

Organisational Functions

Function

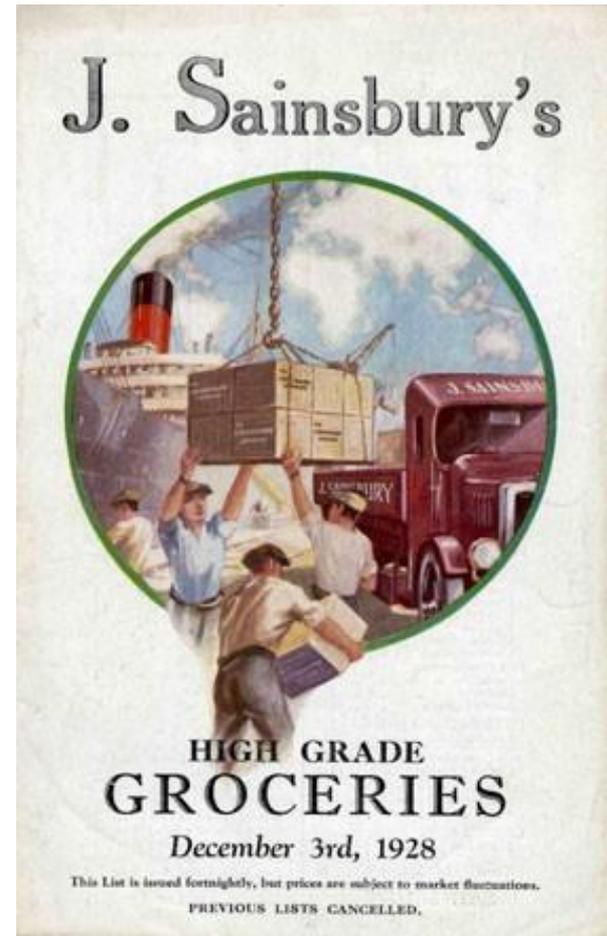
What are functional areas of an organisation?

Overview

- A functional area is an area or department which carries out a particular business function such as marketing or sales.
- All organisations need to pay bills, stock needs to be ordered & customer queries need to be answered.
- All functional departments are as important as each other.

Group Discussion

- What are the main functional areas within a large organisation such as Sainsburys?



Here are the main functions within most organisations



■ *Main functional areas in business*

We will now look at each one
in turn



Administration

- Administration is about supporting the work of an organisation
- It is not the central purpose of the business
- But every business organisation must have someone to carry out these tasks
- Otherwise there would be chaos!
- WHY WOULD THAT BE?

What does Administration do?

- Most businesses rely on administration in order to be 'organised'
- They have a close understanding of the business across all of its functional areas
- They need to know who does what in the firm



Is Administration Important?

- The administrative function is an indirect part of a business
- It is also crucial to what a business does
- Often administrative staff are vital to a firm's activities



