

Business Functional Areas

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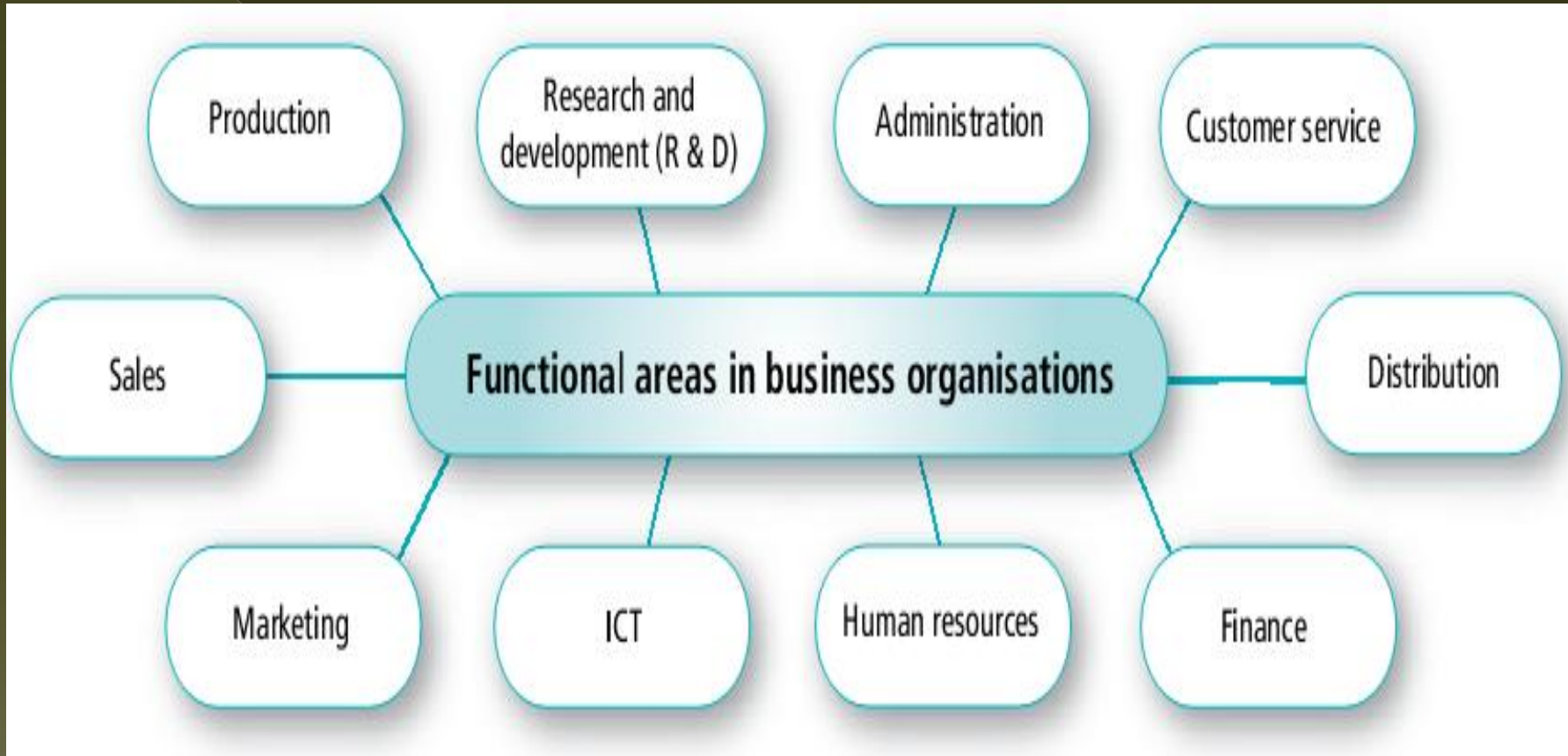
Functional Area:

- a is a person, area or department which carries out a particular business function,
 - for example, finance, sales or customer service.
- ✓ Even in the smallest business a number of key tasks, or functions, must be done regularly.
 - ✓ Stock must be bought, bills must be paid, customers must be served and customer enquiries must be answered.
 - ✓ In a small firm all these jobs may be done by one or two people.
 - ✓ In a large organization, people specialize in different tasks.

Main Functional Areas

- ◉ Procurement
- ◉ Production
- ◉ Distribution
- ◉ Accounting and Finance (A/F)
- ◉ Human Resources (HR)
- ◉ Corporate Performance and Governance
- ◉ Customer Services
- ◉ Marketing and Sales (M/S)





[1] Procurement

- Procurement is the business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives
- Procurement exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organisation, its stakeholders and customers

Procurement

- ◉ security of supply
- ◉ lower costs
- ◉ reduced risk
- ◉ improved quality
- ◉ greater added value
- ◉ increased efficiency
- ◉ innovation
- ◉ Of the other terms we use, 'supply management' is very similar to the term 'procurement' and might be a synonym, but other common terms generally relate to just part of the overall process captured by procurement

Supply chain management

- to be broadly about the efficient and effective management of all activities from primary suppliers right through to the point of sale
- is a key activity whilst in others it is somewhat less important. Procurement and supply management professionals should become increasingly involved in supply chain management, ideally playing a leading role in its development wherever possible
- has a pivotal role to play within the organisation, involving as it does responsibility for predicting and satisfying end customers' demand back through to the suppliers
- have a vital role to play in managing cost, being, as they are, in a position to monitor and influence the whole cost base across the business and the supply chain
- creates opportunities for the procurement professional to contribute to the organisation's success. It is an important activity that purchasing and supply management professionals need to understand and interface with; furthermore they should develop their supply chain management skills so as to supplement the knowledge they possess as far as traditional procurement procedures are concerned.

