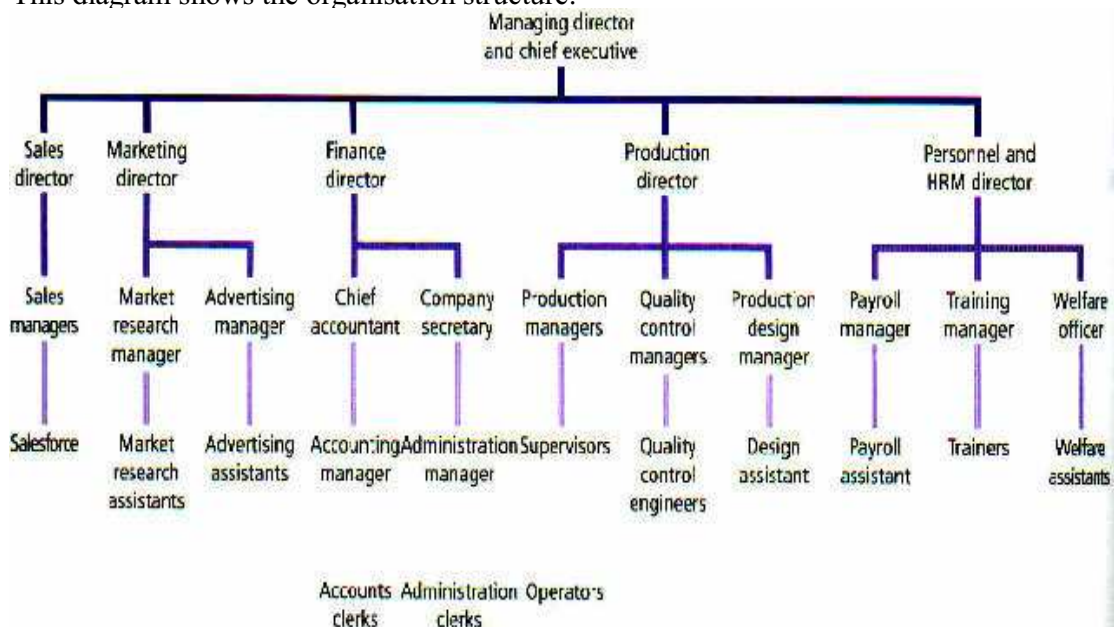


Functional areas

Nearly all businesses have functional areas within their firms. Functional area means how a certain type of business operates inside or outside their business, for e.g. how does the firm deal with the stuff like human resources, which comprises things like health and safety or organisation development, personal operations etc... human resource strategy demands that an organisation should manage its employees in a way which is consistent with the objectives of the whole business. Its purpose is to establish competitive advantage. The HR department would take decisions without considering what its actions mean for the rest of the business.

The Human Resources Department (HR) controls employees and makes sure laws and health and safety matters are taken into account. They manage training for new staff and manage employee performance by make sure that workers are happy and motivated. If employees are not, then the HR supports them and takes into account their circumstances. Without HR, employees who are not happy would not have anyone to look into their matter, which makes them unmotivated. If the employees are not motivated, they will not put 100% in giving customers satisfying service, which will lead to fewer costumers meaning that their will be lower profit made. This means the objective of making profit will not be met.

This diagram shows the organisation structure:



These are the job titles of some of the Argos ltd Human resources departments which ensure that all objectives are met thoroughly:

- ❖ Health safety must be required by every different type of business. Argos just does that. This department makes sure that the business accomplishes both its moral and legal obligations towards health and safety. It is responsible for insuring that the safety issues are considered in all part of the business. This includes safety in those places which can harm the employees, customers, or

visitors in anyway. Before launching a new business, this department make sure that the legislative requirements are met thoroughly; this includes the appropriate policies and procedures standards. Both the internal and external queries are dealt in this department. This department ensures that the organisation avoids unlawful or unfair discrimination. Every customer or visitor gets treated in same way as everyone else, with good attitude or behaviour.

