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### Characteristics of good information

When using information for business purposes and storing information in an information system it is of vital importance that the information is good and helps you make the correct business decision. The characteristics of good information are as follows: valid, reliable, timely, fit for-purpose, accessible, cost-effective, sufficiently accurate, relevant, having the right level of detail, from a source in which the user has confidence, understandable by the user. These are explained in more detail below:

**Valid:** Valid information is information that is correct and can be used for the purpose that it is needed. An example of valid information that you can trust such as information supplied to you by a governing body. Valid financial information would be tax rates supplied to companies from the Government's Tax Office.

**Reliable:** Reliable information is information that you can rely on as being correct. It will be from a valid and trusted source. An example of reliable information would be information from your sales department that is supplied to the financial department on the sales figures for last month. As this comes from an internal information source it is reliable and can be trusted.

**Timely:** Timely is another important characteristic of good information. Timely information is information that is from the correct time period. If a company wants to analyse current profit and loss then they will need to access current sales figures and not the sales figures from 10 years ago. We can also say that timely information is information that is available as and when needed. For example if a Manager needed to check the sales figures for today timely information would be information that they could print from a cash register immediately at any time during the day.

**Fit for Purpose:** Information that is fit for purpose means that it is relevant to what you need it for. For example if you were opening a business in London then it would be advisable to look at the population within a certain area beside where you wanted to open the business. Looking at information about the population of Papua New Guinea would not really be fit for purpose in this instance.

**Accessible:** Accessible information is information that is stored in a way that it can be easily accessed at any time. If we refer back to the example of looking at sales figures on a cash register at any time of the day having the feature of printing out current sales from the cash register means that the information is accessible. If it took one hour to process the sales figures and print them then this information would not be easily accessible. Accessible is an important characteristic of good information as users need to have information available to them as and when they need it.



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**Cost Effective:** Cost effective information is information that is worth investing the time and money to get to help make business decisions. As an example, if you paid a company to do a survey for you and it cost £1000 and you were then able to use the information supplied to increase your profits by £1500 in the next month then this could be seen as cost effective information. However, if the survey cost £50000 to complete and the information only seen a £100 increase in sales in the next month then this information would not be seen as cost effective. Cost effective information is information that costs a lot less to put together than the resultant profit from analyzing and using the information to increase profits.

**Sufficiently Accurate:** Accurate information helps businesses make the correct decisions. If the speedometer in your car was out by 20mph then this information may result in you breaking the law. Similarly if a sales department sent inaccurate sales figures to the finance department this might result in incorrect tax calculations for the company that would put them in danger.

**Relevant:** Relevant information is information that is directly related to your business need. If a business was looking to cut costs they might look at their electricity bill and try to see where they could save money. If a bakery was looking at the price of metal then this would not really be relevant information to their business. Relevant information for a bakery would be looking at the price of ingredients to use in their products.

**Having the right level of details:-** If someone requests information from you having the correct level of detail is very important. For example, if a manager wants a summary the sales figures for the last 6 months, then the information that has the right level of detail might show the overall sales figures for each month and the grand total added together. Giving the manager a complete list of all sales for every product you sold in the six month period in a 1000 page report would be seen as having not the right detail and would not really be a summary. When presenting information it is important to understand what exactly the person requesting the information needs.

**From a source in which the user has confidence:** Obtaining information for a business purpose means that you must obtain it from a reliable and trust worthy source. If you wanted information about the population of Korea then using Wikipedia might not be seen as being 100% reliable and you may not be 100% confident in using this source. However, if you looked at the census information from the Korean Government you could say what the population was at the time that the census was taken.



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***Understandable by the user:*** Information that is used for a business purpose needs to be understandable by the end user. If a non financial person wanted information about the sales for the last few years and you presented them with a complex set of figures taken from a database with no clear totals then they would not understand it. However, if you knew exactly what they wanted you might present them with an easy to read graph with clear instructions on the totals sales for each of the years.

Knowing what the characteristics of good information are an essential skill to make the correct business decisions. If you liked this article and found it helpful, please feel free to share.