

Information System For Competitive Advantage

Azhar Susanto; Meiryani

Abstract: Information resources of a company include hardware, software, information specialists, users, facilities, databases, and information. Information has four desired dimensions, relevance, accuracy, timeliness, and completeness. Knowledge management realizes that information will reflect the company's knowledge resources. Knowledge management is needed to organize, access and leverage company data and information for decision making. A strategic plan for information resources will identify the goals that must be met by the company's information system.

Index Terms: Information System, Competitive Advantage, Tactical Excellence, Strategy advantages, operational excellence, operational, Tactical.

1 INTRODUCTION

The company's general model system will be an example of a good pattern for analyzing an organization. This model will highlight the elements that should be present and how these elements should interact. Integration between the general system model and the eight elements of the environmental model will form the basis of a concept that receives much attention today in supply chain management. A broad view of competitive advantage realizes that there are organizations that compete with companies as well as professionals and staff in other countries that compete for jobs with company employees. Multinational companies often outsource jobs to other organizational organizations in order to achieve an economic advantage. One that is not always obvious is the fact that a company will also achieve competitive advantage through the use of its virtual resources. In the field of information systems, competitive advantage refers to the use of information to gain leverage in the market. Remember that company managers use virtual resources as well as physically in meeting the company's strategic objectives. A broad view of competitive advantage realizes that there are organizations that compete with companies as well as professionals and staff in other countries who compete for jobs with company employees. Multinational companies often outsource work to other organizations in order to achieve an economic advantage. Companies that do business globally have special information and coordination needs. Usually competitive advantage can be achieved through managing physical resources. Company executives carry out strategic planning throughout the organization, business area, and information resources. Chief information officer plays an important role in all types of strategic planning. A strategic plan for information resources will identify the objectives that must be met by the company's information system in the coming year and the information resources that will be needed to achieve these objectives.

2 LITERATURE REVIEW

Competitive advantage

As the company meets the needs of its customers' products and services, the company will strive to gain an edge over its competitors. One thing that doesn't always seem clear is the fact that a company will also be able to achieve competitive advantage through its virtual resources. In information systems, competitive advantage refers to the use of information to get leverage in the market.

Dimensions of Competitive Advantage

Competitive advantage can be realized in terms of gaining strategic, tactical and operational advantages. * These three levels of competitive advantage will work together. # the information system affected by these three levels will have the best possibility of substantially improving a company's performance. "there is the highest managerial level is the level of strategic planning, information systems can be used to change the direction of a company to gain its strategic advantage." There is a level of management control (middle), managers can provide specifications on how strategic plans will be implemented, thus creating a tactical advantage. "there is a level of operational management (lower), managers can use information technology in a variety of data collection and information creation that will ensure operational efficiency, so as to achieve operational excellence. a. Strategy advantages are advantages that have a fundamental impact in the form of company operations. information systems can be used to create a strategic advantage. For example, a company can decide to turn all data into a database with a standard interface (such as a web browser interface) to allow sharing with business partners and customers.

Tactical Excellence

a company gains a tactical advantage when the company implements a strategy in a way that is better than its competitors. for example, customer service can be improved by offering customers direct access to information. # All companies want to satisfy customers, because customer satisfaction will result in repeat purchases. Companies get tactical advantages in several ways, namely customers see price discounts as an excuse to continue to buy products from the company. the piece itself is an incentive for customers, but it can also provide economic benefits for information systems companies that can suggest which products customers might want to buy. companies will not only encourage customer loyalty, but can also increase profits from sales

-
- Azhar Susanto; Accounting Department, Faculty of Economics and Business, Padjadjaran University, Bandung, Indonesia
 - Meiryani; Accounting Department, Faculty of Economics and Communication, Bina Nusantara University, Jakarta, Indonesia 11480

Operational Advantage

is an advantage that relates to everyday transactions and processes. This is where information systems will interact directly with the process. Small files contain information contained in the user's computer, which can store account numbers, passwords, and other information related to user transactions. This is a valuable convenience for customers, that customers who use 5eb to place their purchases will save the company the burden of paying a clerk to enter data, but this is only a minor benefit. Data entered by users is likely to be more accurate. Because data is not communicated verbally to others, there will be no misunderstanding in communication. When information (name, address, and so on) can be retrieved from previous records, the data will even have on the data entered by the user. If the data is not accurate, the user will not blame the company.