- ❖ The next part of the functional area, which is considered in the human resources, is the organisation development. They train members of the staff, senior managers and directors, to develop them and to be sure that they are enabling to reach their maximum potential at they're jobs. This team provides the training and development solutions needed for them to run the business successfully according to what type of job title they have. This team is also responsible for running personal development courses or one to one management coaching, but not the least; they also do executive succession planning which tells manager what to do in order for the business to run successfully. When a new employee enters in any of the working areas, it is trained from a highly skilled experienced worker, this is known as induction training. The firm's induction training should aim to drive each employee along their own personal learning curve as quickly as possible. The curve consists of performance on the side and time at the bottom. Basically this department trains the worker to gain more performance in less time. They train the employees for later in the future as well, because if one of the highly skilled workers retires, other worker/s must cover his place. The main reason behind all this to deliver high quality products or services to the consumers to fulfil consumers needs and wants.
- ❖ Personnel department is another good type of operating area for Argos ltd. This type of area is divided into five different sections. Three personnel teams look after:
 - Recruitment and Selection: this team has to identify the need for a new employee, define the job and the appropriate person who has good knowledge over the type of job, e.g. one out of ten candidates is probably being chosen for a right job.
 - Industrial and Employee Relations:
 - Remuneration and Benefits: is the entire package of rewards received by an employee. These may compromise: pay, pension, contributions and share options and plus fringe benefits such as company car and private health insurance.
 - Design and Development:
 - Training and Development: This type of department instructs an individual about how to carry out tasks directly related to his or her current job. Development involves help the individual to realise his or her full potential. Training and development makes sure that all individuals give their best at reaching a certain profit, fulfilling objectives, or just to keep the business going. An employee gets trained by an experienced worker. Basically they expect the employee's performance to be higher in less time.
 - Councils and Legislative Requirements: This is the committee of an employer and employee representatives which meets to discuss companywide issues. Works councils will usually discuss issues such

as training, investment and working practices.

Each of these departments takes a practical approach in introducing new plan that will add to driving the business forward, like organisation development department. The personnel department is involved in preparation of the workforce of employees through induction, training and consideration. The work of the personnel department can be a key ingredient in the establishment of the culture of the whole organisation. They also figure out the working conditions for the employees within their business. The personnel department will aim to attract the best candidates for the job. If the wrong person is recruited, this can cause problems for the business. So this department makes sure that everyone does the right type of work.

- ❖ **Distribution personnel:** A dedicated team provide complete human resource management support to Distribution operations. Organised through a regional organization, with each local Distribution Centre and the Direct Import Centre having a dedicated advisor providing day to day support, the team cover a wide responsibility which includes the advertising of valuable Employee Relations in the unionised environment

Human Resources and its department work together in order to achieve the objectives of Argos limited company. Each department helps the business to communicate with the society to achieve the objectives of Argos ltd. Effective communication between departments is vital for Argos to succeed in future or to correct mistakes. The main benefits of having human resources strategy are to put in place the appropriate employee mix to allow the organisation to achieve its aims and objectives. Organisation trains all employees in a way that can bring benefits to both to the individual and to the organisation

Functional area: Finance

Finance is another important factor of Argos. This controls the amount of money Argos is using or investing. This department has number of different duties, this includes recording transactions, producing good quality documents to illustrate the performance of the business and its financial position and also controlling the flow of money in the business. To record all the transactions or work out the Argos ltd profits, this department also considers with some accountants, which have good knowledge to perform effectually. This department ensures the robustness and integrity of all their financial information play an important role in a variety of projects and schemes that will support the strategic growth of Argos over the next 5 years and for the predictable future. The rigour of the data modelling and financial analysis they provide means they truly are critical in shaping the business.

