

Principles of Management
Prof. S Srinivasan
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Module – 05

Lecture – 25

Topic – Concept, Types, Importance, Steps, Factors and Advantages of Integration

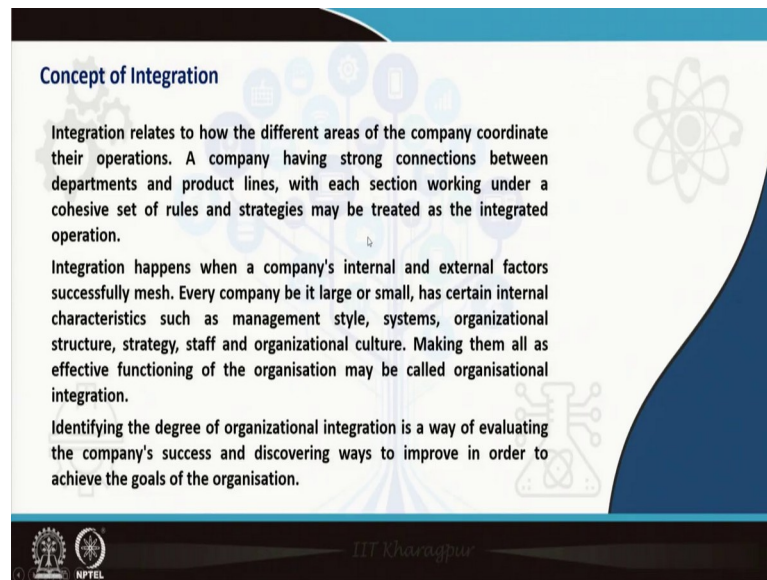
Welcome to Lecture 5, this is the last lecture of Module 5. The last lecture we discussed about differentiations in management and we also discussed about lot of differentiation strategy. Today's lecture we are going to discuss about Integrations. We talked about differentiation, we started with coordination on third lecture, fourth lecture we talk about differentiation. Today, we are going to talk about the integration, ok.

(Refer Slide Time: 00:43)



So, what are the type of integrations? And, what is integration?

(Refer Slide Time: 00:44)



Concept of Integration

Integration relates to how the different areas of the company coordinate their operations. A company having strong connections between departments and product lines, with each section working under a cohesive set of rules and strategies may be treated as the integrated operation.

Integration happens when a company's internal and external factors successfully mesh. Every company be it large or small, has certain internal characteristics such as management style, systems, organizational structure, strategy, staff and organizational culture. Making them all as effective functioning of the organisation may be called organisational integration.

Identifying the degree of organizational integration is a way of evaluating the company's success and discovering ways to improve in order to achieve the goals of the organisation.

NPTEL IIT Kharagpur

So, generally in an organization, we always say you know coordination is important then we also talk about integration. So, integration relates to how the different areas of the company coordinate their operations, ok.

Now, there will be question comes, now what is the difference between the coordination and integration? See coordination is always a process where we always you know one or more departments, you know trying to interact and then work together, whereas in an integration where it says you know integration is when you know 2 or more units in harmony, they you know try to you know work as one single unit.

That is kind of you know connections they integration they create you know both of these two units work in harmony that you know they function as a single unit itself. Now, the coordination talks about its a process where they are trying to coordinate between two different units to you know work in tandem, whereas the integration talking about you know you create a seamless system in place which actually feels you as a one single unit.

Though there are two units operating, but the seamless connections you create they are all integrated and you feel a single unit that is a differentiation between the coordination and integration.

You know a company having a strong connection between departments or the product lines with each section working under a cohesive set of defined rules and clear strategies may be treated as an integrated operation.

Because when we say integrated operations, they you know there has a high coordination between departments, sections and there is a defined rule, and there is a high clarity strategy clear and you know when then they called as an integrator operation. Because you know they know that you know one moves here, then it starts automatically there should be a one you know corresponding move should happen in the other section. That is an integrated operation.

So, integration happens when a company's internal and external factors successfully mesh, right. It is how a synchronization happens, when both the internal and external factors you know synchronize.

You know even in every company it maybe a large or small has certain internal characters, right now every company has got own their management style, they have their own systems of operations, and then they create a reporting structure, and they also have an organizational design and strategy, staff, the organizational culture. So, making them all as an effective functioning of the organizations we call it as an organizational integration.

So, how we are able to ensure that you know organizational cultures, strategies, structure, design, staff and management style as an effective functioning of the organization, so that you know we call it as an organizational integration.

All these you know collectively you know in sync, seamlessly connected and then creating a flawless system you know. This is where the, you are creating a flawless system and it is all working in tandem in alignment. There are highly aligned and coordinated and we call is an there is a high integration in the organization.

If there is you know let say there is you know gap and there is you know friction between departments, friction between the divisional areas there is no proper alignment is happening, then we cannot say you know there is an integration happens in the company, ok. So, this is where the organizational integration means.

