

**Advanced Vocational Certificate of Education**  
**Business Organisations**

**TASK 6**

**Land buying**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

The main job of land buying department is to buy and develop that land, into an attractive location. Land buying involves buying a land and taking care of it so that it can be sold to the public. This way you're able of making a profit on the land you bought for 2 or 3 thousand pounds cheaper. Land can also be rented out rather than being sold, so that the property/land can still be under the owners name as he/she receives the rent from the person living there. This would make him/her be the land lord. Laing use the idea of renting out their homes

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

One of the most important decisions affecting Laing Homes organisation success is the location of land. Businesses need to decide on the best location within a particular town or area. Whatever the type of business, the aim will be to locate in an area where the benefits and costs is maximised. This way the business is able to do well with the customer left happy. The land bought would not be any type of land; it would have to fit the character of the customer. Some people might like old houses or have theirs specially made to fit the type of person they are, which Laing homes offer to their customers. The biggest problems which Laing homes may face is the healthy and safety of their customers that are interested in buying a house. If they were put in a bad environment it would make Laing home seem like a bad company and this would be shown on their amount of loss each year and that would make their shareholders unhappy.

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

Land buying is the first stage of the cycle and need to keep talking to all departments. Nobody can start work until they do. Land buying has to talk to every department in Laing, and these include development, commercial, construction, sales etc... These departments are contacted in different ways and the most popular methods are phone, fax, email and seeing the person. They have to keep in contact with each department as often as they can so they know what's going on with their plans and whether any thing has changed. With some departments they only keep in contact once every week or once a fortnight which shows how busy they are during the week. The land buying has to keep in touch with the owner of the land and also central services so they know what's going on. This is so they can begin the first stage of the cycle by getting the houses ready for the buyer and so nothing can happen until they get their work done. They normally discuss about the job taking place either on site or in the office. This shows how committed Laing homes are to their customers.

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**Development department:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

The development department are in charge of a lot of things which involve getting permission from the council so that the house can be built legally on a plot of land which has been approved of. The house would have to be designed to suit the satisfaction of the customers buying the place. This would be done by an architect, who has been hired to do the inside and outside of the house so that it looks attractive for the new owners. They are being told what to do by the customers wanting to buy the house, so that the house is done a specific way. The customers can only spend a certain amount on the project so they have to make sure everything is done a certain way and that they don't over spend. After this details of the house are then being finalised to make sure all goes well to get the house finished for the new owners to move in. This would be the amount of rooms in the house, the size, and parking space if they wanted one etc... When all this is done and the owners have moved in they are then sent a questionnaire to see whether they liked their new house/flat. This would help Laing homes know where to improve next time and how to do it, so the customer can be left leaving in a happy home. The development department then pass the house to the commercial department.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

The development department are important because they are the group that design the building to the way the customer wants it. If the development department never existed the planning of the house would not be able to be built to a high standard because they would have problems with the court for legally building that house or flat. This would mean there would be no actual design for the houses being built and the customer would never know how the house would look like until it has been finished. Things like this would upset customers as a whole and would make the company look bad and make them not seem as a professional company in which they are meant to be. This would lead to shareholders being unhappy and probably wanting to sell their shares because they wouldn't be making much of a profit with such an unprofessional company. Before the house can be touched internally and externally the company Laing homes need to get permission from the council to make sure they can legally build that house or flat for the customer wanting it.

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**Development department:**

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

The development department normally talk to people outside the company and not so much with the department inside the company. This department have to stay in contact with the council to first get permission to start building on a regular basis. The method that they use to keep in contact is mainly in person or phone rather than using e-mail or fax. This way both sides are able to talk to each other. They talk to a lot of people outside the Company; these include architects, land and finance departments, designers and the employers. The methods they can use to contact these people are:

- Telephone
- E-mail
- Fax
- In person
- Letters
- Couriers
- Lawyers-solicitors

How often they contact these people depends greatly on who they are talking to, even though they would try to contact everyone equally because there are so many people to keep in touch with. They talk to Land department so they are up to date on wants going on and where the next plot of land the development department has to go next. They talk to Finance department so they know how much the customers are willing to spend on their new home. They talk to the designers at the beginning of the project so they know what they need to get to produce the sort of home the customers want. They also need to talk to the employers about how they are getting on and when approximately will they be finished by so the new owners can move in.