[2] Production

- ◉ Ordering (often buying) stocks of raw materials from approved suppliers
- ◉ Storing and checking the stocks of raw materials
- ◉ Planning production schedules to maximise machine capacity and staff levels
- ◉ Producing or assembling the finished product
- ◉ Checking the quality of the product throughout the production process
- ◉ Checking production is on schedule and resolving delays or problems
- ◉ Packing and storing the final products before distribution
- ◉ Scheduling routine machinery inspections and maintenance
- ◉ Carrying out repairs to machinery and equipment as required

[3] Distribution

- ◉ Ensuring all goods are appropriately stored before dispatch
- ◉ Ensuring goods for dispatch are securely packed and correctly labelled
- ◉ Checking vehicle loads are safe and secure
- ◉ Ensuring goods are despatched at the right time
- ◉ Checking that all deliveries match orders precisely and notifying sales if there is a discrepancy
- ◉ Completing the delivery documents
- ◉ Planning and scheduling vehicle routes
- ◉ Notifying sales staff of delivery schedules so that customers can be informed
- ◉ Dealing with distribution problems, eg through bad weather or vehicle breakdown.

[4] Accounting and Finance (A/F)

- Producing invoices, checking payments are received and chasing up overdue payments
- Recording money received
- Checking and paying invoices received
- Preparing the payroll and paying staff salaries
- Monitoring departmental budgets to check managers are not overspending
- Issuing regular budget reports to all departmental managers
- Producing cash flow forecasts and regular financial reports for senior managers
- Advising senior managers on sources of finance for capital expenditure.
- Producing the statutory accounts each year

[5] Human Resources (HR)

- ◉ Advertising job vacancies
- ◉ Notifying staff of promotion opportunities
- ◉ Receiving and recording all job applications, arranging interviews and notifying candidates of the result
- ◉ Sending a contract of employment and other essential information to new staff
- ◉ Arranging staff training and encouraging continuous professional development
- ◉ Monitoring the working conditions of staff
- ◉ Checking health and safety and keeping accident records
- ◉ Recording sick leave and reasons for absence
- ◉ Carrying out company welfare policies, e.g. long-service awards and company loans
- ◉ Advising managers on the legal rights and responsibilities of the company and its employees
- ◉ Keeping records of grievances and disciplinary actions and their outcome
- ◉ Monitoring the terms and conditions of employment, including wage rates
- ◉ Maintaining staff records
- ◉ Liaising with staff associations or trade unions which represent the workforce

[6] Corporate Performance and Governance

- The system by which companies are directed and controlled
- Set of rules that define the relationship between stakeholders, management, and board of directors of a company and influence how that company is operating. At its most basic level, corporate governance deals with issues that result from the separation of ownership and control. But corporate governance goes beyond simply establishing a clear relationship between shareholders and managers"

- Good Corporate Governance ensures that the business environment is fair and transparent and that companies can be held accountable for their actions.
- Conversely, weak Corporate Governance leads to waste, mismanagement, and corruption. It is also important to remember that although Corporate Governance has emerged as a way to manage modern joint stock corporations it is equally significant in state-owned enterprises, cooperatives, and family businesses.
- Regardless of the type of venture, only Good Governance can deliver sustainable Good Business Performance

[7] Customer Services Functions

- ◉ Collecting, distributing and dispatching the mail
- ◉ Storing and retrieving paper and electronic records
- ◉ Organising meetings and preparing meetings documents
- ◉ Responding promptly to enquiries
- ◉ Preparing documents using word processing, spreadsheet and presentation packages, such as PowerPoint
- ◉ Researching information
- ◉ Sending and receiving messages by telephone, fax and email
- ◉ Making arrangements for visitors.
- ◉ Making travel arrangements
- ◉ Purchasing supplies of office stationery and equipment
- ◉ Making arrangements for events, such as interviews or sales conferences

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- ◉ Answering customer enquiries about products and services
- ◉ Providing specialist information and advice to meet customer needs
- ◉ Solving customer problems
- ◉ Providing after-sales service, including replacing damaged goods,
- ◉ arranging for repairs or for spare parts to be obtained and fitted
- ◉ Dealing with customer complaints according to company procedures
- ◉ Analysing records of customer complaints to resolve problem areas
- ◉ Using customer feedback to improve customer service and satisfaction

[8] ICT functions

- ◉ Recommending new/updated systems and software to keep abreast of technological developments and the needs of the business
- ◉ Buying and installing new hardware and software and providing information or training as appropriate
- ◉ Assisting users who have computer problems
- ◉ Repairing the computer system when required
- ◉ Advising on/obtaining/issuing computer supplies and consumables
- ◉ Connecting new or additional equipment to the system
- ◉ Installing a security system which limits access to authorised users and protects against hackers and viruses
- ◉ Technically maintaining the company website
- ◉ Monitoring staff computer use for compliance with the company IT policy
- ◉ Operating a back-up system for critical data so this can be recovered quickly in an emergency

[9] Sales & Marketing

- Carrying out market research to obtain feedback on potential and existing products and/or services
- Analysing market research responses and advising senior managers of the results and implications
- Promoting products and services through a variety of advertising and promotional methods, e.g. press, TV, online, direct mail, sponsorship and trade shows or exhibitions
- Obtaining and updating a profile of existing customers to target advertising and promotions appropriately
- Producing and distributing publicity materials, such as catalogues or brochures
- Designing, updating and promoting the company website

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- ◉ Organising sales promotions
- ◉ Responding to customer enquiries
- ◉ Selling the product or service to customers, either over the telephone or face to face
- ◉ Preparing quotations or estimates for customers
- ◉ Negotiating discounts or financial terms for business customers
- ◉ Providing technical advice
- ◉ Keeping customer records up to date

Q-A