Credit controller:

The credit controller monitors and collects the money to owe to the business. A 'tight and easy' credit policy may be adapted. Tight credit terms may be used to improve liquidity. Liquidity includes thing like, risk of bad debts, exploit or seller markets, and maintain slender profit margins. Liquidity is just a term which changes assets into cash.

The company's accountant managers and sales manager work closely with the credit controller because the credit policy could also affect the firm and the sales if anything goes wrong. The credit controller keeps track of bad debts occurring in the business or the time it takes to collect certain amount of debts. Last year in 2003, Argos ltd had £1803 million amount of debtors and nearly about more than five hundred thousand

of the debtors were classified as bad debts because they might have been bankrupt or their position in the market might have gone down.

To help the credit controller to keep track of money coming in or going out, the Finance department have provided him with some procedures which find relevant information about a supplier (e.g. supplier's bank details) or the supplier performance in the market. Knowing this information is important because it lets the credit controller know if the certain supplier can pay back the stock he bought from Argos or not. Credit controller must let the managers know every bit of the financial information by keeping the trail on the money. It is obvious that the business has performed well because this will also raise their profits or make the company popular.

Payroll clerk is another important person of finance department. A payroll is a list of employees with their wages or salaries and a clerk is a financial director (David Tyler) who is responsible for what ever is happening in the business. He is also responsible for preparing final accounts to show managers how well the business is performing through out the year. To do this he has to keep financial records required by the business. In other words entering transactions in double entry accounts, which show what has the business received or owed. This keeps the track of how business is using or spending its money. Financial directors keep the business up to date with all the relevant things happening in the business, for e.g. stock, sales, purchases, incomes received etc...

Financial director also keeps track on TAX the business is paying to government. This includes any part of the revenues the business owns. The profits made by business are also liable TAX.

To fulfil the objectives of the business, like profit, growth and customer services.

Argos Ltd has financial director which tells the workers at finance department what to do or improve at. He also has to calculate the correct figures to work out the final accounts, so at the end of the year the net profit of the business can be the same as the figure of capital. If this is not the same, some where in the trading profit and loss account or the balance sheet there is such error formed. Financial directors write up a detailed report telling the managers how the business has performed through out the year. This helps the managers to make decisions or decide a new objective. The credit controller monitors the money owing to the business. He makes sure that Argos finance department has received the full amount of incomes, when preparing the final accounts. His main job is to keep track on the debtors because if the debtors cannot pay the money which they owe Argos Ltd, it can affect the profit of the business depending on amount debtors which are outstanding.

Without this department Argos will have an unorganised record of the financial issues in the organisation. This may lead to disorganisation of data, which means employees might get puzzled resulting in their lack of motivation. This will result in unfortunate communication with customers, which lead to customer dissatisfaction. It will mean Argos will become less admired as there would be smaller amount customers, which implies that the objective of being admired and starting to expand is not met.

Market and sales:

Sales manager (Paul Geddes)

Keep's track of stock coming in the business and also the stock going of the business. When Argos buy's stuff of another company, it is known as purchases, but this is not all way the case. There can be a time when a supplier has bought some stuff of Argos Ltd but after few days, the same person returns some of the stuff. This can also be

known as stuff coming in the business. The accountants need to make a transaction to show that a supplier has already bought some stock but decides to return some of the stock back. This makes sure that the new stock doesn't get mixed with the old stock.

When the stock in the business decreases, it is the sales manager responsibility is to keep track of the stock... He orders more stock to come in the business, when the old stock gets sold out. When retailers or wholesalers buy products off Argos ltd, they are known as Debtors. The sales manager sends an invoice to the supplier, telling them the amount they owe to Argos ltd. If the supplier cannot repay the amount of money supplier owes, than in his account he will be known as Bad Debt because the supplier might has got bank cropped or sales must have dropped down.

Market researcher and the marketing director:

The marketing researcher collects and identifies the buying habits, lifestyle, and usage, attitudes of actual and potential customers.

