The issues regarding Quality implementation are covered in the *Operations and Quality Plan Workbook*.

⁸ Promotional activities are covered in the *Product Position, Promotion, and Distribution Plan Workbook*.

D. Sales & Distributed Support

2. Communications

How will information be communicated to offices, the other field staff, plants, customers, and suppliers?

What standards of communications are been adopted?

Why?

Sales and distribution support may rely heavily on communications. Data and working documents can be shared among facilities and the sale personnel offices at their homes or in the field. Indicate the way that the sales and distribution support systems are to be interconnected. Identify if a standard is being used for the communications.

D. Sales & Distributed Support

3. Sales Aids

What are the needs for computer-aided sales support?

What systems should be developed and when?

Computerized sales aids are programs to assist in the marketing of products and services directly to the customer or dealer. They can consist of video promotional displays, "expert system" problem user problem evaluation, and "question and answer" systems.

Indicate what systems should be developed,⁹ the objective and specifications of each; and who will use them.

⁹ Promotional activities including sales aids are covered in the *Product Position, Promotion, and Distribution Plan Workbook*. We suggest that you review that workbook if it is available.

D. Sales & Distributed Support

4. Security and Protection

What procedures and devices are being used to prevent unauthorized access to sensitive materials?¹⁰

The security of company information is critically important. Distributed processing makes limiting access difficult but even more important. Indicate how sensitive material will be secured in the sales and distribution support systems and how compliance will be assured.

What procedures and devices are being used to prevent the loss of information?

What backup procedures have being used?

How and where are the backup files being stored?

The value of company information is derived from having it available when needed. Because of the disperse nature of sales and distribution systems, protection is difficult to maintain. Indicate the procedures that will be followed to protect customer computing information and the methods of assuring that those procedures are being followed.

¹⁰ Security and protection of data are covered in the standards document that should be prepared by each business site.

D. Sales & Distributed Support

5. Training & Support

How much training does your staff need and want?

Who will provide the training?

Training of sales and other dispersed personnel is often difficult to coordinate. Indicate how much training will be needed and wanted to use the sales and distributed systems; and how training will be accomplished. Identify who will do the training and how quality will be assured.

Who will support the systems?

Sales and distribution systems support consists of "on-line" help and maintenance of the system. All programs and packages need to be upgraded and changed and therefore maintained. "Hot-line" assistance consists of personnel readily available to answer questions. Indicate the degree that these systems will need support and who will provide that support.

D. Sales & Distributed Support

6. Standards

What computer systems and other hardware have been selected?

Why?

In order that the sales and distributed support systems are compatible standards should be established. Indicate what type of computer or work station system or "platform" will be standard. Identify the types of printers, plotters and other peripherals that will be acceptable.

What software programs and packages have been selected?

Why?

Not all computer packages, even on the same computer, are compatible and allow interchange of data and documents. The way the package works and looks, may be very different. In order to assure compatibility and support, standards are often established in software. Indicate the standards that will be used for sales and distributed support systems.¹¹

¹¹ A set of software packages that are to be supported for a specific set of applications on a given set of computers or platforms is referred to as the "*application suites*". The support function is often designed around the definition of the "applications suites" that will be served.

D. Sales & Distributed Support

7. Resources & Responsibility

What resources are available to acquire and support the systems?

Who is responsible for distributed support for this business?

E. Customer Computing

1. Mission and Objectives

What are the benefits to the business will be realized by promoting computer and communications support with the customers?

Customer computing consists of facilities to assist the customer in utilizing computer systems. Generally, this focuses on communications, business consulting, and technical assistance. Indicate what technologies are being considered and the benefits that will be realized by promoting it. Include Quality, partnerships and promotional considerations.^{12, 13}

What are the specific needs for distributed support?

What is the goals, mission, and objectives for customer computing for this business?

Indicate the long term vision for these systems and the short term goals for immediate implementation. Indicate what specific needs the systems provide and the benefits to the business. Impute a financial value if possible.

¹² The issues regarding Quality implementation are covered in the *Operations and Quality Plan Workbook*.

¹³ Promotional activities are covered in the *Product Position, Promotion, and Distribution Plan Workbook*.

E. Customer Computing

2. Systems Development

What systems need to be developed for the customers?

Who will develop the systems and when?

While major components of the customer computing systems can be installed as purchased "off-the-shelf" some elements may require custom design and development. Describe the specific systems that should be developed. Identify who will develop them and when they are to be available.

E. Customer Computing

3. Communications

How will information be communicated to and from the firm?

