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Application of Information Economics and New Information Economics

Arya Kemuning[1*], Abdul Nasir[2]

[1] *Islamic Economics, Faculty of Islamic Economics and Business, IAIN Syekh Nurjati Cirebon*

(*Email Correspondence: *Aryakemuning@gmail.syekhnurjati.ac.id*)

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ABSTRACT

New Information Economics (NIE) is a method used to assess and plan investment systems and information technology within a company. The concept applied to this measurement is the New Information Economics concept. The role of Information Technology has become a very important factor that can help companies improve their company performance. The purpose of writing Information Economics and New Information Economics is to analyze and find out the benefits of applying Information Economics and New Information Economics on companies based on sources obtained. With the help of the information economy and the new information economy, all ongoing project budget calculations, etc., can be evaluated. Be able to calculate which projects are important and which are not. The Information Economy and the New Information Economy help companies estimate the budget needed to implement a project. Can take into account the company's finances so as not to experience big losses.

INTRODUCTION

The transition of technological developments from the analog world to the digital world increases visualization in information technology work. Information technology, which now continues to develop according to society's needs, really helps people to fill and complete many jobs. Information technology is increasingly developing in the business world. With such a turn of events, the world of IT business cannot be separated from its connection with the monetary world. In every good IT implementation plan, it must also be equipped with appropriate financial preparations according to the main financial conditions inside and outside the organization, so that the profitability of the information system is will be implemented in the company must be analyzed first. on financial information. (IE) method.). The IT Planning and implementation form should also include meeting support and ideas certain. Careful and appropriate financial planning is expected to help the organization and not harm the organization due to misallocation of IT business assets.

This computational approach to determining the financial value of IT project purchases is known as information economics (IE). This method, developed by Marilyn M. Parker in 1985, is a refinement of the traditional cost-benefit analysis (CBA) method. Information can be analyzed using IE methods in the fields of technology and business. This is in line with the notion that businesses must invest in IT that directly supports efficient business strategies.

The New Information Economy (NIE) is an IT-first organization that supports its engineering and business tasks. By continuing to select important IT investments and reducing expensive or less important IT functions, management can manage IT investments and budgets and improve IT performance.

LITERATURE REVIEW

According to Dirk Bergemann (2009) in the Journal of Information Economics, it is a method that studies the role of information in relation to the economy. According to Budi Tjahjono, at "XYZ" University, "Application of Information Economics Methodology in the Implementation of FRS Information Systems" (Study Registration Form) is a concept that helps evaluate the economic impact of information technology, and the material and non-material benefits.

According to Benson (2005), the New Information Economy is a practical method for focusing on IT speculation and shows that focusing on new ventures to achieve reasonable business techniques and functional fulfillment improves functional results. New speculation for this business. The idea of NIE within the reach of executives and far-flung regulatory systems characterizes new ways for business and data innovation supervisors to understand and leverage data innovation to achieve better work outcomes.

One of the New Information Economy strategies uses the bottom line value chain, which is a line of management processes that are connected and translated into project and operational budgets as well as performance measures to monitor activities and impacts. Bottom line according to (Benson et al, 2005) using value chain analysis is Tool for understanding the value chain of a product is value chain analysis. From raw materials to customers, this value chain is formed from the actions taken, including after-sales service. The nature of the Value Chain varies between manufacturing, service, and non-profit organizations depending on the industry.(Benson et al,

2005). The basis of business prioritization is a tool for assessing the bottom line impact of an IS/IT project and using the most trusted resources. (Benson et al, 2005)

RESEARCH METHODS

The research methodology employed for this study is centered around a comprehensive literature review. This methodological approach involves a meticulous and systematic exploration of existing scholarly resources, encompassing journals, books, articles, theses, and various other references pertinent to the thematic focus of the article under scrutiny. Through the lens of a literature review, the research delves deeply into a diverse array of academic sources, scrutinizing, synthesizing, and analyzing the wealth of information and insights available within the corpus of existing literature. By methodically examining and critically evaluating existing literature, this research methodology serves multifaceted purposes. It facilitates a thorough understanding and contextualization of the research problem within the broader scholarly landscape, allowing researchers to identify gaps, inconsistencies, or emerging trends in the extant body of knowledge. Moreover, it enables the synthesis and integration of diverse viewpoints, theories, and empirical findings, fostering a comprehensive and nuanced comprehension of the subject matter. Utilization of the literature review methodology signifies a meticulous and systematic approach to research inquiry. It serves as an instrument for critically engaging with existing scholarship, illuminating avenues for further investigation, and fostering a scholarly dialogue that enriches and advances the understanding of the subject matter under investigation.

RESULTS AND DISCUSSION

Information Economics

The way we live and work is being changed by the information economy Behind the success of the global world is economic progress. An economy that can develop is an economy that can generate large profits with small expenditure. Information about economics can present economic concepts, process data and information in detail so that we get the right information or message and match the information we take. with the development of technology, the development of an IT-based information economy. Changes to new financial data provide more accurate calculations and conclusions than old financial data. The goal of new economic information is actually the same as the goal of improving the economic processes currently running in government, industry, and academia as a whole, as well as to obtain existing information to support the success of ongoing economic processes so that those selected for it. applications can have a good effect and improve the economy. The availability of new financial information causes many effects.

