

# Business studies portfolio – two contrasting businesses.

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Richer Sounds sell all sorts of equipment such as hi-fi separates, home cinema systems and plasma screen TV's, so they obviously have competitors who also sell this kind of equipment such as Dixon, Curry's and Comet, which is why Richer Sounds always try to keep up with all the new developments and also specialist in specific types of equipment. They are also very good at keeping competitive. They are constantly trying to please their customers and also investigate their competitors in order to improve their own sales by keeping lower prices.

Ownership: Richer Sounds is an unlisted public limited company, this means they are not listed on the stock exchange and the owner has a limited liability for any debts. Julian Richer decided not to be listed on the stock exchange because if he did then he would lose some of the control of the business to the new shareholders and therefore would have added pressure from them to improve their profits, so if he keeps the company unlisted then he will have the benefit of having full control over the business.

Richer Sounds think that it is very important for everyone in the organization to understand their aims so they can achieve them efficiently. They have made a mission statement, which is explained to all the staff to ensure they understand. Richer Sounds main aims are: ~To provide an excellent service to their customers. ~To provide generous salaries in relation to the job being done. ~To make a profit, which is very important. Objectives: The objectives of Richer Sounds are as follows: ~To open four to six stores in the current year. ~To control their costs. ~To develop the audiovisual home cinema range. ~To keep the business fun. ~To keep a good level of customer service.

It is very important for Richer Sounds to have aims and objectives because they want to make sure the business works well. Also they need aims and objectives for their colleagues to work to, to make sure that everyone does a good job and provides a great service, which keeps a good reputation for the business. Therefore people will keep purchasing goods from their stores and Richer Sounds will continue to make a profit.

Richer Sounds is obviously very successful in achieving their aims and objectives because the business has continued to grow and make profits. They also never hang their mission statement so the staff always know what they aiming to do. They also have a suggestion system for the staff so they can suggest any improvements to the business or any ideas on how they can achieve their aims more sufficiently. Julian Richer personally reads out these suggestions to the staff and contributes towards the ideas, which I think is great because it shows he has good communication with his staff.

Functional Areas: ~ Finance department ~ Colleague support department ?  
purchasing department ~ Store operations department ? Marketing  
department ~ Administration and IT support ~ Customer service function

Finance Department: The main responsibilities of the finance department at Richer Sounds are as follows: ~ The preparations of financial documents - invoices and statements of accounts, etc. ? credit checks - to check customers are reliable enough to purchase goods on credit. ~ Checking and recording payments - they need to record all the payments for goods sold and check that customers don't owe any money or the business doesn't owe any money to their suppliers. ? checking financial documents relating to

purchasing of goods - making sure that goods have been delivered from people who have sent invoices. ? Monitoring value of items held in stock - to make sure payments that are due will not affect the cash flow of the business. ? paying stock suppliers promptly - to make sure the business does not fall into debt with the supplier and lose their contract and to take advantage of any discount terms. ? paying all other suppliers - other suppliers include heating and electricity, etc. ~Checking bank statements - to ensure there are no overdrafts and to make sure that the correct amount of money has been put in and taken out. ? paying the payroll - paying staff wages and tax at the end of each year. Recorded. ~Preparing monthly management accounts - making sure all the monthly documents are in order such as the cash flow forecasts and profit and loss accounts. ~Cost for new projects - obtaining capital for new developments.

IT Used for Financial Documents: IT is used for the following financial documents: ~To record all financial transactions. ~To pay suppliers. ~Produce all financial documents. ~Check deliveries have been made. ~Record and check supplier terms. ~Check sales in stores. ~Produce financial reports and accounts. ~Prepare the payroll. ~Communicate with other departments. IT is very useful to Richer Sounds for all these financial purposes. IT is used to communicate by email, to prepare invoices and has many other uses such as spreadsheets.

The main responsibilities for the warehousing and distribution department are as follows: ~To receive the goods - supplier and company arrange a delivery date by completing a delivery booking form, the goods are then

delivered on this date and checked by staff to the delivery note and any discrepancies are noted. Ottawa (distribution and storage) then complete a goods receipt note and send it with the delivery note to the stock control department. ? store the goods - goods are stored in a secure warehouse and stacked appropriately with forklift trucks and stored on large pallets.

Any waste is put into a skip and cardboard is recycled. Richer Sounds also use electric forklifts to create less pollution. ? Goods are distributed to stores - goods are listed and checked with Store Operations to ensure the correct amount of stock is sent to certain stores. Ottawa drivers make the deliveries and the store has a delivery date to ensure staff are ready for stock being delivered. IT used in the Purchasing, Warehousing and Distribution department: IT is used within this department for checking stock levels, sending orders and communicating with suppliers and other departments within the company.

IT is very useful for this department, mainly for communication because email is used to contact suppliers and other stores. Store Operations department: Responsibilities of store operations department: ? setting each store's budget - ensuring that each store's running costs are not too expensive, so the store does not cost too much to run. ~Checking that all the stores achieve their targets - monitoring stores and making ? Taking action if targets are not met - those stores would be visited by the director and the problems would be investigated.

? Checking stock orders - ensuring correct stock is being ordered. ? communicating with stores - feedback and advice. ? Deciding the minimum staff level - ensuring the correct number of staff is working in the stores. ? organizing store visits - directors are sent to the stores for procedure visits and people visits to ensure that the stores are carrying out procedures correctly and checking that the staff aren't having any problems.

~Customizing individual stores - store managers decide what improvements are needed within the stores. ? Managing colleague problems - colleagues are able to speak openly or privately to the store managers. ? Ensuring store managers undertake health and safety risk assessments - colleagues receive health and safety training. ? supporting and advising store managers and colleagues - store managers and colleagues can contact store operations if they have any problems. ? eliminating any problems or discrepancies - identified as a result of quarterly stock-takes. IT used in Store Operations: IT is used mainly for sales information. Richer Sounds have an EPOS system which means the EPOS tills are linked to the main computer system, which enables the sales and stock records to be updated. Also read what are the three main types of bank transactions?

This system also keeps an up-to-date customer database, which enables customers to return goods to their nearest store without any complications even if they have lost their receipt. IT is also used to communicate with other stores by email. Marketing department: The main activities of the marketing department are split up into their own sections and those sections carry out their own activities which are as follows: customers in order to make

decisions on advertising and promoting products. Marketing is also responsible for the company's website. ? Design - design is responsible for producing the company's catalogues and other advertisements relating to the company's products. ? Point-Of-Sale - POS is responsible for keeping the company's stores as modern and interesting as possible, which includes everything from fixtures and fittings to posters and notices. The use of CIT in the Marketing Department: CIT is used in this department for analyzing customer data, designing catalogues and advertisements, producing documents, communicating via email and to send text and graphic attachments.

Administration and IT Support Department: The main activities of this department are the maintenance of the current IT systems and support for users and planning future developments. Richer Sounds' computer system is very useful. It has security, which involves all staff having to have an ID and password to access information and it is also protected by a firewall to ensure that no viruses can affect the computer system. Each store uses an EPOSES till that is linked to the main computer system to update stock and sales information. IT support assists computer users when there is any problems.