What standards of communications are been adopted?

Why?

A customer computing system can rely heavily on communications to maintain control. Data and working documents can be shared among facilities and the sale personnel offices at their homes or in the field. Indicate the way that the sales and distribution support systems are to be interconnected. Identify if a standard is being used for the communications (for exmaple, PROFS, All-In-One, or other identified systems).

E. Customer Computing

4. Security and Protection

What procedures and devices are being used to prevent unauthorized access to sensitive materials?¹⁴

The security of company information is critically important. Distributed processing makes limiting access difficult, but even more important. Indicate how sensitive material will be secured in the customer computing and distribution support systems and how compliance will be assured.

What procedures and devices are being used to prevent the loss of information?

What backup procedures are being used?

How and where are the backup files being stored?

The value of company information is derived from having it available when needed. Because of the disperse nature of customer computing protection is difficult to maintain. Indicate the procedures that will be followed to protect customer computing information and the methods of assuring that those procedures are being followed.

¹⁴ Security and protection of data are covered in the standards documents that should be prepared by each business site.

E. Customer Computing

5. Training & Support

How much training does your staff need and want?

Who will provide the training?

Training for customer computing is often difficult to coordinate. Indicate how much training will be needed and wanted to use the customer computing systems; and how training will be accomplished. Identify who will do the training and how quality will be assured.

Who will support the systems?

Customer computing systems support consists of "on-line" help and maintenance of the system. All programs and packages need to be upgraded and changed and therefore maintained. "Hot-line" assistance consists of personnel readily available to answer questions. Indicate the degree that these systems will require support and who will provide that support.

E. Customer Computing

6. Standards

What computer systems and other hardware have been selected?

Why?

In order that the customer computing are compatible, standards should be established. Indicate what type of computer or work station system or "platform" will be standard. Identify the types of printers, plotters and other peripherals that will be acceptable.

What software programs and packages have been selected?

Why?

Not all computer packages, even on the same computer, are compatible and allow interchange of data and documents. Furthermore, the way the package works and looks, may be very different. In order to assure compatibility and support, standards are often established in software. Indicate the standards that will be used for sales and distributed support systems.¹⁵

¹⁵ A set of software packages that are to be supported for a specific set of applications on a given set of computers or platforms is referred to as the "*application suites*". The support function is often designed around the definition of the "applications suites" that will be served.

E. Customer Computing

7. Resources & Responsibility

What resources are available to acquire and support the systems?

Who is responsible for customer computing and communications?

F. Systems Development

1. Software Standards

What are the needs, advantages and problems for this business in adopting program and language standards?

What standards, if any, have been selected?

Why?

Describe the standards that have been set for systems and program development. Indicate who set the standards and the conditions by which they must be adhered to or bypassed.¹⁶ Indicate the scope of the standards and the specific reasons for their adoption.

¹⁶ The documents may specify the software and hardware standards for the business or organization.

F. Systems Development

2. Documentation Standards

What are the expected needs for custom software documentation?

What standards have been adopted to assure the quality of the documentation?

Documentation includes: annotated technical documentation of the program (its source code), data structures (including data dictionaries and flow diagrams), manuals, user guides, and training materials. Indicate what documentation is required for all custom programs and systems developed.¹⁷

¹⁷ The documents may specify the documentation standards for the business or organization.

F. Systems Development

3. Justification Procedures

How is the development of custom computer programs justified?

Indicate the process of justifying the development of major computer programs and systems. Include on those programs and systems for which special or outside personnel will be utilized or that require substantial funds for design, development, implementation, and documentation.¹⁸

¹⁸ The documents may describe the justification process.

F. Systems Development

4. Suppliers Selection

How are suppliers of software, programmers, and hardware selected?

Are their preferred suppliers?

Indicate the process and the criteria used for selecting computer service vendors. Identify any preferred suppliers and why they are preferred.¹⁹

¹⁹ They are many non-economic reasons for maintaining a preferred supplier including experience, partnership, and responsiveness.

F. Systems Development

5. Responsibility

Who is responsible for authorizing system development?

Who is responsible for approving specifications and the contract arrangement?

Who is responsible for supervising its development and assuring compliance with specifications?