Competitive Force

Competitive Force is a tool to assist in assessing competition in industry and determining the relative attractiveness of the industry. This was developed by Michael Porter under the name Michael Porter's Five Forces Model. Porter stated that to conduct industry analysis the company must analyze five competitive forces (Baltzan & Phillips 2010, p. 17):

Competition of competitors in the industry

The threat of new entrants to the industry and the market
Threats posed by substitute products that might capture market share
The bargaining power of customers
The bargaining power of suppliers.

3 DISCUSSION

Competitive advantage can be achieved through managing physical resources, but virtual resources can also play a large role. Michael! "others are recognized as the ones who express the concept of competitive advantage the most and contribute ideas about value chains and value systems, which are equivalent to seeing things in a system of the company and its environment." this information to obtain strategic, tactical and operational advantages. The advantages of implementing IT technology in companies are:

Labor efficiency due to manual work that is automated.

Shorten the chain of bureaucracy and work time so that it affects the cost savings.

With the availability of up-to-date data and information, decision making can be faster, making the company more competitive against its competitors.

Savings on marketing and promotion costs of products and services offered by the company, because it uses a company website that also functions as an online company profile and extends market share.

With the application of information technology to the company's operations, the system can be integrated in all parts so that it can facilitate information flow and speed of response to a problem.

So with the use of information technology, it will facilitate the

flow of information internally and externally, minimizing the risk of human error and efficiency factors in all fields, of course this will affect the profit margins obtained by the company accumulatively.

In addition, the role of IT technology in companies is to create value (value added) for the company's customers, where with the implementation of IT services to customers faster and better so that customers are satisfied with the service they receive, it can create loyalty so that customers are willing to be consumers to long-term. Customer loyalty is something that is desired by each company because it affects the stability of the company's income. When executives of a company are fully committed to strategic planning, they see a need for each business area to develop its own strategic plan. The business area plan will detail how these areas will support the business when trying to achieve its strategic goals. One approach to business area strategic planning is for each area to make its own plans separately from other areas. However, this approach cannot ensure that areas will work together well. Over the past few years, IS units may have dedicated as much of their attention to strategy planning than most other business areas. The term used to describe this activity is strategic planning for information resources (SPIR). The strategic planning for information resource (SPIR) approach is the development of strategic plans in parallel for information services and companies for information services and companies so that the company's plans will reflect the support that information services will provide. The IS plan will reflect future system support requests and information resources that will be needed. The key to SPIR is to develop strategic plans for the company and for information resources at the same time.

4 CONCLUSION

Users of company information systems are important information resources that can provide a real contribution in achieving strategic goals in achieving competitive advantage. This is especially true when users can actively participate in system development and practice end-user computing. Users have different levels of computer knowledge and information knowledge. In deciding how the company will use information resources, top management must pay considerable attention to how end-user computing will be carried out, so that ultimately it will maximize its benefits and minimize the risks. A company is a physical system that is managed through the user of a virtual system. A company takes its resources and environment, converts these resources into products and services, and returns resources that are converted back into the environment. The General System Model The company shows the flow of resources from the environment through the company and back in the environment. In the field of information systems, competitive advantage refers to the use of information to gain leverage in the market. Harvard Professor Michael E. Porter believes that a company achieves a competitive advantage by creating a value chain. Margin is the value of the company's products and services after deducting the cost of goods, as received by the company's customers. Increasing margins is the goal of the value chain. The company creates value by doing what Porter calls value activities. Value activities consist of two types: main and supporting Competitive advantages can be realized in terms of gaining strategic, tactical and operational excellence. When

managers decide to use information to achieve competitive advantage, they must manage these resources in order to achieve the desired results. Information, like other resources, requires management. The four basic dimensions of desired information will be able to add value to the information, namely: Relevance, Accuracy, Timeliness, Completeness.

