

## **BTEC First Diploma in Business Unit 1 Exploring Business Purposes**

### **Introduction:**

In this Assignment I want to describe the functional areas and their main purposes within business organisation, explain the interaction of functional areas and how they relate to each other in 2 selected businesses and I will also evaluate how the functional areas contributes to the aims and objectives of the two selected businesses.

### **Task 1**

The main internal functional areas of businesses:

**Finance** - the department is responsible for taking care of the budgets for the individual retail outlets this is to ensure that they aren't over spending. They keep financial records of all of their payments which they have made to their suppliers, also the payments that the customers have made to them from their customers. This function is used also to chase up late payment of invoices this is so the company do not find their selves in debt. This area also provides their directors with accounts for example profit and loss accounts and balance accounts. This helps the company to evaluate their performance over the year and also to make comparisons with performances from previous years to make the company run more efficiently and set targets for the future. Some finance groups take care of salaries and staff wages these are sent to individual employees bank accounts.

**Administration** - This function is responsible for the everyday paper work. These include dealing with letters from their customers and suppliers. This department also deal with all the telephone and email enquiries from external sources such as customers for example.

**Research and development** - the employees at the company are responsible for this function. Employees are always taking part in external training courses to identify efficient working practise. The research and development function is also responsible for researching and developing different services. The functional areas work together

by holding regular meeting at either shop level at head office to give feedback to each other. They feel that good communication both internal and external help the company to run more smoothly and efficiently.

**Human Resources** - the responsibility of HR is a key feature in the strengthening of the administrations prospective, and maximising everyone possible right throughout the business. It's a inspiring time as the companies new strategies get into full flow.

The human resource department staff in co-op travel is in charge of the performance management; this includes locating the targets this is done to ensure that the relation is a key aspect of the human resource factor. The team work closely with trade unions and management to ensure that the company continues to run easily and stay clear of any type of industrialized act.

**Marketing and Sales** - This functional area's aim is to maximize the level of sales by carrying out market research, promoting the goods or service and having a motivated sales team.

**Customer service** - Is a service that you receive before or after purchasing an item. The purpose of receiving customer service is a way to pursue you to buy the product in hand. Customer service is used in different firms such as restraunts and call up centres. For example in most shops there are areas where it's specifically meant for customer service. Another example of customer service is when there is a call centre in which you talk to a machine or a human being either way you still receive the service you need. Customer service is very important because it assures the customer that the product is good or not and that all comes down in the way the service is provided.

**Distribution** - Is one of the four aspects of marketing. The other three parts of the marketing mix are product management, pricing, and promotion. Distribution deals with how to get the product or service to the customer

**Ict** - Is any communication device or application, encompassing: radio, television, cell phones, computer and network hard wear and soft wear. Ict stands for information and communications technology

**Production** - Is the constructing of materials or a material.

**Distribution** - Is one of the four aspects of marketing. The other three parts of the marketing mix are product management, pricing, and promotion. Distribution deals with how to get the product or service to the customer

**Task 2 a**

A charity shop main functional area is the finance area. The purpose of charity shops is to raise money for charity. A charity shop makes its money by people donating things like clothes, books, shoes, etc. and then selling them for money to make a profit and donate all the money to a charity.

Mc Donald main functional area is also the finance area because they are selling foods to people so that they can make money to improve their branches.

**Task 2b**

Each department contributes to the running of the business. By communicating with other departments, it ensures that people are not doing work, which overlaps. It means that more time can be spent meeting its targets and developing the business. Because of this, all departments communicate as this allows the business to do well as a whole. This is constantly monitored along with each department's progress. The forms used to communicate are email, communications meetings, general talk in the office environment and telephone.

**Sales and marketing-** these two functional areas have to work together in order to make sure that the marketing section are using the right amount of money for resources such as advertisement. The two sections need to work together so that sales staff can handle any enquires if something occurs during marketing strategy such as promotions

**Finance and marketing-** finance and marketing work together so that they can provide each other with the right information. This information can include the

amount of finances which can be used to help with marketing strategies such as promoting a new product. In order for the marketing area to proceed in promotions etc they need to know how much money they may spend.

**Customer service and administration** - customer service and administration work together in order for the business not to occur any faults. As administration aims to help the business run smoothly if customers for example are dissatisfied with a service in McDonalds such as long queuing up times administration can aim to improve the problem so that , less people complain about queuing times.

**Production and distribution** – distribution and production work together because McDonalds have to know how much they should produce so that they can distribute their produce to their customers. If the two functional areas don't communicate with one another the outcome will be disappointing an example of this is if McDonalds don't produce enough products so McDonalds will be unable to distribute the right amount to customers causing problems for administration and plenty complaints to customer services.

### **Task 3**

The aim of Mc Donald is to make profits and continue to be the no1 fast food retailer. In order to achieve this aim some functional areas has to work together. For mc Donald to achieve this aim the marketing and the production department have to work together because the marketing department would do research in what the customers want or need and then the marketing department will pass those information to the production department so that the production department can work on the product that the customer wants or need.

The weakness of two departments working together could be for example, if the finance and production department work together because if the production department have produces too much products the finance department could not have enough money to cover the products that have been produced.

The aim of Oxfam is to raise money to help people. For Oxfam to achieve this aim the customer service and IT department have to work together in order for Oxfam not to occur any faults. As customer service aims to help Oxfam run smoothly if customer for example are dissatisfied with how to donate money on Oxfam homepage, then the customer service department can tell the IT department about it so that the IT department can aim to improve the problem so that, less people complain about how to donate money on Oxfam homepage.

The weakness of two department working together could be for example if the marketing and IT department are working together because the marketing aim is to advertise donates online but if for example the IT department have problems with their computers or software and the people have problem in donating money online could be a big problem for Ox fam.