

## The contribution of interorganizational systems to inventory management: A financial statement analysis perspective

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Measuring the value of intra-organizational information systems is challenging. The difficulty stems partly from the fact that one can evaluate the financial investment in these systems but has a problem to assess the direct, and even more so, the indirect, financial contribution arising from their use. Measuring the value of inter-organizational systems (IOS) is even harder, because the contribution of these systems is not limited to one company, but associated with inter-company workflow.

Most studies conducted on the contribution of IOS to date used questionnaires and interviews as their research tool. Those tools express subjective opinion (the perceived value of information).

The authors argue that setting objective quantitative variable will allow decision makers to examine, in an additional, and possibly more effective, way, the contribution of IOS to their company

This ongoing study attempts to examine the contribution of IOS to a company's economic value by using a more objective source: annual financial reports. These reports enable the examination of factual data over time, in order to assess the realistic (objective) value of information. We usually use net profit as a measure of the company's economic value. Since profit is influenced by many other factors, which some cannot be measured quantitatively (i.e. intangible assets held by the company, for example, goodwill) and some are not related to non-operational factors (i.e. tax rate), we propose an-operational, although indirect, index: the turnover of inventory.

Initial findings indicate, to some extent, a contribution of information systems development to profitability, via increased inventory turnover.