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MORRISONS

Applied Business GCSE

Unit 1 Investigating Business

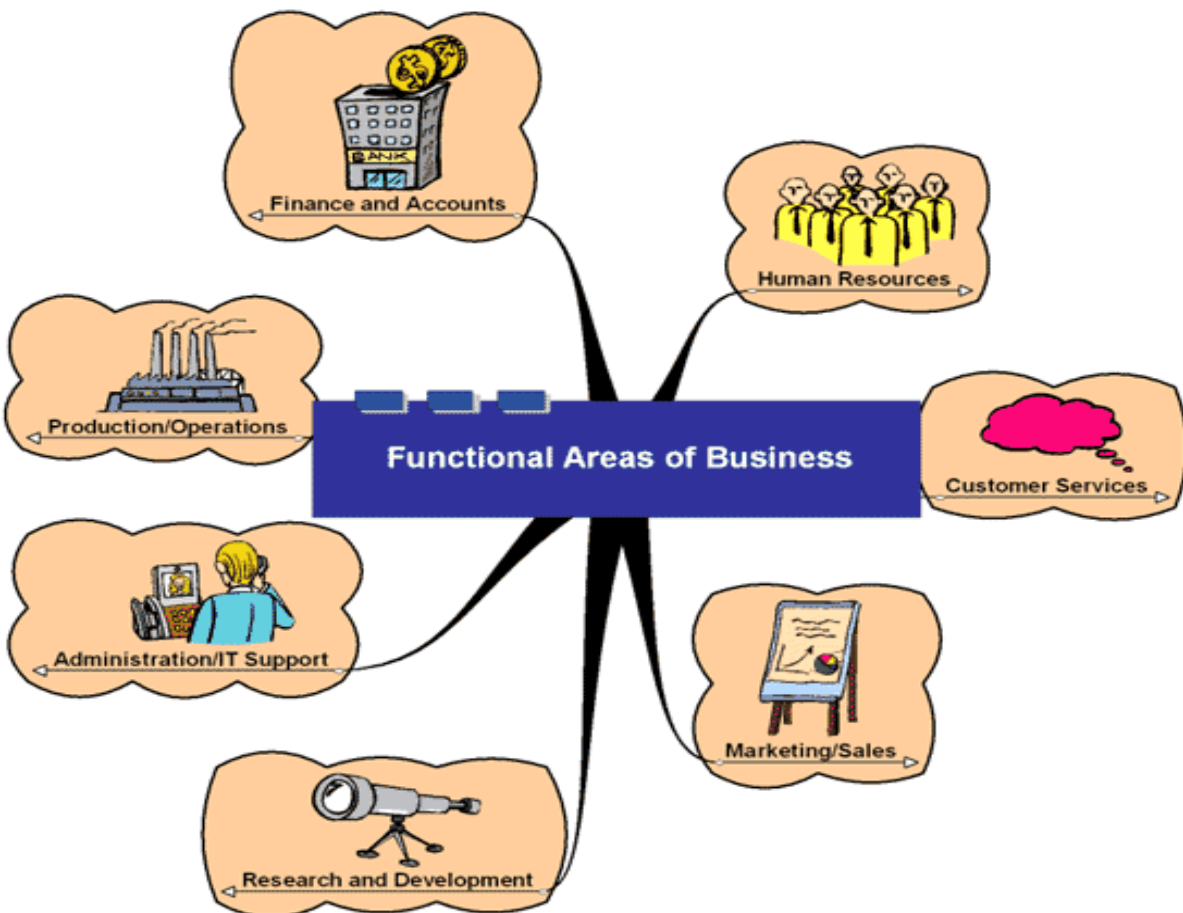
Part 2

Task 1

Functional Areas

To be able to sell products, specific functions must be performed by staff regularly. In a small business, individual people complete the functions. In medium or large business, such as Tesco, the functions are performed by individuals working as members of functional areas, or departments.

Here is a diagram showing all functional areas.



Here is a short description of all the main functional areas within Morrisons.

- Finance and Accounts – They record and manage the revenue and costs of the business to calculate how much profit or loss it has made. If there are problems,

action must be taken swiftly. Computers and IT mean that financial transactions can be recorded immediately and analysed.

- Human Resources – They are in charge of all activities carried out by staff. They take care of such things as health and safety and working conditions of all staff. You would contact the human resources department of a business if you were applying for a job there.
- Production / Operations – The operations function manages resources and the production. And making sure all activities carried out go according to plan. They are also responsible for producing goods and services by making the best use of resources (e.g. people and equipment).
- Customer Services – The customer services department are responsible for the safety of all their customers'. They provide them with information, advice and after-sales service, and deals with customer complaints.
- Administration / IT Support – The administration and IT support functions are responsible for a range of tasks which help the business run smoothly. Also all businesses receive information daily, in many different ways. This must be dealt with quickly so that customers and suppliers receive prompt answers.
- Marketing / Sales - They are responsible for making sure customers know about the business. This may include market research, advertising and sales promotions, the creation and development of a website or web store. The sales department is responsible for selling the items to the customer and keeping sales records.
- Research and Development – Unless a business is continually expanding and developing its range of products, it cannot succeed. Sales for a new product should gradually increase provided that the marketing mix has understood the market. However, sales will begin to level and then decline. This sequence the product life cycle.