Decision Process

How do directors know how to choose between elective speculation arrangements? The problem is messy. Some speculations develop the framework further: for example, centralized server PCs, individual or departmental PCs, media communications organizations, and programming and data set enhancement frameworks. This speculation drove many individual ecological application projects, such as processing plants, industrial facilities, and heating systems, that became the basis for the organization's products. Another speculative option worries individual ventures. Should organizations introduce a query framework or a displayed data framework? Additionally, the choice of framework and application project then becomes a choice of necessity. Which of the many options the Board takes part in assessing the monetary impact of a data framework project

has any of these characteristics, as non-IS management evaluates interest in manufacturing, hardware, and designing considering similar actions. It is very difficult for IS and non-IS directors to pursue options a venture that relies heavily on assessing possibilities, dangers, and vulnerabilities in a fair manner that ensures the long-term well-being of the business while taking advantage of momentary open doors. also, support the association's reaction to changes. Techniques are communicated through arrangements for the distribution and utilization of assets (individuals, cash, materials) over a specified period of time to support specific, predetermined objectives. This goal could be said, for example, to become the head of industry. This can be enforced with various objectives, for example achieving a 10% share of the pie or 8% return on resources (ROA). Other goals that can be imagined are being the first with another item, using resources for innovative work, or increasing turnover by 15% annually. A two-step process is expected to assess valuable business opportunities. To begin with, we need to characterize the orderly techniques regarding known and unknown advantages and dangers and vulnerabilities in business (enterprise) to achieve predetermined goals. In addition, we must also measure the speculation of every venture, to be great (the key to greatness), we must be able to measure and improve existing and non-obvious benefits and minimize vulnerabilities and risks. As a result, the best of each component of the business methodology is compared with each project.

Economic impact is measured Absolute Total Business Employment reflects the number of unexpected positions created through monetary developments. This is the most well-known monetary effect proportion because it is clearer than the theoretical dollar figure. Nonetheless, the number of positions has two major obstacles: 1. try not to constantly reflect the open door of excellent jobs, and 2. it is difficult to compare with the public's enjoyment of attracting positions (through endowments, public ventures).
Value added is used to measure revenue impact. This measure represents the share of revenue from a particular location. However, In the current period of worldwide prosperity, one can expect added value from income effects in certain locations.

Cost Benefit and Value Gain Analysis

Value beyond measurable benefits based on ROI must also be evaluated. The number of evaluations then becomes an alternative data framework project classification. The source of these qualities depends on the idea of what the organization actually is. They are usually not strictly marked. For example, we continuously read monetary data. Data turns into the premise of competition. In this way, the preparation and support of data innovation projects should reflect the new value of data for business. Monetary data expands the traditional view limited to monetary gain but centered on self-esteem. An organization is rewarded by data innovation in various ways. The idea is to track self-esteem, the benefits of investigating the advantages of saving money, reducing costs. by expanding the concept of value to include the following categories: better return on investment, competitive advantage, serious advantage, executive data, ruthless reaction, administration and value, and critical data framework engineering.

ROI, IRR or NPV calculations, which are often used to increase return on investment, may require special considerations when used in IS execution project improvements. There are usually difficulties in completing these checks, for example, selecting appropriate rates of return and accurately assessing all important venture options for a given population, considering, for example, interest in PC coordination. These IS projects tend to have a longer lifespan than non-IS projects and offer advantages such as improved quality, increased adaptability, and technological expertise that can be leveraged in other strategic investments to gain competitive advantage. New

application development projects that can go beyond the boundaries of one company and increase operational efficiency. Recent developments in inter-organizational systems. Companies link their strategic plans with the help of electronic data interchange (EDI). If the object of analysis is viewed as two (or more) organizations rather than one, financial data can reveal opportunities for interorganizational systems.

NIE Impact

ROI, return on investment, which can be predicted or seen that the investment is useful and produces some benefit or profit for the company. Investing is an important thing, making investment decisions requires a lot of time to complete because the costs involved are high and the company's future needs must be considered. This ratio can be used to determine whether a company has utilized its assets appropriately for its core operations. This ratio is also a better measure of a company's profitability, as it shows management's efficiency in using assets to generate income. Return on investment (ROI) analysis in financial analysis has very important meaning as a comprehensive financial analysis technique. Return on investment (ROI) analysis is an analytical technique that is often used by business managers to measure the effectiveness of overall company operations. Return on invested capital (ROI) itself is a type of profit ratio which aims to measure a company's ability to generate profits or profits with all assets invested in assets used for company operations.
Apart from that, it creates order for government agencies if there is new financial information implemented by the government. What influences the effectiveness of the board in fulfilling its duties. As well as the ability to reduce corrupt practices carried out by the current government. And can use government spending more rationally and efficiently, and if the department has additional spending, it can be directed to the needs of other countries. Developed countries use new economic information to support the government, because developed countries always study what has been done and compare developed and developing countries. Additionally, many people in developed countries want to think globally and embrace rapid development. There are no limits to learning and receiving correct and optimal information, and there is no resistance to technological developments.

CONCLUSION

The analysis of the current landscape leads to several discernible conclusions. Firstly, the ongoing evolution indicates a noticeable shift from the traditional information-based economy to a novel iteration termed the New Information Economy (NIE). This transformation signifies a paradigmatic transition within economic structures, marked by advanced technological integration and novel methodologies. Secondly, the utilization of NIE demonstrates a growing trend towards enhanced efficiency and intricate detail in handling information. This evolution in information management techniques underscores a shift towards more sophisticated and streamlined processes. Thirdly, the effective implementation of NIE exhibits a significant propensity to augment the scale and stature of a nation while fostering robust interrelationships. In light of these conclusions, several recommendations emerge to maximize the benefits of the information economy and the burgeoning New Information Economy. Firstly, there is a strong impetus to leverage NIE across various sectors such as industry, administration, and other business domains. By integrating NIE into these sectors, the potential for improved efficiency and productivity is heightened. Secondly, an imperative suggestion involves the ongoing evaluation and refinement of existing Information Economy (EI) structures. This continual assessment and enhancement of EI frameworks are

pivotal to ensure they align seamlessly with the evolving demands and intricacies of the burgeoning information-driven landscape.

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