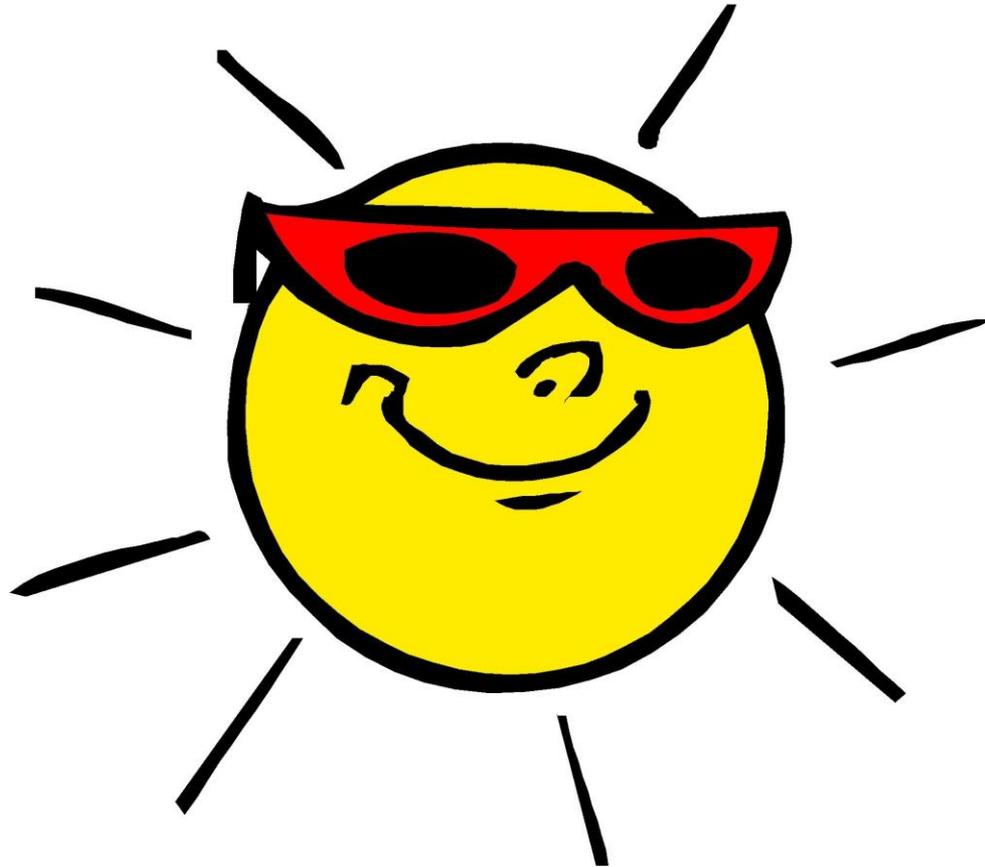
Task 1

- In pairs, think of as many functions of the administrative part of the organisation as you can.
- Feedback in 5 minutes.

Administrative functions

- Collecting, distributing and dispatching the mail
- Storing and retrieving paper and electronic records
- Organising meetings and preparing meetings documents
- Responding promptly to enquiries
- Preparing documents using word processing, spreadsheet and presentation packages, such as PowerPoint
- Researching information
- Sending and receiving messages by telephone, fax and email
- Making arrangements for visitors.
- Making travel arrangements
- Purchasing supplies of office stationery and equipment
- Making arrangements for events, such as interviews or sales conferences

CUSTOMER SERVICE



Customer Service Function

- All businesses must look after the customers or clients who have an enquiry, complaint or concern.
- Today customer expectations are high and if the customer is not happy, then they will take their business elsewhere.
- Therefore, it is vital that an organisation has this function.

Task 2

- In pairs, think of as many functions of the customer service part of the organisation as you can.
- Feedback in 5 minutes.

Functions within the customer service department

- Answering customer enquiries about products and services
- Providing specialist information and advice to meet customer needs
- Solving customer problems
- Providing after-sales service, including replacing damaged goods, arranging for repairs or for spare parts to be obtained and fitted
- Dealing with customer complaints according to company procedures
- Analysing records of customer complaints to resolve problem areas
- Using customer feedback to improve customer service and satisfaction

Customer service

Excellent



Poor



Finance and Accounts



Finance and Accounts

- Cash flow
 - Monitoring income/revenue
 - Monitoring expenditure
- Preparing accounts
- Raising finance
 - Shares
 - Loans
- This department has links with all other functional areas

The Functions of Finance & Accounts

- Producing invoices, checking payments are received and chasing up overdue payments
- Recording money received
- Checking and paying invoices received
- Preparing the payroll and paying staff salaries
- Monitoring departmental budgets to check managers are not overspending
- Issuing regular budget reports to all departmental managers
- Producing cash flow forecasts and regular financial reports for senior managers
- Advising senior managers on sources of finance for capital expenditure.
- Producing the statutory accounts each year



Finance & Accounts

Most organisations consider this as being the most important function within an organisation.

Why do you think that might be?

- This is because all businesses need a regular stream of income to pay bills.
- Finance staff record all the money earned and spent so that senior managers always know how much profit (or loss) is being made by each product or each part of the business and how much money is currently held by the business.
- This enables critical decisions to be made rapidly and accurately because they are based on accurate information.
- In some cases this can mean the success and failure of a business.

Research & Development



Research and Development

- R&D is about improving the products a firm makes or the way it makes them or even creating a new one
- Many large firms have dedicated R&D staff
- But R&D is an expensive activity
- So firms often rely on using the ideas of others

Research and Development

- In some industries, R&D is the main source of future business growth

Examples are:

- Car manufacturers (investing large sums of capital in developing new vehicle models)
- Pharmaceutical companies (reliant on new drug products for future growth)

R&D Functions

Note that the exact activities will depend upon the industry.

- In the pharmaceutical industry, scientists research and develop new medicines and drugs
- In the food industry, technologists work with chefs to prepare new products such as ready meals, sauces or flavourings.
- Electronic and IT companies concentrate on new technology products and software, such as HD televisions, the X-box 360 and iPod accessories
- In the aerospace and car industries, engineers focus on improving performance and safety whilst reducing emissions or noise. Designers concentrate on the shape and look, both internally and externally

Other functions

The other functions of a business are:

- Sales
- Marketing
- Production
- Human Resources (Personnel)
- The ICT function