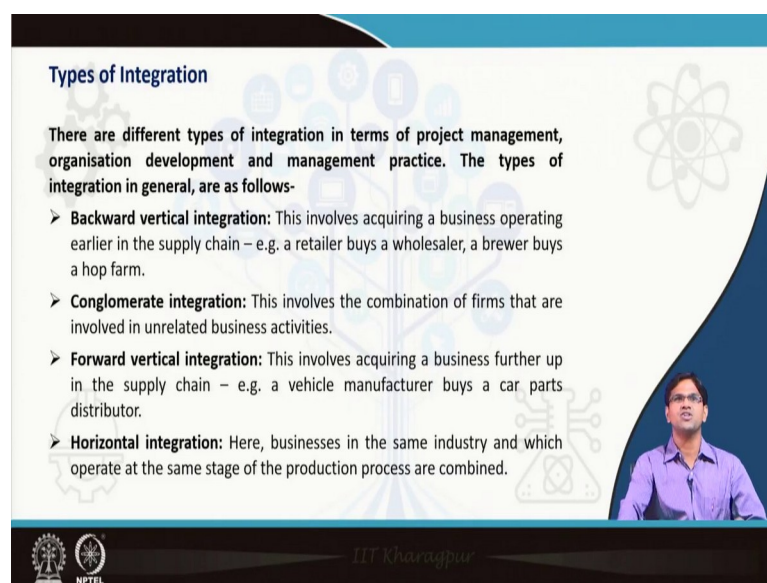
So, identifying the degree of organization integration is a way of evaluating the company success. The moment of organizations cohesiveness the kind of integration is really high you know you are actually evaluating the company success.

Why because I say and I said you know one move in one particular section there should be a corresponding you know movement in the other aligned system, right. So, it is kind of an where there is a you know tire moves around and then your vehicle moves right, there is a coordinated effort happened in a mechanical system.

Similar way you know every organization for example, you know if let say you know your, you know engine is not working and then it is not pushing it hard, so the vehicle is not moving then there is a failure of the system, right. Say at the mechanic system failure, whereas here in an organization if the alignment is not happening then there is no integration.

So, that is why when we say you know looking at organizational integration is actually you are measuring the success of the company. The integration is really high the success of the company is also will be definitely will high, because you know these all working in tandem, this is going to actually help a company to achieve their goal, ok. So, this you know the integration always you know discovers way to improve in order to achieve the goals of the organization.

(Refer Slide Time: 05:09)



Types of Integration

There are different types of integration in terms of project management, organisation development and management practice. The types of integration in general, are as follows-

- **Backward vertical integration:** This involves acquiring a business operating earlier in the supply chain – e.g. a retailer buys a wholesaler, a brewer buys a hop farm.
- **Conglomerate integration:** This involves the combination of firms that are involved in unrelated business activities.
- **Forward vertical integration:** This involves acquiring a business further up in the supply chain – e.g. a vehicle manufacturer buys a car parts distributor.
- **Horizontal integration:** Here, businesses in the same industry and which operate at the same stage of the production process are combined.

NPTEL IIT Kharagpur

Now, we are also seeing you know different types of integration. So, we talked about you know different types of integration differentiations in the previous lecture from the business perspective you know, there are different types of integrations in terms of project management or organizational development or management practices, ok. So, we will look at you know some of the, you know types of integrations.

Backward vertical integration, ok. So, what is this integration? I will give you an example. Let say you know you are wholesale wholesaler, ok. So, now what will happen you know retailer buys a wholesaler, so that is a backward integration.

Let say you know you talk about you know you are having a retail store and then you go back and buy the warehouse, where their wholesale is happening and you own these wholesales also, then the this is called a backward integration. Your business is actually you are making a backward integration vertical integration.

Then conglomerate indication, you know integration is you know this involves a combination of firms that are involved in unrelated business activities you know. Let say you know Tata is a conglomerate. So, you know Tata has you know steel Tata has you know automobiles, Tata has you know you know software companies, it is a kind of a conglomeration. And, let say ITC as a conglomeration, they have hotel, they have you know cigarette, they have you know they are in the agricultural activities, aligned activities, there are so many things.

There is conglomerated integration, they are all collectively combined a combination of these firms are called conglomerate integration. Then, forward vertical integration. Let say you know you are a vehicle manufacturer you buy a car parts distributor. Let say you know it is a forward integration.

Let say you know let us talk about you know you are let say you are a car manufacturer, and then you are also having your own outlet in selling the car. Generally, let us assume a business model where you only produce a car and there are you know different you know player who sell the cars. Let say you know you also decided to sell the car.

Let say you know you are a garment manufacturer, but you also decided to have your own showrooms, ok. You are only a garment manufacturer, now you have your own showroom to display your products also, then it is a forward integration. So, you are

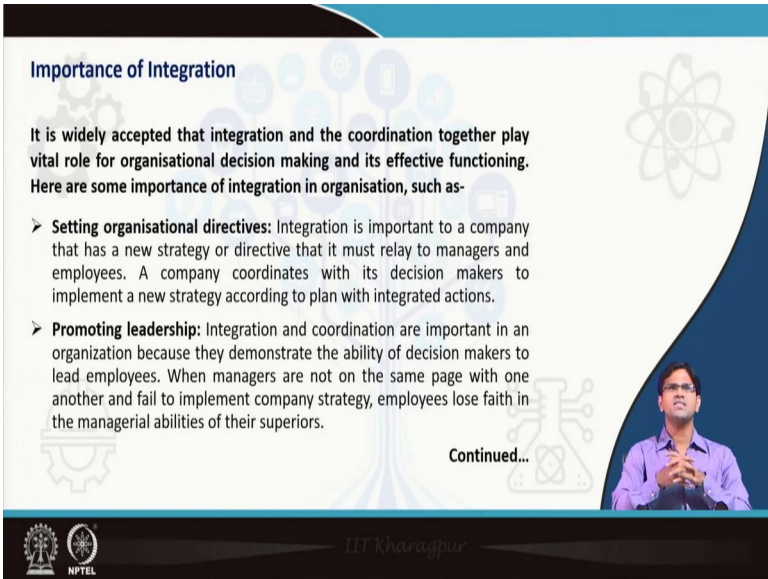
actually making the product and then you also trying to sell it. You know you are actually moving on the path to sell it out, is a forward integration.