Here I will talk about three functions of Morrisons in greater detail.

Marketing & Sales

The Marketing and sales department in Morrisons makes potential and existing customers aware of the goods or services that a business sells.

It must ensure that Morrisons sells what customers need or want to buy:

- Looking at the business from the customer point of view.
- Identifying customers' needs and providing for them.
- Working out what customers will need in the future.
- Collaborating with the research a development.
- Department to invent new goods and services.

What is Marketing?

Marketing is the process that identifies, anticipates and satisfies customers' requirements profitably.

Also the marketing department are also in charge of advertising. Advertising is one of the main things a business carries out in order to get their business known and gives them a good profile. Morrisons are well known for their adverts because they have a variety of famous faces doing it for them.

Promotion is the term used to describe how a business communicates to customers, what it sells, how it will benefit them and why they should buy it from a specific business.

The four main types of promotion:

- Advertising – Morrisons do a lot of advertising in order to raise their profile.
- Publicity – Morrisons don't do much publicity, the only one they probably have done is sponsor the Scottish national football team.
- Sales promotions – This is a common type of promotion in Morrisons because it attracts all customers.
- Personal selling – Morrisons don't cover this promotion as well as others because they sell to all customers not only individuals.

A business promotes itself by advertising. This involves placing adverts in the media, including:

- TV, radio and cinema
- Internet
- Magazines and newspapers
- Posters etc.

Publicity involves an image or an impression by attracting the attention of the media. Unlike adverts, publicity is not paid for directly, so it can be unpredictable how effective it will be targeting customers.

- Press releases
- Sponsorship
- Award ceremonies
- Arranging speeches

Sales promotions are ways in which a business tries to make its goods or services attractive to customers.

Common sales promotions include:

- Discounts

- Money-off coupons
- Free gifts
- Special offers

Some products are personally sold to customers by specially trained sales staff from the sales department.

The sales department is often split into further subdivisions.

- Sales staff
- Sales representatives
- Telesales staff
- Merchandisers

Finance & Accounts

This department or functional area is in charge of recording and managing the revenue and costs of the business to calculate how much profit or loss it has made. If there are problems, action must be taken swiftly. Computers and IT mean that financial transactions can be recorded immediately and analysed.

Finance & Accounts function in Morrisons take care of the following:

- Setting budgets
- Preparing accounts
- Obtaining capital and resources
- Paying wages or salaries

Finance and Accounts are in most businesses the most important functional area or department, this is because they have to set budgets for other functional areas to abide by for example, advertising. The Finance and Accounts staff have to set a budget telling the marketing and sales staff how much money they can spend.

Finance and Accounts are also responsible for preparing and organising accounts, which is a legal requirement for most businesses. Even a small business has to calculate its profit, because the Inland Revenue needs this figure to calculate how much tax the owner must pay.

Also the Finance and Accounts staff have to calculate how much money is coming in and out of the business. For instance, they have to calculate the money spent on buying products for sale from wholesalers, all the money that is spent on staff salaries, all the money lost on products that have been thrown out due to not being sold and the money that is spent on rent for the store. And then calculate it all together and see if they are progressing or failing.

Morrisons have made acquisitions before in the past, with the takeover of Safeway. If they want to expand or make more acquisitions the Finance and Accounts department would have to see if they have enough money to do so and if they do they would have

to see if the move they are going to make would be profitable, if they don't research on moves that they are going to make and they fail they will lose masses amounts of money and lose their reputation.

Paying staff is function carried out by the Finance and Accounts team. It is important to pay their staff as soon as they are due to be paid, this is important because when the staff are happy with their jobs they do it much better and then that makes customers feel happier.

Administration & IT

In most businesses the Administration and IT department are seen as the heart of the whole business. This is because they are set out to do one thing and one thing alone, which is to make sure business runs smoothly. In order for the Administration team to achieve their aim they would have to be responsible for many key areas.

The Administration and IT staff in Morrisons are usually responsible for the following key areas:

- Clerical work
- Cleaning and maintenance
- Health and safety
- Security
- Support for software applications
- Electronic communications
- Electronic transactions

In Morrisons the clerical work done includes the collection and distribution of mail, record keeping, organising meetings and responding to enquires. Many different tasks are carried out by administrative and clerical staff during an average day. Some are routine, such as opening the mail, ordering stationary, preparing and filing documents. Also other tasks need doing, such as answering the phone, assisting callers, responding to urgent emails or faxes, and so on.

The cleaning and maintenance is very important because when we went to Morrisons the store manager told us how a lot of customers do not like it when trolleys and baskets are dirty, so if the cleaning and maintenance is not done they might lose some of their customers.

Health and safety is a major issue in all businesses, some more than others. It is not only the safety of the customers, also the workers have a right to work in a safe environment. If the place of work hasn't passed the trading standards' requirements then they have the right to close it down, if this were to happen to any Morrisons store they would lose a lot of customers that is why Health and Safety a major issue. All Administrative staff have to be trained to do their jobs safely in order to stop accidents from occurring.