SUMMARY

I. BUSINESS DEFINITION

- A. PRODUCTS
- B. MARKETS

II. OPERATIONS

- A. INVOICING
- B. PAYING BILLS
- C. CASHING CHECKS
- D. SHIPPING PRODUCT
- E. TAX DOCUMENTS
- F. REPORTING & MONITORING
 - 1. *Outlays*
 - 2. *Allocated Expenses*
 - 3. *Finished Products Inventory*
 - 4. *Feed Stocks*
 - 5. *Consolidations*
 - 6. *Budgeting*
- G. CONTROLS
 - 1. *System Procedures*
 - 2. *Security*
 - 3. *System Protection*
 - 4. *Special Controls*
 - 5. *Compliance*
 - a. Control Procedures
 - b. Business Practices
 - c. Comptroller & Audit Division

III. BUSINESS INFORMATION

- A. MARKET INFORMATION
 - 1. *Sales Information*
 - 2. *Call Reports*
 - 3. *Library & Syndicated Sources*
- B. MARKETING AND CUSTOMER INFORMATION (RESEARCH)
 - 1. *Customer Benefits & Behavior*
 - 2. *Customer Perception*
 - 3. *Customer Expectations and Quality*
 - 4. *Responsibility*
- C. TESTING
 - 1. *Concepts*
 - 2. *Advertising & Promotion*
 - 3. *Marketing and Promotion Tests*
 - 4. *New Product Introduction*

SUMMARY, Continued

D. COMPETITIVE INFORMATION

1. *Potential Competitor Identification*
2. *Monitoring Action*
3. *Product Testing*

IV. INFORMATION SYSTEMS

A. MANAGEMENT INFORMATION SYSTEMS

1. *Integrated Information System*
2. *Data and Reports*
3. *Connectivity & Standards*
4. *Security and Protection*
5. *Auditing Facilities*
6. *Data Flow Diagrams*
7. *Support*
8. *Training*
9. *Resources*
10. *Responsibility*

B. DECISION SUPPORT SYSTEMS

1. *Planning Needs*
2. *Operations*
3. *Training & Support*
4. *Resources & Responsibility*

C. OFFICE AUTOMATION

1. *Mission and Objectives*
2. *Communications*
3. *Security and Protection*
4. *Training & Support*
5. *Standards*
6. *Resources & Responsibility*

D. SALES & DISTRIBUTED SUPPORT

1. *Mission and Objective*
2. *Communications*
3. *Sales Aids*
4. *Security and Protection*
5. *Training & Support*
6. *Standards*
7. *Resources & Responsibility*

E. CUSTOMER COMPUTING

1. *Mission and Objectives*
2. *Systems Development*
3. *Communications*

- 4. *Security and Protection*
- 5. *Training & Support*
- 6. *Standards*
- 7. *Resources & Responsibility*

SUMMARY, Continued

F. SYSTEMS DEVELOPMENT

- 1. *Software Standards*
- 2. *Documentation Standards*
- 3. *Justification Procedures*
- 4. *Suppliers Selection*
- 5. *Responsibility*

GLOSSARY

Many of the terms used in this workbook have broader definitions than are intended here. The following definitions refer to this *Information Plan Workbook*.

All-In-One	All-In-One [®] is the electronic mail system provided by DEC
Allocated Expenses	Allocated Expenses consist all charges to the business imposed by the firm. Some of these charges are under limited control of the business must be tracked.
Application Suite	The Application Suite is a planning concept used in computer application support. It refers to the intersection of computer packages, applications and hardware that will be supported. It represents the scope of the support effort.
Audit Critical	Audit Critical refers to those accounts and issues that are considered vital to the financial security of the firm by the Auditing organization. Items judged audit critical should be set up in such as way to allow thorough auditing of accounts, procedures, and compliance.
Audit Trails	Auditable accounts should be set up in a way to allow the transaction to be traced through the system. The provisions which allow tracing those accounts are referred as the Audit Trails.
Auditing	Auditing in this workbook refers to internal and independent auditing. These functions are required by the SEC. The functions of the audits can be obtained from the intrnal auditing function.
Call Reports	Call reports are formal or informal documentation of sales calls.
Checks	Checks refer to any payment to the firm. In general, most payments are made by check. Other forms of funds transfer can be considered.
Compatibility	System compatibility refers to the ability to run programs and data through multiple machines and packages. Compatibility should be viewed as a range of capabilities.
Competitive Intelligence	Competitive Intelligence consists of all information gathered and analyzed to position the existing and potential competitors; and to determine their capabilities, their intent and actions.
Compliance	Compliance is the extent to which procedures are carried out.
Consolidation	Consolidation consists of combining accounts to obtain an overall financial portrait of the business.
Contractual Arrangements	Contractual arrangements are firm, documented, agreements between this business and customers, vendors, or partner.