Then, horizontal integration, you know here the business in the same industry and which operate the same stage of the production process are combined. Let say you know two different you know lifestyle and then other showrooms you know they are all in a different same business and same stage they are operating then there is a they are the combination of these two become a horizontal integration you connect with the same people with the same level and then same kind of a business they do and then you combine them it become a horizontal integration, ok.

So, 4 integrations, backward vertical integration meaning that you know you are going backward. Let say you know you have you are the retailer you go back to the wholesale. You own the wholesale business also let say backward integration. And, conglomerate integration, you combine all different you know businesses that is a conglomerate.

Then forward is, let say you know you are a garment manufacturer; you produce the garments then you also having your own showroom to sell the garments you produce, that is a forward integration. Now, horizontal integration is nothing but all similar business the same stage you combine it then become a horizontal integration.

(Refer Slide Time: 08:21)



Importance of Integration

It is widely accepted that integration and the coordination together play vital role for organisational decision making and its effective functioning. Here are some importance of integration in organisation, such as-

- **Setting organisational directives:** Integration is important to a company that has a new strategy or directive that it must relay to managers and employees. A company coordinates with its decision makers to implement a new strategy according to plan with integrated actions.
- **Promoting leadership:** Integration and coordination are important in an organization because they demonstrate the ability of decision makers to lead employees. When managers are not on the same page with one another and fail to implement company strategy, employees lose faith in the managerial abilities of their superiors.

Continued...

The slide features a blue and white color scheme with a background of faint icons representing various business and technology concepts. A small inset image in the bottom right corner shows a man in a purple shirt speaking. The footer includes the IIT Kharagpur logo and the NPTEL logo.

Now, we will try to understand the importance of integration. It is widely accepted fact you know integration and coordination together play a very vital role in an organization decision making and it is effective function, ok. Let us discuss some of the important of this integration. One is setting organizational directions. Actually, you know integration is an important to a company that has a new strategy or directive that it is you know must relay to managers and employees.

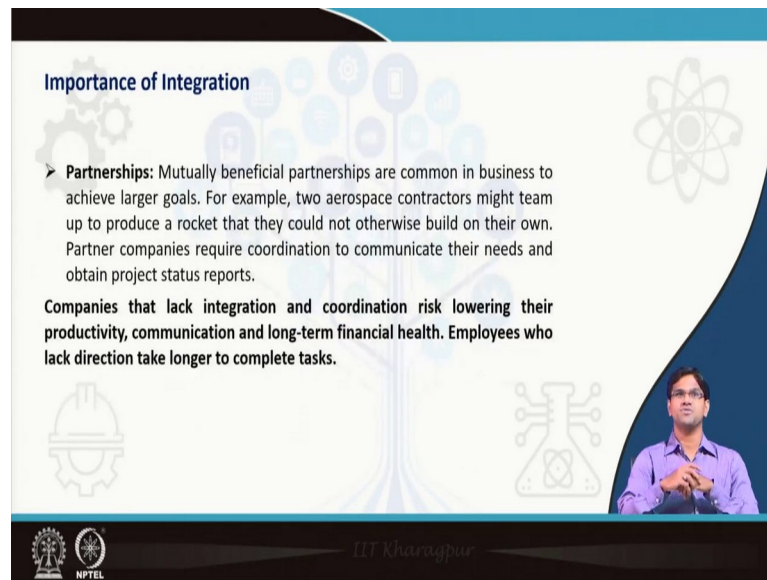
Company coordinates with decision makers to implement a new strategy according to plan with integrated actions. See, when any company with the come up with a new strategy or a plan, how it is been implemented? It is implemented through a manager. So, it becomes you know actually setting the organizational direction how these you know coordination integrations can happen through a manager, manager has to you know set up these you know how this coordination should happen, so that the new strategy set by the company can be you know achieved.

Then, promoting leadership, so integration and coordination are important in an organization, because they demonstrate the ability of decision makers to lead the company.

Because unless otherwise this coordination skills and the integration skills are lacked by the employee managers you know because you know coordination make the involves lot of decision making. You know integration also involves lot of you know decision making skills. Also, when a manager is not in the same page with one another and failed to implement the company employees lose faith in the managerial abilities of their supervisor, right.

So, when two managers have to coordinate and both of them you know not in the same page not aligning or not syncing with each other they will be able to fail to implement the company perspective, right, company goals. So, what will happen? Employees will lose faith on their managerial ability, because you know these managers in capable, right. So, exactly promoting leadership, the coordination integration skill promotes the leadership.

(Refer Slide Time: 10:07)



Importance of Integration

- **Partnerships:** Mutually beneficial partnerships are common in business to achieve larger goals. For example, two aerospace contractors might team up to produce a rocket that they could not otherwise build on their own. Partner companies require coordination to communicate their needs and obtain project status reports.

Companies that lack integration and coordination risk lowering their productivity, communication and long-term financial health. Employees who lack direction take longer to complete tasks.