ACKNOWLEDGMENT

The authors wish to thank to Padjadjaran University, Bandung Indonesia and Binus University, Jakarta, Indonesia.

REFERENCES

- [1] Raymond McLeod, Jr. 2009. Management Information System edition 10. Jakarta: Salemba Empat
- [2] Amsyah, Zulkifli, Information Systems Management, PT. Gandedia Main Library, Jakarta, 1997
- [3] E. Burton Swanson & Neil C. Ramiller, 2004, Innovating Mindfully with Information Technology, MIS Quarterly Vol. 28 No. 4 pp. 553-583
- [4] Frenzel, Carroll W, Management of Information Technology, 1996, Boyd & Fraser Publishing Company, USA
- [5] Irmansyah, Faried, 2003, Introduction to Database, <http://www.ilmukomputer.com/>
- [6] James A, O'Brien, Introduction to Information Systems, translation by Dewi Fitriyani, 2005, Salemba empat, Jakarta
- [7] Jogiyanto HM, 1990, Information System Analysis & Design: Structured Approach: Theory and Practice of Business Applications, Andi Offset, Yogyakarta
- [8] Kenneth C. Laudon; Jane P. Laudon, 2000, Management Information Systems, organization and technology in the Networked Enterprise ", Prentice-Hall, New Jersey, USA
- [9] Leman, (1997) Information System Development Methodology, PT. Elex Media Komputindo, Jakarta.
- [10] Liette Lapointe & Suzanne Rivard, 2005, A Multilevel Model of Resistance to Information technology Implementation, MIS Quarterly Vol. 29 No. 3, pp. 461-491
- [11] Lucas, Henry C, JR, 1994 Information Systems Concepts For Management, Mc Graw Hill International Edition, San Francisco,
- [12] McLeod, Raymond, Jr. & Schell, George P, 2008, Management Information Systems, Editions
- [13] 10, Translation by Ali Akbar Yulianto and Afia R. Fitriati, Salemba Empat, Jakarta
- [14] McLeod, Raymond, Jr., Management Information Systems. Volumes I and II, translation by Hendra Teguh (1996), PT. Buana Ilmu Populer, Jakarta.
- [15] McFadden, Fred, Hoffer, Jeffrey, 1994, Modern Data base Management, Cumming's. The Benjamin/Publishing company. Inc, California
- [16] McNurlin, Barbara C.; Sparague, Ralph H Jr., Information Systems Management in Practice, 4th ed., Prentice Hall, New Jersey, 1998.
- [17] Digital Mutual Cooperation Society (MDGR), 2008, Introduction to Operating Systems Computer: Second Volume, [http://bebas.vlsm.org/v06 / Lecture / Operating System / BOOK /](http://bebas.vlsm.org/v06/Lecture/OperatingSystem/BOOK/)
- [18] Nugraha, Dindin, 2003, Getting to Know Information Technology Systems, <http://www.ilmukomputer.com/>
- [19] Rahardjo, Budi, 2005, Internet-based Information System Security PT Insan Infonesia - Bandung & PT INDOCISC - Jakarta
- [20] Subakti, Irfan, 2002, Decision Support System, Sepuluh Nopember Institute of Technology - Surabaya
- [21] Scott, M, George, Principles of management information systems, (1997), PT. Raja Grafindo Persada, Jakarta.
- [22] United States Accounting Office, 2004, Information Technology Investment Management Framework, www.gao.gov/cgi-bin/getrpt?GAO-04-394G.
- [23] Wahyono, Teguh, 2003, Computer Based Information System (CBIS) <http://www.ilmukomputer.com/>
- [24] Yuhefizar, 2003, Computer and Network Tutorial, <http://www.ilmukomputer.com/>