

INTRODUCTION TO REAL TIME BUSINESS SUBSYSTEM

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INTRODUCTION TO REAL BUSINESS SUBSYSTEM

A Business System consists of interconnected elements that collaborate to fulfill an organization's goals. In a business system, various functional units carry out particular responsibilities. These smaller functional components are referred to as Business Subsystems.

A Real-Life Business Subsystem refers to the actual application of these subsystems within organizations, where each department is responsible for a particular set of tasks.

In any organization, business operations are too complex to be handled by a single department. As a result, the organization separates its activities into various subsystems, including sales, marketing, finance, human resources, production, and inventory management.

Each subsystem carries out a specific role while staying connected to other subsystems to maintain the seamless operation of the entire business.

CHARACTERISTICS OF REAL-LIFE BUSINESS SUBSYSTEMS

1. Interdependence

Subsystems rely on one another to carry out business processes. The output from one subsystem can serve as the input for another subsystem.

Example

The sales department relies on the inventory subsystem to verify product availability prior to handling customer orders.

CHARACTERISTICS OF REAL-LIFE BUSINESS SUBSYSTEMS

2.Specialization

Each subsystem is dedicated to a particular business function, enabling organizations to handle complex operations more effectively.

3.Information

Information continuously moves between subsystems to aid in coordination and decision-making.

Example

The finance department receives sales data to analyze revenue.

CHARACTERISTICS OF REAL-LIFE BUSINESS SUBSYSTEMS

4.Goal Oriented

Every subsystem is created with the purpose of supporting the organization's overall goals and objective

5.Integration

Subsystems are integrated with each other through information systems to ensure effective communication and coordination.

3. TYPES OF REAL-LIFE BUSINESS SUBSYSTEMS

In most organizations, the business system is made up of multiple subsystems. Some of the most frequently encountered subsystems are:

3.1 Sales and Marketing Subsystem

The Sales and Marketing Subsystem plays a key role in promoting products or services and helping the organization earn income.

Functions

- Market research
- Advertising and promotion
- Customer relationship management
- Order processing
- Sales analysis

3.2 FINANCE SUBSYSTEM

The **Finance Subsystem** manages all financial activities of the organization.

Functions

- Budget planning
- Financial reporting
- Payment processing
- Expense tracking
- Investment management

Example

The finance department prepares financial statements such as **balance sheets, income statements, and profit-loss reports.**

3.3 HUMAN RESOURCE (HR) SUBSYSTEM

The **Human Resource Subsystem** is responsible for managing the organization's workforce.

Functions

- Recruitment and selection
- Employee training and development
- Payroll management
- Performance evaluation
- Employee welfare programs

Example

HR departments manage employee records, salary payments, and training programs.

3.4 PRODUCTION OR OPERATIONS SUBSYSTEM

The **Production Subsystem** focuses on manufacturing goods or delivering services.

Functions

- Production planning
- Quality control
- Resource allocation
- Process management
- Maintenance of equipment

Example

In a manufacturing company, the production subsystem ensures that products are manufactured according to quality standards.

3.5 INVENTORY MANAGEMENT SUBSYSTEM

The **Inventory Subsystem** manages the storage and movement of raw materials and finished goods.

Functions

- Stock monitoring
- Warehouse management
- Supply chain coordination
- Reordering materials
- Product tracking

Example

Large warehouses maintain real-time inventory systems to track product availability.

4. IMPORTANCE OF REAL-LIFE BUSINESS SUBSYSTEMS

Business subsystems play a crucial role in the success of an organization.

4.1 EFFICIENT MANAGEMENT

Subsystems divide complex business operations into manageable parts.

4.2 IMPROVED COORDINATION

They help maintain coordination between different departments.

4.3 BETTER DECISION-MAKING

Subsystems provide accurate data and reports for managerial decisions.

4.4 INCREASED PRODUCTIVITY

Specialization in each subsystem improves operational efficiency.

4.5 BETTER RESOURCE UTILIZATION

Organizations can allocate resources effectively through subsystem management.