Customer Computing	Customer computing consists of any activity by the firm to assist customers in the use of computer systems. It may include the establishment of separate systems that connect the firm with customers.
Customer Expectations	Customer expectations consist of benefits that the customer believes are inherent to the business' offerings.
Customer Perceptions	Customer perceptions are the "feelings" regarding the firm's and competitive offerings and their attributes.
Customer Values	Customer values are the values, or benefits, that the customer confers to the offering and its attributes. Optimally, we would like to estimate those values in terms of dollar value. See the <i>Product Offering and Quality Workbook</i> for means of measurement.
Customers	Customers consist of all individuals and organizations who use or take possession of the offering.
Data Dictionary	A Data Dictionary is the description of the data in the computer system. It describes where the data is located, its format, and information regarding its nature, where it is from, and where it is used.
Decision Support Systems	Decision Support Systems, DSS, consist of computer programs designed to lend assistance to specific questions. Where Management Information Systems focuses on data collection and access, DSS focuses on the questions that are being addressed.
Feed Stocks	Feed stocks consists of all materials used in the manufacture of a product.
Finished Products Inventory	Finished products inventory consists of finished products available for sale and owned by the firm. Finished products inventory would consists of products located at the plant site, in warehouses, and at agents. Consignments may or may not be considered as part of the finished products inventory.
Hardware	(Computer) hardware consists of all equipment used with the computer system, including the computer itself. See Peripherals.
Hot Lines	Hot Lines are assistance services provided computer users for support. They are intended to help users through the start-up phase in using new software packages and encourage the use of the systems.
Integrated Information Systems	Integrated Information Systems refer to Management Information Systems where the data are stored in common format with broad access. The intention of Integrated Information Systems is to allow data from multiple sources to be combined and easily accessed. See Management Information Systems.

Internal Audits	Internal audits are audits of accounting and financial issues conducted by the internal auditing function. The traditional purpose of internal audit is monitor and identify areas for improvement of financial control. Operational issues of concern to the firm may also be reviewed.
Invoice	An invoice is any bill sent to the customer for products delivered or services rendered.
Languages	Languages in this workbook refer to computer languages used to develop application programs.
Life Cycle Cost	Life Cycle Costs consists of all costs incurred from using a system from its inception to its retirement. Development, maintenance, training, support, and operational costs are included. Life Cycle Costing can be done using current dollars; however, it is more meaningful to use a discounted or constant value dollars.
Management Information System	Management Information Systems, MIS, consists of any computer based systems of recording, maintaining, and accessing business data. Within this workbook, MIS refers to major systems with centralized data or systems requiring extensive development or common access.
Office Automation	Office Automation for this workbook consists primarily of computerization and electronic communications.
Patent violation	Patent violations consist of any use by a non-patent holder or unlicensed use of protected information or products or uses.
Peripherals	Peripherals are hardware equipment attached to computers that provide: additional memory, printing, plotting, and input/output capabilities for the computer system.
Platform	(Computer) Platforms refer to the type of computer, central processor and operating system that will be used for applications.
Products	Products (or Offerings) consists of those things offered to customers by a business. It consists of all attributes of the product including the name, supplier, as well as the physical characteristics.
PROFS	PROFS\ is the electronic mail system provided by IBM and widely used within the firm.
Quality	Quality in this workbook refers to meeting and exceeding of customers' expectations. Both product Quality Assurance and the more general Total Quality Management function are included in the Quality activity. See Total Quality Management.
Reconciliation	Reconciliation consists of "balancing" the books; making the diverse accounts "more or less" coincide.

Sales Information	Sales Information consists of all data on the sales of product. Usually this includes the identity of the purchaser and user as well as characteristics of the purchase such as price, type, and quantity.
Security	Security of company information and properties is covered by the firm and business policies. For this workbook security includes protection of properties and the restriction of access.
Specifications	Product specifications consist of standards and ranges on product characteristics.
Taxes	Taxes consists of all local or federal tax and fee requirements for the business.
Total Quality Management	Total Quality Management consists of the activities and expertise to direct the business toward satisfying customers' expectations. These issues are covered in the <i>Product Offering and Quality Workbook</i> and the <i>Operations and Quality Workbook</i> .
Vendor	Vendors and suppliers consist of all non-company sources of materials and services used by the business.
Warranty Cards	Warranty cards are documents that customers are requested to complete in connection with recent purchases. They represent a major source of information on customer information and are usually used for equipment and consumer product sales.