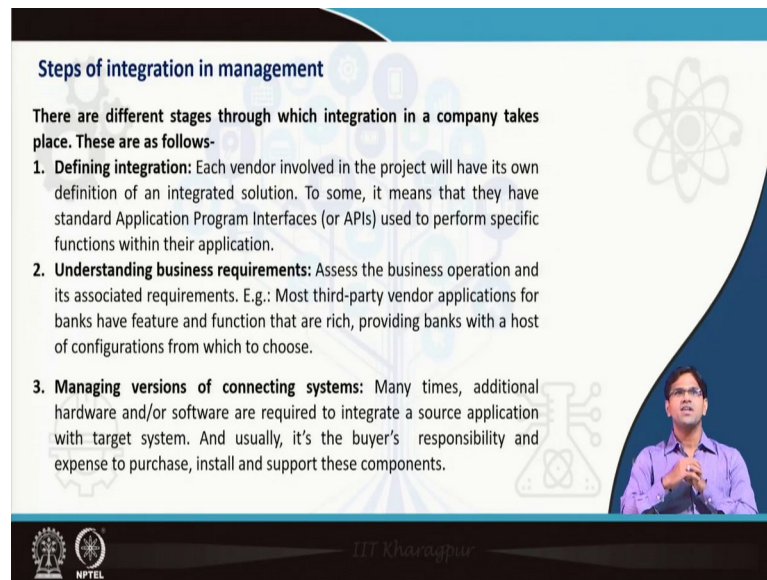
The slide features a background with various icons including gears, a rocket, a hard hat, and a circuit board. A small inset image shows a man in a purple shirt speaking. At the bottom, there are logos for IIT Kharagpur and NPTEL.

Then partnerships, mutually beneficial partnerships are common in business to achieve larger goals. For example, you know two aerospace contractors might team up to produce a rocket. So, you know if it is individually maybe you know they may not be able to produce it, when their combination, if they are together, they are able to partnership and then they together able to achieve it, right. So, they required lot of coordination to communicate the needs and obtain project status reports.

So, companies that lack integration and coordinated risk lowering their productivity communication and long-term financial health. So, employees who lack directions can you know take longer time to complete the task.

So, every company who have better coordination and integrations will have a better prosperity. The companies with having you know poor coordination and integrations they always have you know productivity related issues; you know communication related issues and then of course, this is going to impact their long-term prosperity right, organizational prosperity.

(Refer Slide Time: 11:05)



Steps of integration in management

There are different stages through which integration in a company takes place. These are as follows-

- 1. Defining integration:** Each vendor involved in the project will have its own definition of an integrated solution. To some, it means that they have standard Application Program Interfaces (or APIs) used to perform specific functions within their application.
- 2. Understanding business requirements:** Assess the business operation and its associated requirements. E.g.: Most third-party vendor applications for banks have feature and function that are rich, providing banks with a host of configurations from which to choose.
- 3. Managing versions of connecting systems:** Many times, additional hardware and/or software are required to integrate a source application with target system. And usually, it's the buyer's responsibility and expense to purchase, install and support these components.

IT Kharagpur

NPTEL

Now, let us try to understand the different steps in the integrations. You know we are you know taking with some you know implementation perspective in some sections, you need to define the integrations. Let say you know you are doing a business and like you know you are having an organization; you need to define what kind of an integration you need to create.

Likes you know which of the units you have to be coordinated. You need to define what kind of integration you need, how you need to coordinate, which section has to be connected with whom, you need to understand and you know you need to define the integration first. And you need to define ok, how these divisions are made and where you want the connections are.

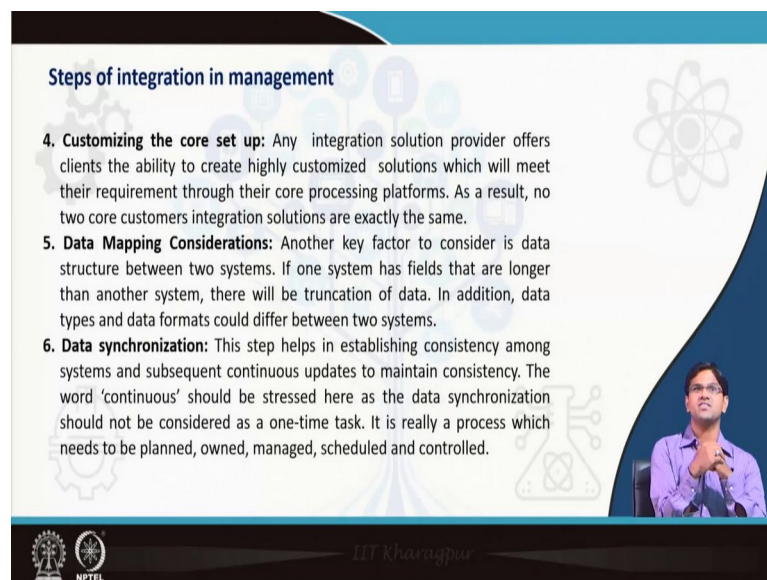
Then, understanding the business requirement. You know you need to assess the business operation and it is associated requirements. It is very important now, unless otherwise you do not understand the business requirement, and if you wanted to integrate something.

You know for example, if you know take a banking organization as you know banking industries one example, you know there you know lot of third-party applications are existing, and you know they there are lot of applications are available where you know banks to provide the features and functions.

But you know if you do not understand the you know requirements, different customer requirements of a different banks. Let say you know you cannot create a one banking applications which is you know which can be used for all different banks. Because you know the needs are different, maybe you know customer segments are different and then business requirements are different, so you need to create a different application system when you are trying to integrate, right.

Managing the versions of connection systems. So, you know you should also you know ensure that you know what kind of a you know system you are establishing to create the integrations you are talking about, right. So, that is also very important steps in the integration.

(Refer Slide Time: 12:45)



Steps of integration in management

- 4. Customizing the core set up:** Any integration solution provider offers clients the ability to create highly customized solutions which will meet their requirement through their core processing platforms. As a result, no two core customers integration solutions are exactly the same.
- 5. Data Mapping Considerations:** Another key factor to consider is data structure between two systems. If one system has fields that are longer than another system, there will be truncation of data. In addition, data types and data formats could differ between two systems.
- 6. Data synchronization:** This step helps in establishing consistency among systems and subsequent continuous updates to maintain consistency. The word 'continuous' should be stressed here as the data synchronization should not be considered as a one-time task. It is really a process which needs to be planned, owned, managed, scheduled and controlled.

