

M3 Interaction of Functional Areas

Functional Areas in Tesco & Oxfam

Administration: Both organisations incorporate administration within their business to implement vital decisions, Tesco use administration to crucially administer the critical decisions and planning needed to develop the business as a whole and expand itself throughout other countries, other functions within administration can be budgeting, leadership etc. which Oxfam also uses to develop itself and budget donations that will be passed to 3rd world countries, also Oxfam uses administration can be used to assess the quality in all areas and detects potential or actual deviations from the organization's plan.

▲Administration can tie into finance

Customer Service: Both Tesco & Oxfam both provide customer service towards their customers, Tesco uses their customer service to either receive complaints, offer advice or information to customers or allow customers to offer their opinions about the organisation. Oxfam use their customer service to allow donations to come through or to offer advice or information about where donations will go and what will be bought with the donation made, also they give information about outlet stores as they sell goods with the money reaching 3rd world countries.

Distribution: Both organisations use distribution but both use its purpose for different reasons, Tesco uses distribution to deliver goods to stores, deliver goods to customers who have ordered over the internet or export food to other countries, taking advantage of the functional area in an organisation such as Tesco allows the business to expand and develop while Oxfam uses distribution to export vital goods to 3rd world countries such as food and water etc., using distribution is an organisation such as Oxfam allows the charity to reach those who need basic needs fast or reach people after a natural disaster, the main priority for Oxfam in distribution is speed and efficiency.

Finance: Both organisations take finance into careful consideration and this can merge into other functional areas such as Marketing & Research & Development, Tesco' use of finance is to detail where the business is making profit or losing money, for example paying too much for stock, Tesco can also use finance to compare itself with competitors overall, tracking where they are gaining or losing to their main rivals. Oxfam use finance to fund orders of goods to be exported to 3rd world countries, though all of Oxfam' finance comes through donations or through their stores.

Human Resources: Both businesses use human resources as a vital functional area within their organisations, Tesco takes full advantage of human resources, employing staff, training employees to complete simple tasks such as delivering goods or developing skills in the checkout, also Tesco use HR to keep in close contact with other issues such as Industrial and Employee relations, Promotions, Personal data etc. Oxfam on the other hand use HR to hire people to work in outlet stores or work exporting goods and handing them out in 3rd world countries, also Oxfam uses HR to develop relations between other countries and donors to allow donations to come in and expand to other poor countries.

ICT: Other companies use ICT to further themselves in vital aspects such as communications & the internet (websites etc.). Tesco uses ICT to keep in touch with the customer, offering information on their website about products and the business but also allowing customers to order goods via the internet to be delivered. Oxfam use ICT to communicate to people who wish to donate money, these donation can be made via the company' website, also Oxfam use the internet to broadcast to other people the poverty that is taking place within 3rd world countries. Using ICT can relate into aspects such as marketing and customer service allowing both company and customer to either promote goods or allow customer to voice complaints etc.

Marketing: Both organisations use marketing to promote their respected businesses, both businesses' use specified aspects of marketing such as advertising and branding, retailing & market research to fully make use of the functional area, Tesco use these aspects to promote themselves and sell products and goods to customers, also using marketing to form marketing plans to develop themselves within international countries. Oxfam use marketing to allow people to donate money to themselves or to promote the purpose of their outlet stores, within marketing both organisation use aspects such as TV, Flyers & billboards to promote themselves.

Research & Development: Both organisations use research & development to either increase business profit, proportion market or expanding the business into other countries, Tesco use R & D to keep up with public demand thus increasing profit, this could mean introducing a new product with less packaging etc, Tesco also use R & D in other aspects such as training employees or innovating new ideas into the business, Oxfam use R & D to fully make use of their expanding charitable throughout the world, making sure that they continue to generate donation and provide basic needs for people in 3rd world countries, also training staff to work in either their high street stores or working in exporting goods throughout the world.

Purposes Of Functional Areas: The purposes of functional areas within both Tesco & Oxfam is to support business purpose, aims & objectives etc, the functional areas allow businesses to merge these together producing better results as more resources are used to achieve these results, also functional areas are used to develop new markets, using functional areas such as marketing, advertising etc. to advertise business. creating new markets with both customers and suppliers, this also ties in with continuous professional development, which is put in place to continue the professional development within a business, using this allows to develop both business and the functional areas in these businesses.