**London School of Science and Technology**

Module: (MG08) The Graduate challenge

CW1

**Business report- importance of business functions.**

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# **Executive Summary**

This report summarizes the critical roles of four key business functional units, namely: marketing/sales, finance, operations/production, and human resources based on Amazon Inc. Marketing has been highlighted as facilitating the presentation of goods/services to meet customer needs, finance as determining the financial wellbeing of a business, operations as turning inputs to valuable outputs to gain profits, and human resources providing and managing the workforce needed for all other functions. With such codependency in roles, each unit is expected to work in unison to facilitate overall company goals and objectives. Conclusively, it was realized that with good communication and role distinction, there could be successful cooperation and collaborations to enable seamless functionality as one company.

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Importance of Business Functions

# **Introduction**

Using Amazon Company as an example, this report will attempt to elucidate the necessity of business operations beings separated into distinct functional units with a unique contribution to its overall performance. Amazon is arguably the world's most valuable brand, with about 50 percent of the e-commerce market share and a vast market across the globe (Amazon.com., 2021). The company has an upward trend in online buyers, with net sales of $386 billion in 2020, a 38% growth from the previous year (Amazon.com., 2021).

# **Findings**

Marketing is perhaps the most crucial department at Amazon since it is primarily dependent on its online platform to drive sales (Weise, 2019). Bright et al. (2019) defines marketing/sales as all the company's efforts to pinpoint and design products that meet customer needs. Marketing functions involve promoting products, delivering them to customers, and determining appropriate pricing to meet profit margins (Weise, 2019). In the current technology-driven world, marketing also involves developing and controlling a business's Internet presence, where Amazon is leading (Weise, 2019).

The finance department is a fundamental functional unit that involves budgeting, acquiring, and managing enterprise monies. With profit being the primary driver for any business, finance plays an essential role in setting short- and long-term goals that shape the company's financial wellbeing (Bright et al., 2019). Accounting is an essential part of finance since it enables informed decision-making regarding the allocation and management of available resources.

Notably, operations/production focuses on designing and producing goods and services that meet customer needs. Bright et al. (2019) describe operations/production as the functional unit of a business that involves converting inputs among other production factors to more valuable outputs in the form of goods and services. It also controls the supply chain by including procurement and logistics (Bright et al., 2019). As part of the operations/production functions, research and development (R&D) are essential for innovation and developmental investigation (Tou et al., 2019) to optimize production processes.

Another critical functional unit of a business is human resources (HR), where people are managed. Bright et al. (2019) outline the roles of HR as recruitment and training of employees with the incorporation of wages and employee wellbeing management. HR is expected to find and hire new talent necessary for all other departments' functionality (Bright et al., 2019). They also train them to ensure they acclimate well within the work environment.

Various functional units with key roles must work in unison to ensure maximum business benefits. Aiuniv (2021) claims that effective collaboration and cooperation between different functional units within a company promotes a higher chance of success. All of them are expected to combine efforts to accomplish organizational goals and objectives.

**Conclusion and Recommendations**

Each business functional unit has fundamental importance to the overall business. It is essential to bolster communication and practice transparency between functional units to boost collaboration and cooperation (Bright et al., 2019). There should also be a clarification of departmental roles to ensure efficiency and define the scope of collaboration (Aiuniv, 2021)). Conclusively, with proper management, business functions can seamlessly work together to benefit a company, especially a large one like Amazon and Apple.

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