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**Commercial department:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

The commercial department deal with the cost of the house. This covers the equipment used such as the bricks, tools, architects used to design the house etc... They keep in touch with different departments to make sure all goes to plan. They talk to other departments about cost control. This department does a quarterly review of the costs; these are materials, building cost and workers that were involved in building the customer's new home. This could be done every 3 months so that the company is up to date on wants going on and knows how much they need roughly. This way the customers don't get a bigger bill than they thought they would. The commercial department also look after their contractors and sub-contractors. They like to make sure the suppliers are paid properly and to make sure they have no debts. This way the suppliers are left happy and would want to help the company when needed with the materials for the house being built and not worrying when the money comes through. When they have sorted all this out the work is then passed on to the construction department.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

It is an important functional area of Laing homes because they help with the equipment needed for the house. Without this function the houses built wouldn't have been made with the right equipment and the house wouldn't look as attractive as those with a commercial department. They would look by far better and be more professional with the right equipment used. Up to date equipments are better than those used 5years ago because the new one have been made for a specific job and cost a lot cheaper now than then. More people are either investing or buying houses for themselves so they are expecting it to be at a high standard.

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**Commercial department:**

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

The commercial department talk to every department apart from Land buying because they get this information from development.

Who do they talk to and how often?

- **Finance:** they keep in contact on a daily basis because they are key partners.
- **Development:** they talk to them just before the property is handed over to the new owners.
- **Construction:** they keep in touch through out the whole process of building the house.
- **Central service:** They keep in contact weekly
- **Customer:** They rarely contact the customers except for telling them the cost of how much the billing will be

Which methods:

- E-mail
- Telephone
- Fax
- In person

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**Construction department:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

Their main objective is to produce new houses at a high standard that will satisfy the customer buying it. This makes the company look good and is probably the main functional area of Laing homes because customers would be attracted to the houses and flats they've seen on the internet and brochures they've collected. The construction department have to build the house as well as fix the inside. The inside of the house would be designed by an external team outside the company which is chosen by the owner. The external team is responsible of the health and safety of the new owners and has to make sure everything is just perfect before they move in. If anything goes wrong it would be done to the employers hired to do that job. The designers of the house as well as the people building the house have to make sure they stick to their budget and not go over it. If not the owners might find it hard putting in a bid for the house because it's too expensive. When the house has been built to a high level it is then passed on to the sales department to sell the house and make a profit.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

The construction department is very important to Laing homes because without this department Laing homes would be unable to build their houses and would just be left with land. This would not be a good way of pulling in customers as they wouldn't want to just buy land on its own. This would lead to new objectives for Laing homes if they didn't have the construction department. Their main objective would have to be survival as there wouldn't be anyone interested in just land. The construction department helps Laing homes build houses which many people outside the company purchase and this way they are bringing money into the company and attracting new customers. This can help the company grow into a bigger one as it has different objectives with the construction department.

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

The construction department talk to every department apart from the land department. They also rarely talk to the finance and development departments. When they do talk to them it's normally by e-mail, fax or the telephone. The finance department is only contacted to find out the budget they are allowed to spend on building the house before it's bided for. They keep in touch with sales, central services and commercial departments on a weekly basis and this can be done by phone, fax, e-mail or in person. They hardly contact the customers bidding to buy the house because they are not important to their work. They talk to sub contractors daily so they are up to date on wants going on with the house. These departments and people can be contacted by; **phone, E-mail, fax machine, sending drawings** (via the internet) etc.....

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**Sales department:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

The main function of this area is to advertise and sell the houses being built. These houses are prepared for the customer to move in as soon as they've bought the property or see it before they buy it. The sales department just have to sell the property because the construction department have made sure that the house is safe and attractive for the customer to buy. This gives the customers a good impression about the company and how its run. These customers who buy the house will then tell others about how good the service is at Laing homes. One of the key factors in any market is the existence and strength of competition. In a competitive environment are forced to be on their toes. They cannot allow rivals to gain advantages by offering lower prices or goods customers perceive to be substantially better. They do this by being up to date. Laing homes make sure they keep up to date with the designs of the homes so they keep up with any improvements competitors make. The sales department have to advertise their homes to people around that region and also talk to estate agents about potential buyers.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

If the sales department never existed the homes that have been built by the construction department would never be sold because they aren't being advertised. This would be a big problem for Laing homes as it wouldn't be making any money at all. The houses need to be advertised so it can be sold and continue bringing money into the business unless they are going to fall apart very quickly with out the sales department. Without the sales department Laing homes would just be buying land and building houses on it and no one would ever know about it. This would make shareholders unhappy with the people in charge because they wouldn't be making their money back after starting the business. They would also lose their suppliers and probably wouldn't get any credit from them as they see how bad Laing homes are doing.