NPTEL IIT Kharagpur

Second, customizing the core setup. So, you know when you are talking about some product-based examples. So, you know integration solution provider offers clients the ability to create highly customized solutions, which will meet their requirements through their core processing systems. As a result, no two core system integration solutions are exactly the same, right. So, what will happen? You know you need to customize the core setup you know how the integration has to happen.

Then, data mapping considerations, another key factor to consider is data structure between two systems, you know how you need to create this integrations, how these two data systems are happening, you know because you know one system has a field that are

longer than the another system, there will be a truncations of data, right. So, data types and data formats could differ from two systems.

When you are talking about integrations if we are connecting you know two divisions or departments in an organizations, you need to see you know how these information has been passed on you know and then because you know other person has to receive the information, data as an input and then process it and use it for their you know department or divisions, right. So, there should be a mapping, you know the similar information has been set, so that you know both of them are able to understand.

And then, data synchronization, you need to able to help establishing a consistency among the system, so that there is a synchronization. The data provided flows from one division to one other department where you are trying to create an integration it has to have a synchronization, because you need to create a similar or a same data set, so that you know same platform. So, that the integration is happening, ok.

(Refer Slide Time: 14:11)

Steps of integration in management

7. Quality assurance process: Integration quality control has to be different from traditional quality control processes of phased unit, system and integration testing as a resource. The person performing the integration testing process should have the knowledge of source and target system and their behaviors under defined scenarios and record the test results appropriately which will not only save time and effort of the company but also of the client.

8. Plan For Go-Live: The Production readiness outlines the list of criteria needed from a project before Integration project is deployed in the production environment or as determined by the project sponsor and/or production support manager.

9. Go-Live and support: The purpose of this phase is to cut over to live productive operation and to continuously support and improve live operations.

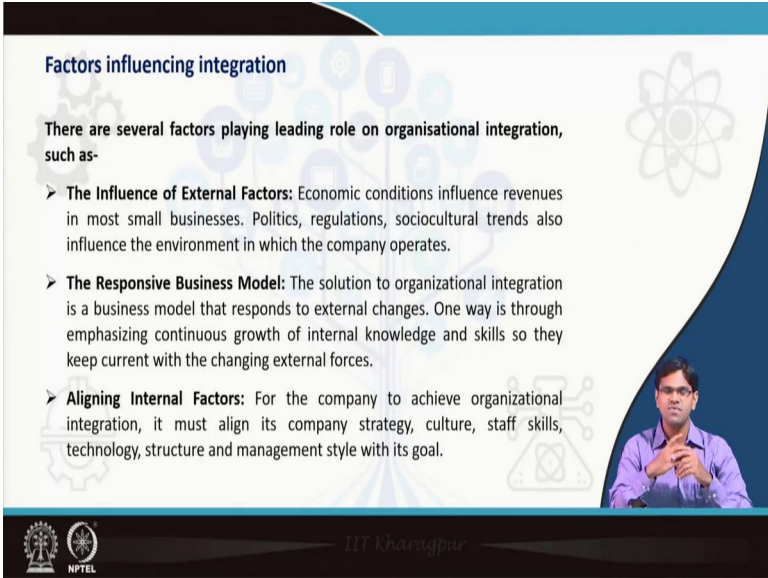
IIT Kharagpur
NPTEL

Then, quality assurance process, you know integration quality control has to be different from traditional quality control process of the phased unit system or integration testing as a resource, ok. So, the quality assurance process has to be you know seen because when you are talking about integration happens, you need to ensure that you know how this integration is happening, what level of coordination is happening.

Then, plan for go live, you know you need a create a readiness. So, you know when you are talking about the integration to happen, you know the synchronization to happen between two systems you need to you know ensure that you know you are ready to go for the synchronization. And then, the moment you are implementing this integration to happen or the coordination to happen you need to provide support system.

You know support system in terms of you know providing you know specific department or you assigning some you know person to manage these you know support system when there is a you know disintegration or the integration is not aligning, then you need to have a person to you know fix it. So, that the alignment is goes on. These are the steps on the integrations.

(Refer Slide Time: 15:07)



Factors influencing integration

There are several factors playing leading role on organisational integration, such as-

- **The Influence of External Factors:** Economic conditions influence revenues in most small businesses. Politics, regulations, sociocultural trends also influence the environment in which the company operates.
- **The Responsive Business Model:** The solution to organizational integration is a business model that responds to external changes. One way is through emphasizing continuous growth of internal knowledge and skills so they keep current with the changing external forces.
- **Aligning Internal Factors:** For the company to achieve organizational integration, it must align its company strategy, culture, staff skills, technology, structure and management style with its goal.

The slide features a blue and white color scheme with a background of faint icons representing technology and business. A small video inset in the bottom right corner shows a man in a blue shirt speaking. The bottom of the slide includes the IIT Kharagpur and NPTEL logos.

Now, let us try to understand; what are the factors which are influencing the integrations, ok. One is influence of external factors. In any business operation of course, you know it is indispensable. An influence of external factors is important factor which will influence your integrations.

You know economic conditions influence the revenues in even most in the small business also. Now, political regulation, the sociocultural trends also influence environment which the company operate. So, it will actually impact the kind of integrations you are talking about, it will impact coordination also because you know this external factor will influence this is the way you run your business.

