

A1 Purpose and functions of organisations

Kingsway

What is organisation?

An organization is a collections of individuals collaborating towards specific objectives.

It serves as a social framework encompassing all official human interactions.

The purpose of an organization involves coordinating tasks and allocating responsibilities among staff members to fulfill the ultimate goals of the company.

It is recognized as the second most crucial managerial role, as it entails orchestrating the efforts and resources of employees.

In doing so, it merges these elements to accomplish the company's desired outcomes.

Functions of an Organisation

To define the individual's role: An employee in an organisation must understand their function, position, and relationships with other employees in their department. Thus, all the people participating in the business can identify themselves. One might learn about their responsibilities by looking at the organisation. They understand how their position affects the rest of the company.

Assigning accountability: The performance of an employee is influenced by the organizational structure they operate within. When responsibility is not properly determined or absent, it can lead to irresponsible functions, behaviors, and attitudes.

Authority determination: The assignment of a certain position implies the delegation of authority necessary for performance. Defining authority, or the rights and powers of persons in various roles, allows employees to fulfil their assigned responsibilities.

Coordination: The design of managerial operations is based on the division of labour. Thus, coordinating the activity of multiple individuals or departments is necessary.

Specialization: Specialization refers to the practice of assigning specific tasks to qualified individuals. An organization plays a vital role in promoting specialization. By having professionals focus on different aspects of a task and combining their efforts to attain the desired end product, the company can achieve efficient and seamless operations.

Effective use of human resources: Companies should optimize their human resources to enhance the economy and achieve their objectives. The purpose of an organization is to eliminate obstacles and minimize work disruptions, enabling a smooth flow of performance.

Effective operation: All of the aforementioned factors have an impact on the functioning of a business. Therefore, the role of an organization is to promote the swift, seamless, and efficient operation of the company.

Role of Management in an organization?

Decision-making: The major task of manager is to identify the actions to be done, allocate responsibilities, and coordinate the many levels of operation while making decisions.

Planning: Managers are assigned to find the correct course of action to achieve the company's goals/objectives. They communicate with various divisions within the organisation to create the best strategy for running the organizations.

Staffing: Another function of management is to find new talent to hire. Recruitment, performance, appraisal, promotions, and transferring personnel to the appropriate departments are all aspects of staffing.

Directing: Managers are responsible for supervising, motivating, leading, and communicating with their workforce.

Controlling: Managers must be able to control over their departmental members and processes to guarantee that organisational goals are achieved.

Service Oriented Organizations.

An organization that provides a service is to fulfill the needs and demands of customers by offering intangible assistance, expertise, or solutions. These organizations focus on delivering value through their knowledge, skills, and capabilities, often involving activities such as consulting, healthcare, education, or hospitality.

Product Oriented Organization

An organization that provide a product aim to meet customer needs by offering tangible items or goods. Their intention is to create, produce, and distribute physical products that meets consumer demands. These organizations typically participate in manufacturing, retail, technology, or consumer goods sectors.

Difference Service vs Product

Service-oriented organizations provide intangible benefits through their expertise, guidance, or assistance.	Product-oriented organizations deliver tangible goods that can be touched, used, or consumed.
Services are often consumed immediately as they are delivered.	Products can be stored, used at a later time, or experienced repeatedly.
Service providers often rely heavily on human resources, expertise, and customer relationships.	Product-based organizations focus on manufacturing, supply chains, and product development.

Note: The purpose of both types of organizations is to meet customer needs and create value, but they do so through different means and approaches based on the nature of the service or product they provide.

Infrastructure requirements driven by the priorities of an organisation.

Specific needs and investments in physical, technological, and organizational infrastructure necessary to support the organization's strategic goals and objectives.

Physical Infrastructure: It refers to physical attributes required to operate an organization for eg: buildings, equipment, and other physical assets required to operate the organization effectively. For example, a manufacturing company may need a production facility, machinery, and warehouses to support its operations.

Technological Infrastructure: This can be termed as hardware, software, networks, and other technological resources required to enable efficient communication, data management, and information systems within the organization. It may include investments in computers, servers, software applications, network infrastructure, and cybersecurity.

Organizational Infrastructure: This can be defined as the organizational structures, processes, and systems necessary to support the organization's operations and facilitate effective decision-making. It contains aspects such as governance structures, reporting relationships, workflow processes, and policies and procedures.

The priorities of an organization drive the identification and allocation of resources towards these infrastructure requirements.

The specific priorities can vary depending on the nature of the organization and its strategic objectives. For example, an organization focused on digital innovation may prioritize investments in cutting-edge technology infrastructure, while a healthcare organization may prioritize investments in medical equipment and facilities.

By aligning infrastructure investments with organizational priorities, the organization can ensure that it has the necessary resources and capabilities to support its core activities, enhance productivity, enable growth, and ultimately achieve its strategic goals.

Identification and definition of features and characteristics of products

Manufacturing of products refers to the process of transforming raw materials, components, or parts into finished goods through various production activities.

It involves a series of steps that typically include designing, planning, sourcing materials, assembling, testing, and packaging the products.

The manufacturing process may vary depending on the type of product being produced and the industry in which it operates.

Common manufacturing steps

Design: This involves creating the specifications and plans for the product, including its features, functionality, and appearance.

Sourcing and Procurement: Acquiring the necessary raw materials, components, or parts from suppliers to be used in the production process.

