

Functions of Business:

Functions refer to series of activities or tasks performed by the business to achieve pre-determined objectives. For the smooth conduct of business activities, there is a need to perform certain important functions.

Following are some important functions of business: -

Functions of Business

- Purchase and store keeping
- Production
- Marketing
- Finance
- Personnel
- Research and Development
- Public Relations
- Sales Function

Purchase and store keeping :

It includes the buying of raw materials, components, spare parts, movable and immovable, assets relating to the functioning of the business activity and all other items required for operating the business.

Care must be taken to maintain proper inventory of materials. Over stocking of material block the working capital on the other hand, under-stocking blocks the production cycle. Further, there must be a proper stock of finished goods to distribute them as per the delivery schedules.

Production :

Production means conversion of raw material in to semi-finished or finished product. The production department deals with activities like design of the operations system (product design, process design, and location of facilities, facilities layout and capacity planning) and operation and control decisions (routing, loading, scheduling, dispatching and expediting).

Marketing Function :

It deals with creating and maintaining demand for goods and services produced by the production department. Marketing is the process of identifying the goods and services that customer needs and providing the same at the right price, place and time.

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Finance Function :

This function deals with obtaining and effectively utilising funds necessary for efficient Operations. It ensures that right amount of finance, at right cost and at right time is available for carrying out business Operations. It also deals with investment of funds in long-term assets and short-term assets to ensure smooth business functioning.

Finance is known as the life blood of the business organization. No business, small or large can operate their business activities without finance.

Personnel Function :

Personnel function covers areas like recruitment and selection, training, promotion and transfer, labour welfare, etc. This function deals with effective utilisation of human resource. It aims at selecting right persons at the right place i.e. jobs and motivating them to work through teamwork and cooperate to achieve organizational goal. They must do the work with commitment and loyalty.

Research and Development :

Research and Development plays an important role in product development. It helps to bring out product modifications and product innovations. Business firms need to spend a good amount of time on research and development activities. Many professional business firms set up a separate department for research and development activities to make change in the business as per the requirement.

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Public Relations :

There is a need to maintain good public relations with the various sections of the public. Therefore, it makes a good sense to maintain separate department to look after public relations, especially in the case of large firms. It handles public queries, media queries, interviews, complaints etc.

It develops the good public relation and bring positive image in the minds of the customer about the business, firm.

Sales Function :

The Sales department works in close co-ordination with the marketing department. The sales department is concerned with the Selling activities of the firm. It books orders from the customers and then distributes the goods through the distribution channels. This is one of the most important functions of business, through which satisfied the consumers' needs and wants.