Then, responsive business model, the solution to organizational integration is a business model that responds to external changes. So, you know for that create you know combined you know well aligned organization system, as we are talking about management style, you know structure, design, staffing you know decision making everything has to be if you want an organization to be integrated as an one system you need to ensure that you know you are creating a responsive business model.

Responsive business model means, you know you need to absorb or take the inputs or close from the external environment and then you know add part of your you know business model, so that you are agile. You know you need to absorb and then quickly change yourself and then regroup yourself, so that you know you are able to be a successful business organization, the integration is really high.

Then, aligning internal factors. For the company to achieve organizational integration it must align its company strategy, culture, staff skills, technology; management style with its goals.

Let say when you are talking about external, it is also important you know as an organization you have a different you know staffing, you know organizational structure, design, you know people and all involve you need to try to align your internal factors first. You know unless otherwise you know you are not able to align your internal factors and then you are trying to what to create an integration it is impossible. You know you need to ensure that you are aligning the internal factors in the organizations.

(Refer Slide Time: 17:06)

Factors influencing integration

- **Achieving Organizational Integration:** In the lumber company example, if the field crews aren't in total agreement with the ecologically sustainable methods of the company, they won't abide by the company's rules for cutting and planting trees. If just one sector of management, production or marketing is not in alignment with organizational strategy, then the organization is not integrated.
- **Prioritization and time constraints:** One factor that determines whether a company practices differentiation or integration is how each department sorts its activities in priorities.
- **Communication methods dictate the approach:** Communication methods also dictate whether a company employs a more differentiated or more integrated approach.

IT Kharagpur

NPTEL

Then, achieving the organizational integrations. For example, if you take a you know lumber company, you know if the field crews are not in total agreement with the ecological sustainable methods of the company, they will not be able to abide the company's rules. For example, you know as a company they have a policy then you know they would not want to you know have some environmental policy, they do not you know go beyond the certain restrictions.

If they are not able to understand it you know they cannot implement the organizational policy. So, when you are able to you know create an organization, you know integration you need to ensure that there is an alignment with you know complete alignment from the organization strategy to the actual implementation, right.

The alignment means there is a flow of information, there is a transfer of information's. The transfer of information has to be translated into action, then you see there is an integration, right. See for example, you know the thought process of an organization, if it is different from the action part of the organization what is actually happening, there is no integration, right.

See, the thought process of the organization and the action part of the organization should be as same as their thought process then you say there is a complete integration, right. Because you thought something, you developed, you propose something, you are actually you know created a system you know ensure the system is flown through and

then you actually created the same action, then you say there is a complete integration is happened. There is an organization able to achieve their integration, right.

Then, prioritization and time constraints. You know one factor determines whether company practices differentiation or integration is how each department sort it out these priorities. You know every department has to be you know capable enough to prioritize what has to be done first, and you know because we created different departments whereas, a differentiation strategy to create in a specialization, but it is also important then you need to work in tandem, so achieve the organizational goals. So, every department has to prioritize.

And, you know sometimes you know time constraint is also factor which will you know talk about the integration strategies. For example, you know maybe the time constraint for their particular department, that actually creates a you know lacuna to create the integration, ok. Communication methods dictate the approach.

So, the communication method you know, when you are talking about you know creation, coordination or integration whatever if you talk about both integration and coordination the you know prima facie are the basis for these both of these activities, coordination integration is communications.

The kind of communication method will dictate the approach. You know what kind of communication channel you are going to use, what kind of communication method you are going to use, that will actually you know dictate whether company employs more of differentiated or integrated approach.

You know if there is a poor communication channels or the communication channel you decide that is actually, we will say how the integration is going to improve. The efficiency of the company is solely based on the kind of communication system you set up in the organizations, ok.

(Refer Slide Time: 19:59)

Advantages of Integration

It is assumed that organisational integration leads to yield good results for its operation. The advantages of integration may be as follows-

- **Integrating the enterprise:** Integration provides a unified communication layer between the disconnected products, business units and partners used in a company.
- **Build a business that can adapt quickly to changing conditions:** Every major business operates in global markets that can change with astonishing speed due to proper integration of activities. Anything from market failures to difficulty identifying potential can bring about the downfall of an organization.
- **Make better decisions with richer insight into an integrated business:** One of the main points with traditional businesses is the fact that information is rarely managed. Creating a complete overview of an enterprise becomes important for the information being always up to date due to operational integration in the company.

The slide features a background with faint icons of a gear, a lightbulb, and a network. A red circle is drawn around the first bullet point. In the bottom right corner, there is a small inset image of a man in a purple shirt. At the bottom, there are logos for IIT Kharagpur and NPTEL.

Then advantages of the integrations. See, integration has you know lot of advantage because you know as I said if you know there is complete alignment of the organizational internal factors, you know, right from the strategy, staff, the approach, style, the implementation all because what is the advantage you are able to create you know same thought process into an action converting the thought process of an organization to an action, you know there is an alignment, right. You are actually achieving the goal.

So, integrating the enterprise, integration provides a unified communication layer between the disconnected product business unit partners used in a company. So, actually what is happening? So, this integration connects all dots and completes a circle. So, in a simple way if you look at you know there are dots, ok. So, what happen? This integration actually creates connection in all these dots and then creating a system, you know and it is actually you know creating a better system, right, ok. And, build a business that can adapt quickly to changing condition.

So, integration you know when we are talking about an alignment is happened, the integration is happening, you know it will build a business that can you know quickly adapt with the changing conditions. As I said, right, it will absorb from the external source as environment and then you can quickly change, because you know there is a

high integration, you know there is a you know proper flow of information's, all departments are coordinated really well they are all in sync.