Security is also another area which is contracted out to specialist security companies. The security staff checks and record the details of all visitors, issue visitor passes and make sure all that passes have been returned. No matter where you work, you will be expected to cooperate with the security staff over security measures, from wearing an identity card to closing windows at the end of the day.

Support for all the IT functions in Morrisons is very important. In any organisation, computer failure causes serious problems. In a company which uses a networked computer system for the creation, storage and transmission of electronic information, computer failure can be catastrophic. Every moment the computers are down loses business and therefore loses money.

Task 2

Part One

In this part I will talk about how the functional areas of Morrisons work together.

The Finance and Accounts department works a lot with other departments especially with Human Resources. They work a lot with Human Resources because of the remuneration and recruitment of staff. The Human Resources department work out the most reasonable wage for each staff member and the Finance and Accounts department pay them.

The Finance department will let Marketing and Sales know how much they can spend by producing a budget for the year. The Finance department produce documents showing how much has been spent on a particular promotion so its cost effectiveness can be gauged.

The Finance department produces budgets and accounts for the Operations department. The Finance department also deals with any high value purchases made by the Operations department for example new office furniture.

Finance also work with Research and Development. They tell the Research and Development how much they have in their budget and how much the department can spend. The Research and Development team need a lot of money in order to do their research properly, if they don't do their research properly and spend all the money from their budget it would be very costly for Morrisons.

Marketing and Sales have to do a lot of research, they cover most of their own market research but they also need a little help from the Research and Development to do outdoor research for them.

In Morrisons the Marketing department also work with Administration. The Administrative staff deals with the mail so if the Marketing staff needs to send some mail the Admin staff would have to do it for them. The Administrative staff also arranges meetings so if the Marketing staff needs to hold a meeting the Admin staff would have to arrange that aswell.

Marketing also interacts with the Production department, because they need to make sure that the product they are going to produce will satisfy the Morrisons customers' wants and needs. This interaction that the Marketing department have made could have been a crucial one because if they didn't tell Production this information the wrong products may have been produced, which would have been very costly for Morrisons.

Marketing also interacts with the finance department, which allows the business to perform effectively. Finance will need to know information from marketing to make sure the business had sufficient capital in order to finance any materials or equipment for new products etc.

Administration work with all of Morrisons' functional areas because they the Administrative staff are in charge of arranging meetings, all functional areas need to hold meetings this is why it is very essential for the Admin staff to do their job correctly, this includes booking a room, organise refreshments, preparing any paperwork, notifying everybody when and where the meeting will be held, taking notes at the meeting and sending copies of these notes to everyone who was invited to attend.

Admin are also in charge of collecting and distributing mail so if any other functional area would like to send mail the Administrative staff would have to do it for them. This is an important function to carry out because if urgent mail is not received then it could affect the overall outcome of Morrisons.

The Administration department also interact with all functional areas on the health and safety. They train all departments on the basics of health and safety, in order for them to know what to do in case of a real incident. Also making sure it is a secure place will make customers feel more comfortable entering the doors, which will increase the number of customer visits in Morrisons and more profit.

The Administration department is also a very valid member of the Morrisons team because they make sure that all the paperwork is in order and that whatever the other department need they get. I think that without this department none of the other departments would be able to function properly and efficiently like they are now.

Part Two

In this part I will talk about the role of each functional area and how they work to achieve the aims and objectives of Morrisons.

Finance and Accounts role in the business is simple, they calculate all the money that comes in and out of the business. It is important to have a Finance team because they work hard in setting budgets and producing the overall calculation, seeing if they have made profit or not. So Finance and Accounts help in the aim to gain market share because they add up everything to see if they if they are moving up the ladder.

The Human Resources function takes care of everything that has to do with the staff in the business, remuneration, retention and recruitment. One of Morrisons' aims is to make a safe environment to work in, this is exactly what the Human Resources function intend to do.

Customer Service includes all aspects of interaction with a customer and speaks to the organization's image in the mind of a customer. One of Morrisons' main aims is to provide a good customer service and if the Customer Service does their job properly they would achieve this aim.

The role of the Marketing and Sales staff is like putting themselves in the shoes of the customer, knowing what they want and providing it for them. This is important because the one aim for all businesses, including Morrisons is to satisfy customers and producing what they want would definitely please them.

The purpose of Research and Development is to design new products or improving an existing one, they also carry out a lot of surveys to the general public to find out how we would like our products and how should we improve them. Knowing what the customer wants will increase their visits which will add up to more profit which is the main aim for most businesses like Morrisons.

Administrations' role is to only do one thing, to make sure the business is running smoothly. And that is why they are in charge of the clerical, security and cleaning staff, having these functions carried out to help other functional areas to work makes them meet their aim which is to make sure the business is running smoothly.

Productions role in the business is to obtain resources required to produce the goods or provide the service offered by the organisation then to organise these resources so that they are used in the best way to achieve the aims and objectives of the organisation.