## What is a Functional Area?

A Functional Area is a 'department' within a business. Each department has its own specialisms and responsibilities, known as their functional activities. Functional Areas will often work together, communicating to ensure the business runs smoothly. Cambridge National in Enterprise & Marketing R064 Learning Outcome 6 Knowledge Organiser

## **Functional Areas / Activities**

Human Resources		Marketing	Operations	
Description The Human Resources Functional Area deals with the business's employees. If you think that this function deals with the PEOPLE, then it should be easy to remember by relating the word HUMAN to PEOPLE within the business.	<ul> <li>Description</li> <li>The Marketing Functional Area is responsible for identifying what customers wants and needs are.</li> <li>This Functional Area is then responsible for developing products that meet these wants and needs.</li> </ul>		Description Sometimes referred to as the 'Production Department', this Functional Area is responsible for the process that turns inputs (raw materials) into outputs (finish goods) that can be sold to customers.	
Main Activities/Responsibilities	Main Activities/Responsibilities		Main Activities/Responsibilities	
<ul> <li>Recruiting employees</li> <li>Ensuring the right number of people are working within the business (no shortages, not too many employees)</li> <li>Training employees</li> <li>Performance management (giving employees targets and checking on how well they're working)</li> <li>Health and Safety within the workplace</li> <li>Ensuring the business keeps to all laws relating to employees</li> </ul>	<ul> <li>Carrying out Market Research</li> <li>Finding out customers' opinions</li> <li>Gathering feedback from customers</li> <li>Developing a marketing mix for the products the business offers.</li> <li>The Marketing Mix involves the 4 P's PRODUCT, PRICE, PLACE and PROMOTION. The marketing function focus on getting this mix right so the product has more chance of success.</li> </ul>		<ul> <li>Planning how products will be manufactured</li> <li>Producing the product or service</li> <li>Quality control</li> <li>Stock control</li> <li>Ordering stock</li> <li>Logistics (delivery of stock / finish products)</li> </ul>	
<ul> <li>What is the difference between function activities in a small start-up business and a large company?</li> <li>In a small business start-up, all of the above functional activities are likely to be carried out by the same person (if it's a sole trader business) or a handful of people (in a partnership). There won't be dedicated teams of people to do all of the different activities required.</li> </ul>		Summary of some main activiti Checking Quality of Products Organising delivery of parts	es Operations Operations	Manufacturing P Advertising P
In larger firms, Functional Areas will have big teams of people all working together on specific tasks within the same department. The departments will still communicate with one another, but there is less likely to be shared responsibilities.		Carrying out Market Research Health and Safety	Marketing Human Resources	Paying employees Posting adverts f

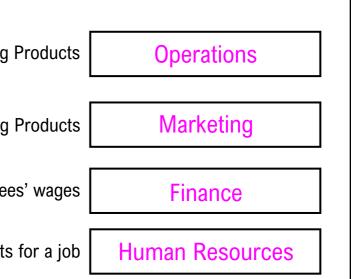
## Finance

## Description...

This Functional Area is responsible for everything to do with money in the business. They also organise the financial performance eports on an annual basis.

Aain Activities/Responsibilities...

- Budgets
- Organising resources
- Ordering
- Preparing financial statements which will be submitted to HMRC (HMRC is the Government department that deals with tax).
- Reporting on financial performance; if it's a company, these reports will be available for all to see.



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