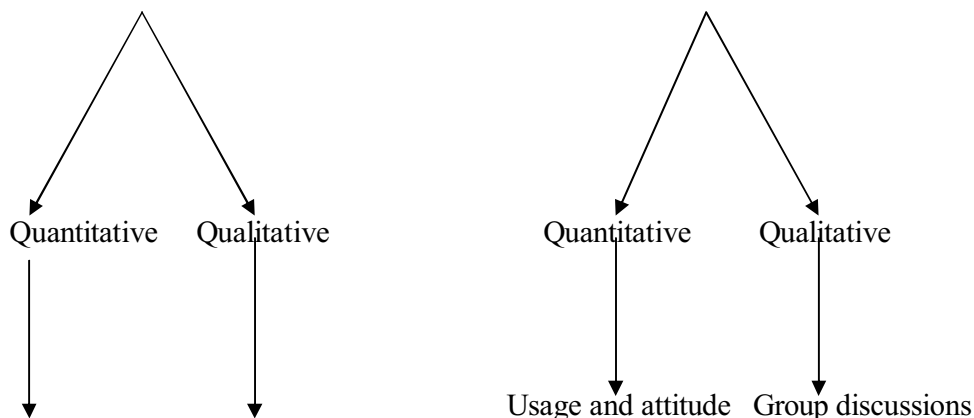
Primary and secondary research is done in different way. The primary research has not yet been identified by the business. It is the market researcher job to go out and collect that kind of information from consumers. The advantage of market researcher collecting this information is that the firm which initially collects it will be the only organisation to access it. Primary information will be also used to gain marketing advantages over their rivals. This kind of research is known as a field research.

The secondary research is known as desk research. Simply this is the information which already exists. This kind of data can be collected within the Argos ltd own firm. This may include the following:

- Existing market research reports
- Sales figure
- Annual report and accounts
- Internet data

By collecting both of these researches, it can help the business to achieve there objectives more successfully. By using this information the business can identify what is happening in the market. Argos ltd predicted reasons, which is how Argos owners/shareholder will predict what is likely to happen in the future. It will also help the business to make exploratory decisions. This is concerned with business aiming or investigating new ideas in a market to get ahead of their rivals.

Both researches can be done like this:



Retail audits expert opinion studies depth interviews
(Market
Intelligence
Reports)

The marketing director as a whole or only the marketing director is responsible for the effective promotion of products. Marketing director main aim is to boost the awareness of a brand that has faded from consumers memories or has been introduced in the market. The marketing researcher is responsible for collecting information about consumers, environment, etc... the information than gets passed on to the marketing director, which analyses how the product is going to be promoted, priced, or even packed to attract consumers to buy the certain type of product. The marketing director has to be aware of how the stuff is being publishing because if the product isn't successful, the firm can be at a position where the losses on sales can happen. The marketing director will also look at the information collected by the marketing director to take it has a competitive advantage on a any cases.

By considering the marketing mix of the products, the firm can be a position to fulfil their marketing objectives. This may include the business raise the Argos ltd sales or the operating profit margin. Effective promotion gets under way all the time to keep customers interested in Argos ltd products. Flyers are published on special events through out the year, such as Valentines Day, mother's day, and Easter. Point-of-sale and internet sites are also used to let shoppers know what is happening at Argos.

Not long ago, the launch of the new Argos advertising promotion, starring Julia Sawalha and Richard E Grant, increased the awareness of new Argos catalogue. It also increased its purchasing rate and improved awareness of the Argos brands. The combination of stores, catalogues, websites and home delivery options makes possible for the customers to choose the shopping experience that suits their particular lifestyle. The marketing director said that "Argos is one of Britain's best kept secrets and this advertising is going to engage a whole new audience with the brand". This advertisement was also successful because they won the marketing campaign year at the retail awards 2003. Doing these promotions is important to attract consumers with their kind of services and also persuade them to buy their products. Argos has several competitive advantages in it's:

- ❖ Purchasing scale
- ❖ several brands
- ❖ various channels