

Human resources

1	Key idea	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.
2	Activities	<ul style="list-style-type: none"> - Recruiting employees • Ensuring the right number of people are working within the business (no shortages, not too many employees) • Training employees • Performance management (giving employees targets and checking on how well they're working) • Health and Safety within the workplace • Ensuring the business keeps to all laws relating to employment and employees
3	Key idea	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.
4	Key idea	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.

Marketing

1	Key idea	The Marketing Functional Area is responsible for identifying what customers wants and needs are. This Functional Area is then responsible for developing products that meet these wants and needs.
2	Activities	<ul style="list-style-type: none"> - Carrying out Market Research • Finding out customers' opinions • Gathering feedback from customers • Developing a marketing mix for the products the business offers focusing on PRICE, PRODUCT, PLACE and PROMOTION

Operations

1	Key idea	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.
2	Activities	<ul style="list-style-type: none"> - Planning how products will be manufactured • Producing the product or service • Quality control • Stock control • Ordering stock • Logistics (delivery of stock / finish products)

Finance

1	Key idea	This Functional Area is responsible for everything to do with money in the business. They also organise the financial performance reports on an annual basis.
2	Activities	<ul style="list-style-type: none"> - Budgets • Organising resources • Ordering • Preparing financial statements • Reporting on financial performance

Key Vocabulary

1	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.
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