Production Planning: Developing a detailed schedule and plan for manufacturing operations, including the allocation of resources, equipment, and labor.

Assembly: The process of combining the different components or parts of the product to create the final finished goods. This can involve manual assembly or the use of automated machinery.

Quality Control and Testing: Conducting inspections and tests to ensure that the products meet specified quality standards and performance criteria.

Packaging: Packaging the finished products in suitable containers or packaging materials to protect them during storage, transportation, and display.

Distribution: Organizing the logistics and transportation of the manufactured products to the customers or retail outlets.

The manufacturing process aims to create products that meet customer requirements, provide value, and are produced efficiently and cost-effectively. It involves the application of various manufacturing techniques, technologies, and management practices to optimize productivity, quality, and profitability.

Delivering Services

Delivering services means the process of providing intangible assistance, expertise, or solutions to customers or clients to fulfill their specific needs/requirements. Unlike tangible products, services are non-physical and typically involve the application of knowledge, skills, or resources to address a particular problem or deliver a desired results.

Key Components

Understanding Needs: Service providers must first understand the needs, preferences, and expectations of their customers to ensure the services delivered align with their requirements.

Service Design: This involves developing a clear plan and framework for delivering the services, including defining service offerings, determining service levels or standards, and establishing processes and protocols.

Service Implementation: The actual implementation and provision of the services to customers, which may include performing specific tasks, offering advice or consultation, or executing complex projects..

Customer Service: Service delivery often involves direct interaction with customers or clients, whether it's through face-to-face communication, phone conversations, online platforms, or other channels. Building strong customer relationships and ensuring effective communication is essential in delivering services.

Service QA: Monitoring and make sure the quality of service delivery, including adherence to standards, timely execution, and addressing any customer concerns or feedback.

Service Evaluation and Improvement: Regularly evaluating the effectiveness and efficiency of service delivery, gathering customer feedback, and making necessary improvements or adjustments to enhance the overall service experience.

Supply Chain Management

Supply chain management (SCM) refers to the coordination and surveillance of the flow of goods, information, and resources from the point of origin to the point of consumption. It involves the planning, execution, and control of various activities involved in the production, sourcing, procurement, logistics, and distribution of products or services.

The primary objectives of SCM are to optimize the overall efficiency and effectiveness of the supply chain, enhance customer satisfaction, and achieve cost savings.

Effective supply chain management requires close coordination and collaboration among various stakeholders, including suppliers, manufacturers, distributors, retailers, and customers. It aims to minimize disruptions, reduce costs, optimize inventory levels, improve speed and responsiveness, and enhance overall supply chain performance.

Components of SCM

Planning and Forecasting: This involves strategic planning, demand forecasting, and inventory management to ensure the right quantity of products is available at the right time and place.

Sourcing and Procurement: Identifying and selecting suppliers, negotiating contracts, managing relationships, and procuring the necessary raw materials, components, or finished goods.

Production and Operations: Managing the manufacturing or service operations, including scheduling, capacity planning, quality control, and process optimization.

Logistics and Transportation: Managing the movement of goods and materials across the supply chain, including transportation, warehousing, inventory management, and order fulfillment.

Distribution and Customer Service: Make sure of timely delivery of products to customers/retail outlets, managing customer investigation, returns, and after-sales support.

Information Systems and Technology: Making better use of technology, software systems, and data analytics to enable real-time visibility, collaboration, and decision-making across the supply chain.

Marketing

Marketing and sales refer to the strategies, activities, and processes involved in promoting and selling their IT products, services, or solutions to customers.

Marketing Key points

Market Research: Conducting research to understand the target market, customer needs, industry trends, and competitive landscape.

Branding and Positioning: Developing a strong brand identity and positioning in the market to differentiate from competitors and establish credibility.

Product/Service Development: Identifying customer requirements and working with the development team to create IT products, services, or solutions that meet market needs.

Marketing Communications: Developing and executing marketing campaigns, including online and offline channels, to raise awareness, generate leads, and promote the company's IT offerings.

Digital Marketing: Utilizing various digital channels, such as website, social media, content marketing, search engine optimization (SEO), and paid advertising, to reach and engage with the target audience.

Thought Leadership: Establishing the company as a thought leader in the IT industry through content creation, industry insights, whitepapers, webinars, or participation in industry events.

Customer Relationship Management (CRM): Implementing CRM systems to manage customer data, track marketing campaigns, and nurture customer relationships.

Sales

Lead Generation: Identifying and generating leads through various channels, such as marketing campaigns, referrals, networking, and partnerships.

Sales Process: Establishing a structured sales process, including lead qualification, needs assessment, solution presentation, negotiation, and closing.

Sales Team Management: Building and managing a sales team, including hiring, training, setting targets, and providing ongoing support and guidance.

Relationship Building: Cultivating strong relationships with potential customers, understanding their pain points, and providing tailored IT solutions to address their specific needs.

Proposal and Contract Management: Preparing proposals, quotes, and contracts for potential customers and negotiating terms and agreements.

Customer Retention: Focusing on post-sales activities to ensure customer satisfaction, promote upselling or cross-selling opportunities, and encourage long-term customer loyalty.

Marketing and sales in an IT company work hand in hand to attract prospective customers, educate them about the company's IT offerings, build trust and credibility, and convert leads into paying customers. The aim is to generate revenue, achieve sales targets, and foster long-term customer relationships in the highly competitive IT industry.