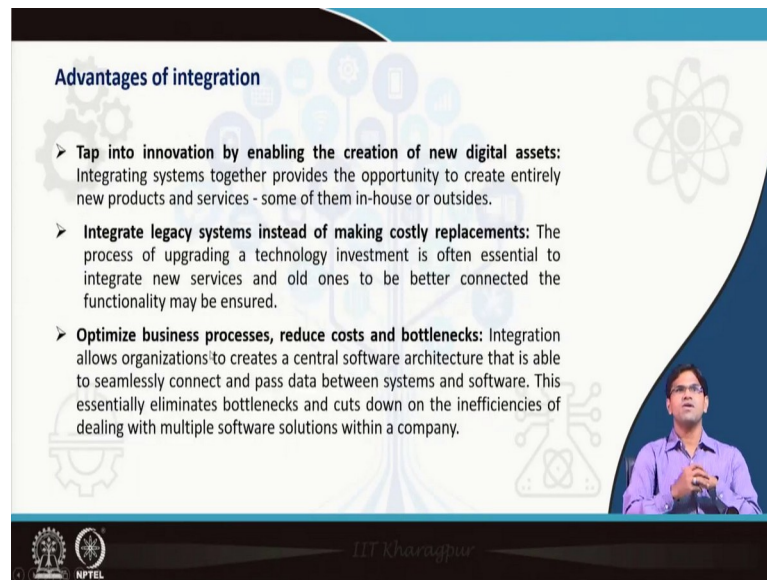
So, you know it is very easy to you know take the input from the external, environment quickly change you know agile agility is really high. You know agile organizations are successful organization. So, the integration its actually very helping organization to quickly change, adapt to that existing environment.

Make better decisions with richer insight into an integrated business. One of the main you know fact of these you know traditional business is the fact that you know, information is rarely managed. You know traditional organization you know information is rarely managed, they never appreciate the information's, ok.

To creating a complete overview of an enterprise becomes important for information is being always up to date due to operational integration in the company. When your integration is really high, you know you will have a better information's, your information's are really up to date, and when you are you know having a quality information, rich information's you are able to make a better information's, you are going to make a better insight.

So, that you know integrate the business have lot of advantages of having a proper information's in hand. Then, you are able to process the data and then convert the information into a knowledge and you can make that knowledge into a you know wisdom to make the organizational success, ok.

(Refer Slide Time: 22:49)



Advantages of integration

- **Tap into innovation by enabling the creation of new digital assets:** Integrating systems together provides the opportunity to create entirely new products and services - some of them in-house or outside.
- **Integrate legacy systems instead of making costly replacements:** The process of upgrading a technology investment is often essential to integrate new services and old ones to be better connected the functionality may be ensured.
- **Optimize business processes, reduce costs and bottlenecks:** Integration allows organizations to create a central software architecture that is able to seamlessly connect and pass data between systems and software. This essentially eliminates bottlenecks and cuts down on the inefficiencies of dealing with multiple software solutions within a company.

IT Kharagpur

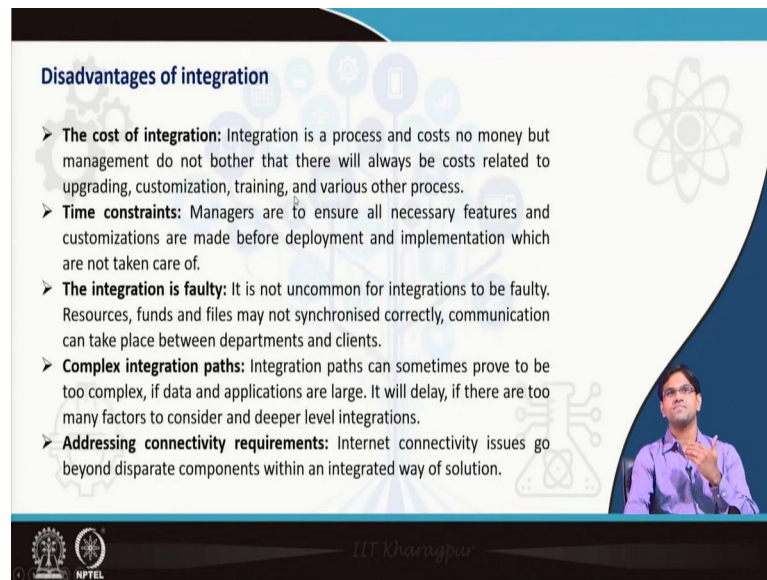
NPTEL

Then, achieving organizational integrations, and tap into innovation by enabling creation of digital assets. So, integrating system together provides an opportunity to create entirely new product and services, some of them in house or outside. You know it provides you know more avenues for you to create a new product and services.

Integrate legacy system instead of making costly replacements. The process of upgrading a technology investment is often essential to integrate new services, old ones to be better connected with the functionality may be ensured. Then, optimize the business processes. So, the integration always optimizes, the business processes, reduces the cost and you know it will also overcome the lot of bottlenecks you know because every organization you always see that you know there are bottlenecks.

The most of the time you know bottlenecks happens, because there is a poor flow of information, there is poor coordination and there is no integrations happen, when there is an integrations you are actually able to come out of the bottlenecks, you know you are able to better manage the bottlenecks and you know you are able to optimize the business processes and you will be able to reduce the cost, ok.

