

# Functional areas within businesses essay



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Every organisation must be sure about what they are capable of doing. In this case the functional areas of the organisation helps marketers meet their objectives. Functional areas of an organisation are usually made up of eight vital factors which are: finance, marketing, customer service, operations/productions, research and development, quality assurance, human resources and administration/IT. Functional areas are very important because this is what the organisation relies on as all these departments link up although they all have their own individual tasks to do, however it is all work towards the same objective. This is a process called Departmentalisation.

Although they are separate departments that work on the same objective, it still means they have to work closely together so that they can meet customer needs. However the functional areas in all business vary depending on what they produce, who their target audiences are and so on. Diagram of the main Functional Areas Marketing The marketing department has a responsibility of making sure that what ever is being produced meets the consumer's requirements suitably because you cannot just offer a product to a consumer for ridiculous prices so in other words the marketing department make sure that the product meets the consumer's needs at reasonable and profitable prices. Like all the other departments the marketing department also have a budget to work to and they will also have to work very closely with the research and development department to compare prices and check new product offers which all helps figure out customer needs and budget.

The marketing department is also responsible for guaranteeing the finance department invests money into promotional activities which is a good way of communicating with customers to find out what type of products and materials suit their needs. The customer service is the area where customers/consumers have their opportunities to ask all the questions they want. So basically marketing is a very important functional area in an organisation as it links with several other departments to satisfy a consumer. A good example of a company's marketing department is Sainsbury's. This multi-billion pounds food retail company relies on their marketing department as they face a lot of competition such as Tesco's, ASDA, and Morrison's and so on.

The marketing department plays a massive role in the Sainsbury's business because they keep ahead of the market by lowering prices and introducing new items to the market on a regular basis. It also helps the company sell millions of products weekly as most of the products meet customer needs.

Finance The finance departments of businesses usually keep records of all transactions that are made. So they keep all information many things such as: the products that were sold to customers by checking the till records after each day, they check the quantity of products and prices of products with suppliers so in other words manage the money that comes in and out of the organisation. They also set every other department a budget of money to work to and also sort out most problems to do with certain departments. So for example the Administration/ICT group need money to order new equipment such as computers and peripherals the finance department will

take in all the information and decide the amount of money the offer to the Administration/ICT department.

A real life example of the finance department in a business is the very well known Motors Company Honda. If the finance department in Honda set a low budget for the all the car parts then Honda will end up with cheaper quality cars however as it's a successful company who makes billions of pounds of profit yearly, the finance department supply the rest of the departments with a large sum of money which gives Honda very nice and high quality cars along with excellent services. So overall the finance department manages the income and outcome of a business, decide how much money they are willing to support surrounding departments with, make more or less all the major decisions to do with all the money. Customer Service Customers play the most important role in every organisation and they are what an organisation depends on due to the fact that they are the people who are purchasing our products or in other words they are the people who are keeping our businesses up and running. This is why customer services is one of the most vital departments in an organisation because they are basically the ones who link customers up to the organisation by taking in all their feedback which is very important because it can help the business meet customer needs by improving their products and services. The finance department set customer services a budget that enables it to undertake a range of activities focused upon customer needs.

Production/Operations Production involves activities necessary to produce good products and service that satisfies customers. Production has to ensure that goods are of good quality and operations have to ensure that goods are

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delivered on time. Research and development are also involved in production. Research and development can be expensive because research costs money and as you're researching the company is not making income from the idea for example Nike and Adidas are competitors and invest millions of pounds into ideas. Nike and Adidas are in a highly lucrative sports market because sporting brands are very popular because people are willing to pay money for their brands.

Research and development need considerable backing from the finance department to make sure the product is of good quality and standard. Research and development need to work with operations to find out whether the new product is easy to manufacture and are of an efficient price for customers so it can meet their needs and requirements. Research and Development Before a new product and innovation within an organisation is launched market research is taken place, the new product and innovation must match the market research to see if it is what the customers want and whether they are going to be successful. The new products and innovations have to be thought out clearly to decide if they wish to research it because, research and development can be very expensive because as they are researching the product or innovation it generates no income, so that is why they must think clearly if they wish to go ahead and research the product or innovation. For example 'Xbox' and 'Play station' are competitors in a highly lucrative games market. Millions of pounds are invested in research and development and testing with key markets before a games console can be produced and sold to consumers.

Research and development needs a high budget and close support from finance to certify good and thorough market research and development. Researcher's also so need a close relationship with operation to relay ideas to operation, to see if there ideas are realistic, and are able to be manufactured at an affordable cost which meets customer needs. Quality Assurance The job of quality assurance is to check and make sure that products that have been produced are of the right standard and quality. Quality assurance have a big impact on how marketing objectives are met, by guaranteeing that the quality of products or services meet customer expectations.

If quality is poor customers will think badly of the organisation so reputation will go down. If reputation goes down it is likely to affect the organisation overall and therefore lose the edge over its competitors or even if worst comes to worst go ' bust'. Quality assurance must work with customer service on issues that might come about such as complaints or enquiries. Human Resources In the human resource department they are responsible for recruiting and training.

The success of this recruitment and training process will determine that the right people are in appropriate positions and are able to deal with customer focused situations within their professional lives. For example customer service needs to understand customer needs and need to be able to deal with queries on a day to day basis. Therefore customer services provide trainers for this skill needed. Human resource management will also be involved in keeping employees focused upon the tasks of the business this

includes keeping individuals in a right state of mind so that they feel happy with their role in the business.

Administration and ICT Information and communication technology plays a vital part on controlling how consumers needs are met. Some large organisations use Information and communication technology to manufacture there products e. g. Car companies such as ‘ BMW’. Also some large organisations use it in deliveries e. g.

Argos, the forms of the house address and name of the customer and it is then transferred to the warehouse where they keep certain times and then it is delivered to the customer’s house. Using this technology as a primary filing system can also be a down fall e. g. If their systems shut down and are not able to be accessed then they will not be able to send them to customers homes on time and this will not meet customers needs, this may also drive customers to other shops. In organisation they also use information and communication technology to link functional areas and they are linked in more then one way in all organisations e.

g. They may all be accessing the same systems and be able to see what orders are on the order book and how that relates to operational needs over the next few weeks. For human resources this might mean employing more people and having their applications on the system and seeing how there interviews went and how they are qualified and see is they’re the best for the job; for operations it may include using CAD/CAM to design products can meet customers needs; and for quality assurance it might mean looking at

producers that help operations produce larger batch runs with greater efficiency and with greater quality.