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

They talk to all departments at Laing homes apart from the Land department. These include finance, estate agents, customers, construction and commercial departments. There are also a lot of external parties who keep in contact with the sales department. They talk to the finance department very often as well as the customers and estate agents to find out the latest bids for the houses and what has been offered to them. They talk to the construction and commercial department to find out how much it cost to build the house and the type of house it's turned out to be when finished to see whether it fits the description of what the customer wants. They keep in contact on a daily basis by phone mainly. There are different types of way that the sales department could contact the other departments and external parties. These could be done by all I.C.T methods and in person. How often depends on the person your in contact with.

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**Finance department:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

This department take care of anything that has to do with the money. This involves supplying each department with money. They receive it when houses have been sold and then they control where it goes next. The chief accountant is responsible for supervising the accounts and finance department. The accounts section must keep a detailed record of all money paid in and out and present the final balance sheet, sources and use of funds, profit and loss account, and other financial records at regular intervals. Modern accounts are stored on computer files and accounting procedures are greatly simplified by the use of specialised software. Within the finance and accounts department there will be two main subdivisions. These are financial accounting function and Management accounting function. The financial accounting function is responsible for keeping records of financial events as they occur. While management accounting function has the responsibility for nudging the company in certain directions, based on analysis of figures for the present and predictions for the future. They are also responsible for helping train their staff members in each department. These are the people that help produce great houses for the public. If they aren't trained well enough they wouldn't no what to do in some cases.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

If the Financial department never existed then there would be no one to take care of the money. They wouldn't be seen as a serious company to the public and this would affect them as they wouldn't be selling any houses. The people that worked for them would be under trained and wouldn't have many skills to offer to the business and would be getting paid for doing a lousy job, which would make the business lose a lot of money as it wouldn't be making any profit. Its Objectives without a financial department would be to produce high quality houses and developing staff skills.

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

This department mainly talks to all the departments in the company on a daily basis. They control the budget for each and every department in the business. They limit the amount that they can spend on each project so they are able of making a profit on that house when it has been sold. They use all different types of I.C.T methods of contacting these departments or in person.

**Which methods:**

- E-mail
- Telephone
- Fax
- In person



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**Central services buying:**

**6.1 Question:** A description of each functional area of Laing homes including their main activities and characteristics of each?

The Central services buying department take care for all the legal matters and all the regions of the Laing home departments share the responsibility. They help advertise the company to the public using different methods in attracting new customers. This way everyone gets to know about Laing homes and it's a very good way of advertising the company. When ever there's trouble in the company, the central service department is contacted to help solve the problem. They help in Laing home departments in many ways; these include giving advice, supplying the company with stationary or equipment etc... They also made a Laing homes website which people outside the company and inside can visit to get any information that their looking for.

**6.2 Question:** An explanation of how each functional area helps in the running of Laing Homes and therefore helps it to meet its objectives?

This part of the company helps with the legal matters. If there was any trouble, this region would have to sort it out themselves and this could cause some problems in the company. The problems that could appear could be that there would be no general advertising for Laing homes, no one to control the health and safety of the business, no one to supply materials for other departments and there would be no one to set up an internet site for the customers to visit when needed for information. This way the company would be losing customers and that would affect them in a big way because their main objective would be survival.

**6.3 Question:** An explanation of the connection between the different functional areas, looking at how they can work together to meet an objective?

The central service buying department talk to all departments in Laing homes. They keep in contact with each department on a daily basis encase they need help to run that department. They use a variety of ways to keep in touch with each department these could be:

- ICT methods
- E-mail and via the intranet would be the most popular
- Probably electronic orders
- Telephone
- Fax
- Letter and couriers