(Refer Slide Time: 23:46)



Disadvantages of integration

- **The cost of integration:** Integration is a process and costs no money but management do not bother that there will always be costs related to upgrading, customization, training, and various other process.
- **Time constraints:** Managers are to ensure all necessary features and customizations are made before deployment and implementation which are not taken care of.
- **The integration is faulty:** It is not uncommon for integrations to be faulty. Resources, funds and files may not synchronised correctly, communication can take place between departments and clients.
- **Complex integration paths:** Integration paths can sometimes prove to be too complex, if data and applications are large. It will delay, if there are too many factors to consider and deeper level integrations.
- **Addressing connectivity requirements:** Internet connectivity issues go beyond disparate components within an integrated way of solution.

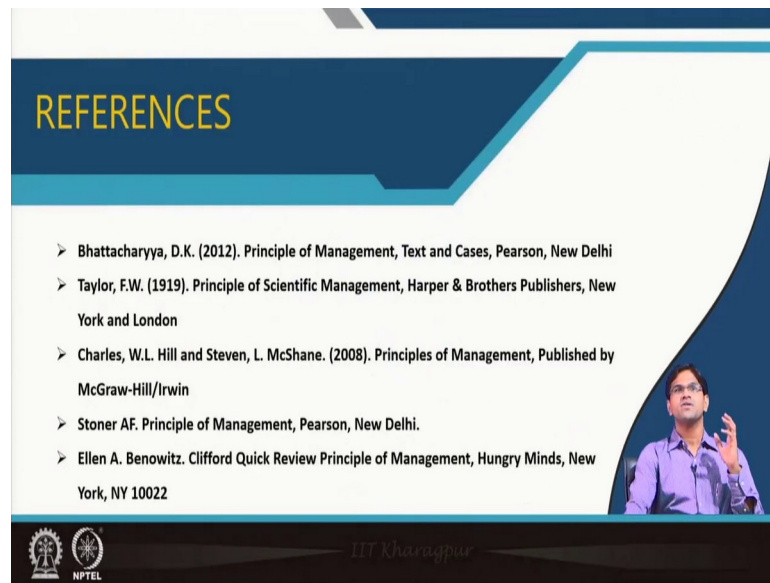
IT Khanna

Now, though we talked about lot of advantages of the integration, there are you know associated disadvantages as well. One is the cost of integration. Sometimes you know the integration is a bigger process, and costs you know no money, but the management do not bother there will always be a cost related to upgrading, customization, training, and various process because you know it is a time consumption process, right.

Now, when you are able to you know create a better integration system or you need to you know invest lot of time and it is you know you need to provide training, you know customization upgrade things have to write. Then, time constraint. So, manager has to ensure all necessary features because it is always a time-consuming process. You need to ensure that the integration happens and there is a complete flow of information's.



Sometimes, you know integration is faulty. It is not uncommon for integrations to be faulty, right. So, maybe you know poorly aligned things can you know actually impacted, right. And complex integration paths, you know sometimes creating a very complex path which will actually impact your, you know way you run your businesses. Then, addressing connectivity requirements you know sometimes you know integration part maybe you know you are creating a better communication system, you know maybe in terms of the technological reasons, there can also be an issue with respect to integrations, ok.

(Refer Slide Time: 25:01)



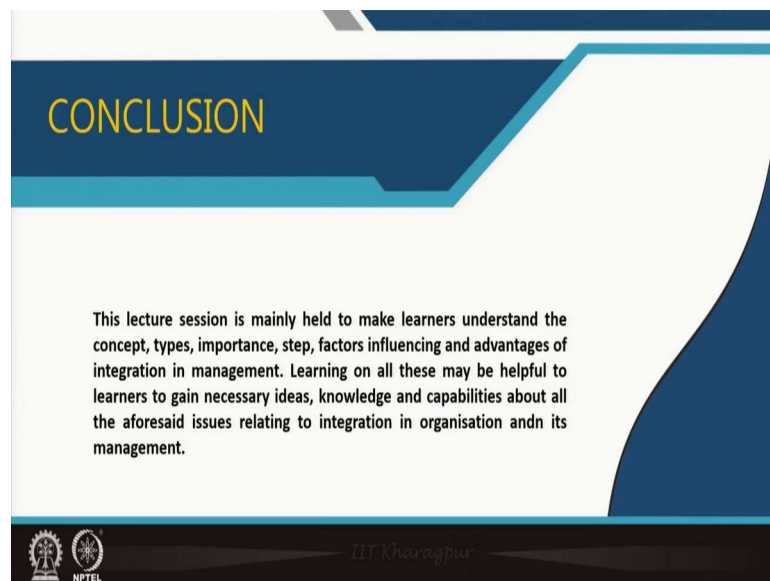
REFERENCES

- Bhattacharyya, D.K. (2012). Principle of Management, Text and Cases, Pearson, New Delhi
- Taylor, F.W. (1919). Principle of Scientific Management, Harper & Brothers Publishers, New York and London
- Charles, W.L. Hill and Steven, L. McShane. (2008). Principles of Management, Published by McGraw-Hill/Irwin
- Stoner AF. Principle of Management, Pearson, New Delhi.
- Ellen A. Benowitz. Clifford Quick Review Principle of Management, Hungry Minds, New York, NY 10022



So, these are the references.

(Refer Slide Time: 25:04)



CONCLUSION

This lecture session is mainly held to make learners understand the concept, types, importance, step, factors influencing and advantages of integration in management. Learning on all these may be helpful to learners to gain necessary ideas, knowledge and capabilities about all the aforesaid issues relating to integration in organisation and its management.

Today, we learnt about you know the integrations, what is integration, how integration is different from the coordination's, and what are the advantages of the integration. We also learnt about steps of creating integrations, and now how integration actually create the you know competitive advantages for their company.

So, we with this we are actually completing the module 5.

Thank you.